



R.M. of Mervin No. 499

SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

To the Council of
Rural Municipality of Mervin No. 499
Turtleford, Saskatchewan
Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Mervin No. 499, which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Mervin No. 499 as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of Mervin No. 499 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of Mervin No. 499's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

North Battleford, Saskatchewan
April 2, 2019

Municipality of Mervin No. 499
Schedule of Council Remuneration
For the year ended December 31, 2018

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Councillor	Tom Brown	8,159	4,079	12,238
Councillor	Georgina Pilling	4,729	2,365	7,094
Councillor	Lyle McKee	4,344	2,172	6,516
Councillor	Gordon Spencer	4,763	2,381	7,144
Councillor	Evelyn Bloom	5,405	2,702	8,107
Councillor	Ron Gramlich	811	405	1,216
Councillor	Charles Bodnar	4,348	2,174	6,522
Councillor	Victor Ham	5,080	2,540	7,620
Total		37,639	18,818	56,457

Municipality of Mervin No. 499

Consolidated Statement of Financial Position

As at December 31, 2018

Statement 1

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	9,573,694	9,824,542
Taxes Receivable - Municipal (Note 3)	431,091	442,978
Other Accounts Receivable (Note 4)	284,628	188,017
Land for Resale (Note 5)	43,819	18,345
Long-Term Investments (Note 6)	129,583	123,159
Debt Charges Recoverable		
Other		
Total Financial Assets	10,462,815	10,597,041

LIABILITIES

Bank Indebtedness		
Accounts Payable	305,038	492,771
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs (Note 7)		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 8)		
Lease Obligations		
Total Liabilities	305,038	492,771

NET FINANCIAL ASSETS (DEBT)

10,157,777 10,104,270

NON-FINANCIAL ASSETS

Tangible Capital Assets (Schedule 6, 7)	23,390,854	21,446,087
Prepayments and Deferred Charges		
Stock and Supplies	994,099	376,982
Other		
Total Non-Financial Assets	24,384,953	21,823,069

ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)

34,542,730 31,927,339

Municipality of Mervin No. 499
 Consolidated Statement of Operations
 For the year ended December 31, 2018

Statement 2

	2018 Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	5,618,000	5,473,587	5,287,141
Fees and Charges (Schedule 4, 5)	991,300	2,140,142	1,624,660
Conditional Grants (Schedule 4, 5)	3,000	13,244	20,633
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(94,362)	(108,528)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	53,000	77,868	64,664
Other Revenues (Schedule 4, 5)	595,500	624,492	606,330
Total Revenues	7,260,800	8,234,971	7,494,900
EXPENSES			
General Government Services (Schedule 3)	972,843	834,706	852,909
Protective Services (Schedule 3)	237,350	155,094	150,212
Transportation Services (Schedule 3)	4,389,469	3,522,676	3,369,329
Environmental and Public Health Services (Schedule 3)	869,303	763,565	724,994
Planning and Development Services (Schedule 3)	175,750	156,178	220,277
Recreation and Cultural Services (Schedule 3)	307,030	108,521	121,212
Utility Services (Schedule 3)	102,500	155,462	111,464
Total Expenses	7,054,245	5,696,202	5,550,397
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	206,555	2,538,769	1,944,503
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	75,000	76,622	74,419
Surplus (Deficit) of Revenues over Expenses	281,555	2,615,391	2,018,922
Accumulated Surplus (Deficit), Beginning of Year	31,927,339	31,927,339	29,908,417
Accumulated Surplus (Deficit), End of Year	32,208,894	34,542,730	31,927,339

Municipality of Mervin No. 499
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2018

Statement 3

	2018 Budget	2018	2017
Surplus (Deficit)	281,555	2,615,391	2,018,922
(Acquisition) of tangible capital assets		(3,424,522)	(2,480,041)
Amortization of tangible capital assets		1,215,393	1,190,582
Proceeds on disposal of tangible capital assets		170,000	128,700
Loss (gain) on the disposal of tangible capital assets		94,362	108,528
Surplus (Deficit) of capital expenses over expenditures		(1,944,767)	(1,052,231)
(Acquisition) of supplies inventories		(617,117)	133,420
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(617,117)	133,420
Increase/Decrease in Net Financial Assets	281,555	53,507	1,100,111
Net Financial Assets (Debt) - Beginning of Year	10,104,270	10,104,270	9,004,159
Net Financial Assets (Debt) - End of Year	10,385,825	10,157,777	10,104,270

Municipality of Mervin No. 499
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2018

Statement 4

	2018	2017
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	2,615,391	2,018,922
Amortization	1,215,393	1,190,582
Loss (gain) on disposal of tangible capital assets	94,362	108,528
	3,925,146	3,318,032
Change in assets/liabilities		
Taxes Receivable - Municipal	11,887	(73,286)
Other Receivables	(96,611)	41,286
Land for Resale	(25,474)	
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(187,733)	(160,028)
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	(617,117)	133,420
Prepayments and Deferred Charges		
Other (Specify)		
Cash provided by operating transactions	3,010,098	3,259,424
Capital:		
Acquisition of capital assets	(3,424,522)	(2,480,041)
Proceeds from the disposal of capital assets	170,000	128,700
Other capital		
Cash applied to capital transactions	(3,254,522)	(2,351,341)
Investing:		
Long-term investments	(6,424)	(2,550)
Other investments		
Cash provided by (applied to) investing transactions	(6,424)	(2,550)
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	(250,848)	905,533
Cash and Temporary Investments - Beginning of Year	9,824,542	8,919,009
Cash and Temporary Investments - End of Year	9,573,694	9,824,542