

Rural Municipality of Mervin No. 499
Consolidated Statement of Operations
For the year ended December 31, 2022

	2022 Budget	2022	Statement 2 2021
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	6,461,358	6,421,902	5,992,714
Fees and Charges (Schedule 4, 5)	613,200	866,142	781,632
Conditional Grants (Schedule 4, 5)	3,500	16,295	20,824
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	140,000	(160,245)	136,250
Land Sales - Loss (Schedule 4, 5)	(12,414)	(20,503)	(12,685)
Investment Income and Commissions (Schedule 4, 5)	102,607	217,351	184,824
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	188,500	323,934	254,796
Total Revenues	7,496,751	7,664,876	7,358,355

EXPENSES			
General Government Services (Schedule 3)	1,098,773	1,139,730	995,800
Protective Services (Schedule 3)	354,250	367,648	197,897
Transportation Services (Schedule 3)	4,796,060	3,813,976	4,015,812
Environmental and Public Health Services (Schedule 3)	562,630	436,260	406,988
Planning and Development Services (Schedule 3)	291,150	294,957	280,710
Recreation and Cultural Services (Schedule 3)	314,642	83,091	87,663
Utility Services (Schedule 3)	94,878	120,504	149,790
Restructurings (Schedule 3)			
Total Expenses	7,512,383	6,256,166	6,134,660

Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(15,632)	1,408,710	1,223,695
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	80,000	55,750	168,797
Surplus (Deficit) of Revenues over Expenses	64,368	1,464,460	1,392,492
Accumulated Surplus (Deficit), Beginning of Year	39,696,667	39,696,667	38,304,175
Accumulated Surplus (Deficit), End of Year	39,761,035	41,161,127	39,696,667

Rural Municipality of Mervin No. 499
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2022

	2022 Budget	2022	Statement 3 2021
Surplus (Deficit)	64,368	1,464,460	1,392,492
(Acquisition) of tangible capital assets		(2,352,008)	(3,115,240)
Amortization of tangible capital assets		1,445,432	1,400,030
Proceeds on disposal of tangible capital assets		234,100	250,000
Loss (gain) on the disposal of tangible capital assets		160,245	(136,250)
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(512,231)	(1,601,460)
(Acquisition) of supplies inventories		(435,310)	
(Acquisition) of prepaid expense			
Consumption of supplies inventory			197,732
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(435,310)	197,732
Increase/Decrease in Net Financial Assets	64,368	516,919	(11,236)
Net Financial Assets (Debt) - Beginning of Year	12,397,189	12,397,189	12,408,425
Net Financial Assets (Debt) - End of Year	12,461,557	12,914,108	12,397,189

Rural Municipality of Mervin No. 499
Consolidated Statement of Cash Flow
For the year ended December 31, 2022

	2022	Statement 4 2021
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	1,464,460	1,392,492
Amortization	1,445,432	1,400,030
Loss (gain) on disposal of tangible capital assets	160,245	(136,250)
	3,070,137	2,656,272
Change in assets/liabilities		
Taxes Receivable - Municipal	(27,967)	103,918
Other Receivables	(68,929)	13,858
Assets Held for Sale	10,123	(18,265)
Other Financial Assets		
Accounts and Accrued Liabilities Payable	40,401	(313,421)
Deposits	54,682	55,000
Deferred Revenue	(2,260)	
Accrued Landfill Costs	53,566	51,505
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	(435,310)	197,732
Prepayments and Deferred Charges		
Other (<i>Specify</i>)		
Cash provided by operating transactions	2,694,443	2,746,599
Capital:		
Cash used to acquire tangible capital assets	(2,352,008)	(3,115,240)
Proceeds on sale of tangible capital assets	234,100	250,000
Other capital		
Cash applied to capital transactions	(2,117,908)	(2,865,240)
Investing:		
Proceeds on disposal of investments	(36,363)	(12,834)
Acquisition in investment		
Cash provided by (applied to) investing transactions	(36,363)	(12,834)
Financing:		
Debt charges recovered		
Proceeds from debt issues		
Debt repayment		
Other financing (please specify)		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	540,172	(131,475)
Cash and Temporary Investments - Beginning of Year	12,292,532	12,424,007
Cash and Temporary Investments - End of Year	12,832,704	12,292,532



Reeve and Council
Rural Municipality of Mervin No. 499
Turtleford, Saskatchewan

Qualified 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, 2022, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality has interests in the Turtleford and District Fire Association, St. Walburg and District Fire Association and Town of Turtleford/R.M. of Mervin Dr. House which are government partnerships. The municipality has not recorded in its financial statements these interests using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards for fiscal 2022 and 2021. The effect on the financial statements has not been determined. The municipality controls Sunset View Public Utility Board, Crystal Bay Sunset Public Utility Board and Clover Lake Public Utility Board. The municipality has not consolidated in its financial statements these interests, which constitutes a departure from Canadian Public Sector Accounting Standards for fiscal 2022 and 2021. The effect on the financial statements has not been determined.

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 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 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.

Rural Municipality of Mervin No. 499
Schedule of Council Remuneration
For the year ended December 31, 2022

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Gerry Ritz	15,454	7,321	22,775
Councillor	Jim Range	5,153	1,121	6,274
Councillor	John Vinek	450	490	940
Councillor	Gordon Spencer	6,336	917	7,253
Councillor	Ken Hergott	732	448	1,180
Councillor	Dave Krywehuk	9,217	3,403	12,620
Councillor	Victor Hamm	6,672	2,217	8,889
Councillor	Ron Gramlich	8,517	4,310	12,827
Councillor	Lyle McKee	5,468	451	5,919
Total		57,999	20,678	78,677

INDEPENDENT AUDITORS' REPORT

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

Auditors' Responsibilities for the Audit of the 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 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 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.

North Battleford, Saskatchewan
June 13, 2023

Vantage
Chartered Professional Accountants

Schedule 10

R.M. of Mervin No. 499
SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Rural Municipality of Mervin No. 499
Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	12,832,704	12,292,532
Taxes Receivable - Municipal (Note 3)	420,195	392,228
Other Accounts Receivable (Note 4)	174,818	105,889
Assets Held for Sale (Note 5)	45,257	55,380
Long-Term Investments (Note 6)	204,856	168,493
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	13,677,830	13,014,522

LIABILITIES		
Bank Indebtedness (Note 7)		
Accounts Payable	451,584	411,183
Accrued Liabilities Payable		
Deposits	109,682	55,000
Deferred Revenue	240	2,500
Accrued Landfill Costs (Note 8)	202,216	148,650
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	763,722	617,333

NET FINANCIAL ASSETS (DEBT)	12,914,108	12,397,189
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NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	26,999,411	26,487,180
Prepayments and Deferred Charges		
Stock and Supplies	1,247,608	812,298
Other		
Total Non-Financial Assets	28,247,019	27,299,478

ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	41,161,127	39,696,667
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