
RURAL MUNICIPALITY OF MERVIN NO. 499

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

CAMERON ODISHAW LA COCK
CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility


To the Ratepayers of the Rural Municipality of Mervin No. 499

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

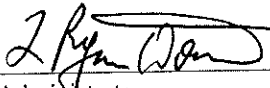
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The council is composed of elected officials who are not employees of the municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The council is also responsible for recommending the appointment of the municipality's external auditors.

Cameron Odishaw La Cock, an independent firm of Chartered Professional Accountants, is appointed by the council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and administration to discuss their audit findings.



Reeve



Administrator

INDEPENDENT AUDITORS' REPORT

The Council
Rural Municipality of Mervin No. 499
Turtleford, Saskatchewan

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, 2014, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Mervin No. 499 as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

North Battleford, Saskatchewan
May 5, 2015

Rural Municipality of Mervin No. 499
 Consolidated Statement of Financial Position
 As at December 31, 2014

Statement 1

	2014	2013
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	6,927,070	4,246,606
Taxes Receivable - Municipal (Note 3)	278,275	244,506
Other Accounts Receivable (Note 4)	304,804	994,719
Land for Resale (Note 5)	42,013	41,839
Long-Term Investments (Note 6)	118,163	111,880
Other (Specify)		
Total Financial Assets	7,670,325	5,639,550
LIABILITIES		
Bank Indebtedness (Note 7)		
Accounts Payable	256,778	222,545
Accrued Liabilities Payable		
Deposits		
Deferred Revenue (Note 8)		
Accrued Landfill Costs (Note 9)		
Other Liabilities		
Long-Term Debt (Note 10)		
Lease Obligations (Note 11)		
Total Liabilities	256,778	222,545
NET FINANCIAL ASSETS	7,413,547	5,417,005
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	19,520,156	19,633,042
Prepayments and Deferred Charges		
Stock and Supplies	322,580	668,722
Other (Note 12)	20	20
Total Non-Financial Assets	19,842,756	20,301,784
Accumulated Surplus (Deficit) (Schedule 8)	27,256,303	25,718,789

Rural Municipality of Mervin No. 499
 Consolidated Statement of Operations
 For the year ended December 31, 2014

Statement 2

	2014 Budget	2014	2013
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	4,892,000	5,007,091	4,673,247
Fees and Charges (Schedule 4, 5)	418,000	746,696	407,461
Conditional Grants (Schedule 4, 5)	1,500	10,221	7,947
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	20,000	3,098	(83,929)
Land Sales - Gain (Schedule 4, 5)	1,500	1,743	1,500
Investment Income and Commissions (Schedule 4, 5)	41,000	74,245	44,323
Other Revenues (Schedule 4, 5)	717,000	729,885	549,314
Total Revenues	6,091,000	6,572,979	5,599,863
Expenses			
General Government Services (Schedule 3)	828,282	790,052	743,997
Protective Services (Schedule 3)	161,900	142,410	146,180
Transportation Services (Schedule 3)	3,306,600	3,215,413	2,780,616
Environmental and Public Health Services (Schedule 3)	597,700	643,028	557,734
Planning and Development Services (Schedule 3)	122,250	124,828	131,573
Recreation and Cultural Services (Schedule 3)	75,000	55,798	72,359
Utility Services (Schedule 3)	141,000	137,609	138,067
Total Expenses	5,232,732	5,109,138	4,570,526
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	858,268	1,463,841	1,029,337
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	74,000	73,673	820,428
Surplus (Deficit) of Revenues over Expenses	932,268	1,537,514	1,849,765
Accumulated Surplus (Deficit), Beginning of Year	25,718,789	25,718,789	23,869,024
Accumulated Surplus (Deficit), End of Year	26,651,057	27,256,303	25,718,789

Rural Municipality of Mervin No. 499
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2014

Statement 3

	2014 Budget	2014	2013
Surplus (Deficit)	932,268	1,537,514	1,849,765
(Acquisition) of tangible capital assets		(1,048,009)	(3,313,912)
Amortization of tangible capital assets		1,132,596	1,117,066
Proceeds on disposal of tangible capital assets		31,397	128,568
Loss (gain) on the disposal of tangible capital assets		(3,098)	83,929
Surplus (Deficit) of capital expenses over expenditures		112,886	(1,984,349)
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventory		346,142	8,657
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		346,142	8,657
Increase/Decrease in Net Financial Assets	932,268	1,996,542	(125,927)
Net Financial Assets - Beginning of Year	5,417,005	5,417,005	5,542,932
Net Financial Assets - End of Year	6,349,273	7,413,547	5,417,005

Rural Municipality of Mervin No. 499
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2014

Statement 4

	2014	2013
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	1,537,514	1,849,765
Amortization	1,132,596	1,117,066
Loss (gain) on disposal of tangible capital assets	(3,098)	83,929
	<u>2,667,012</u>	<u>3,050,760</u>
Change in assets/liabilities		
Taxes receivable - municipal	(33,769)	(37,382)
Other receivables	689,915	(816,310)
Land for resale	(174)	(27,365)
Other financial assets		
Accounts and accrued liabilities payable	34,233	36,372
Deposits		
Deferred revenue		
Accrued landfill costs		
Other liabilities		
Stock and supplies for use	346,142	8,657
Prepayments and deferred charges		
Other (specify)		
Net cash from (used for) operations	3,703,359	2,214,732
Capital:		
Acquisition of tangible capital assets	(1,048,009)	(3,313,912)
Proceeds from the disposal of tangible capital assets	31,397	128,568
Other capital		
Net cash from (used for) capital	(1,016,612)	(3,185,344)
Investing:		
Long-term investments	(6,283)	18,405
Other investments		
Net cash from (used for) investing	(6,283)	18,405
Financing:		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Net cash from (used for) financing		
Increase (Decrease) in cash resources	2,680,464	(952,207)
Cash and Temporary Investments - Beginning of Year	4,246,606	5,198,813
Cash and Temporary Investments - End of Year	6,927,070	4,246,606

1. Significant accounting policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting entity:** The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the council for the administration of their financial affairs and resources. ~~Entities included in these financial statements are as follows:~~

Entity
~~{Local arena board}~~
~~{Local swimming pool}~~

~~All inter-organizational transactions and balances have been eliminated.~~

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3.
- c) **Government transfers:** Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as
- a) the transfer is authorized;
 - b) eligibility criteria have been met by the recipient; and
 - c) a reasonable estimate of the amount can be made.
- Unearned government transfer amounts received but not earned will be recorded as deferred revenue.
Earned government transfer amounts not received will be recorded as an amount receivable.
- d) **Deferred revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local improvement charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net financial assets:** Net financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated reserves:** Reserves are established at the discretion of council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Property tax revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities Self-Insurance Fund are accounted for on the equity basis.

1. Significant accounting policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible capital assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful life</u>
<i>General assets</i>	
Land	Indefinite
Land improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles and equipment	
Vehicles	5 to 10 Yrs
Machinery and equipment	5 to 10 Yrs
<i>Infrastructure assets</i>	
Infrastructure assets	30 to 75 Yrs
Water and sewer	(Insert)
Road network assets	(Insert)

~~[If method other than straight line used the method must be separately disclosed]~~

Government contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of art: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

~~**Capitalization of interest:** The municipality does [not] capitalize interest incurred while a tangible capital asset is under construction.~~

Leases: All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a [straight line] basis, over their estimated useful lives (lease term). Any other lease not meeting the before mentioned criteria is classified as a operating lease and rental payments are expensed as incurred.

- m) ~~**Landfill liability:** The Municipality of [name] maintains a waste disposal site. The municipality is unable to estimate closure and post-closure costs. No amount has been recorded as an asset or a liability. [Any municipality that has recorded a landfill liability in past or has incurred a liability during the year should disclose in accordance with PS 3270.21 of the Public Sector Accounting Board's handbook] See recommended disclosure in Note 9.~~
- n) ~~**Trust funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 16.~~
- o) **Employee benefit plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

1. Significant accounting policies - continued

- p) **Measurement uncertainty:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies is based on estimates of volume and quality.
The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available.
Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

- q) **Basis of segmentation/segment report:** The municipality has adopted the new Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General government: the general government segment provides for the administration of the municipality.

Protective services: protective services is comprised of expenses for police and fire protection.

Transportation services: the transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and public health: the environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and development: the planning and development segment provides for neighbourhood development and sustainability.

Recreation and culture: the recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility services: the utility services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. Cash and temporary investments

	2014	2013
Cash	6,820,570	4,140,106
Temporary investments	106,500	106,500
Total cash and temporary investments	6,927,070	4,246,606

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Taxes and grants in lieu receivable

	2014	2013
Municipal - Current	207,818	198,427
- Arrears	70,457	46,079
	278,275	244,506
- Less allowance for uncollectibles		
Total municipal taxes receivable	278,275	244,506
School - Current	169,080	118,796
- Arrears		33,132
Total school taxes receivable	169,080	151,928
Other	4,079	3,628
Total taxes and grants in lieu receivable	451,434	400,062
Deduct taxes receivable to be collected on behalf of other organizations	(173,159)	(155,556)
Municipal and grants in lieu taxes receivable	278,275	244,506

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2014

	2014	2013
4. Other accounts receivable		
Federal government		
Provincial government	34,762	788,489
Local government	3,740	42,389
Utility	10,787	
Trade		
Other (New Deal, licenses, road construction)	255,515	163,841
Total other accounts receivable	304,804	994,719
Less allowance for uncollectibles		
Net other accounts receivable	304,804	994,719

5. Land for resale		
Tax title property	49,079	48,929
Allowance for market value adjustment	(7,066)	(7,090)
Net tax title property	42,013	41,839
Other land		
Allowance for market value adjustment		
Net other land		
Total land for resale	42,013	41,839

6. Long-term investments		
Sask Assoc of Rural Municipalities - Self Insurance Fund	118,163	111,880

The long term investments in the Saskatchewan Association of Rural Self-Insurance Fund are accounted for on the equity basis.

Other long term investments (examples)

Marketable securities are valued at the lower of cost and market value. Market value at [date] was [\$] ([Prior Year] - [\$]).

[Marketable securities/Portfolio investments] represent investments in common shares [of public companies] and are stated at the lower of cost or market value. At year end, cost was substantially the same as the quoted market value.]

7. Bank indebtedness (not applicable)

Bank indebtedness includes an operating loan amounting to [\$] ([prior year] - [\$]) and bearing interest at prime plus [#]%. Assets pledged as collateral are [describe assets].

Credit arrangements

{Disclosure appropriate where lines of credit have been authorized, but nil amount is drawn at statement date}

At [date], the municipality had lines of credit totaling [\$], none of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Hypothecation of certain preferred shares (market value at [date] of [\$]).

8. Deferred revenue (not applicable)

	2014	2013
[Describe deferred revenue]		
Total deferred revenue		

Rural Municipality of Mervin No. 499

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

9. Accrued landfill costs (not applicable)

2014	2013
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Environmental liabilities

[In [year] the municipality has accrued an overall liability for environmental matters in the amount of [\$] (prior year - \$) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.]

[Included in environmental liabilities is [\$ -] (prior year - \$) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of [%] (prior year - %).]

[Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Act and include final covering and landscaping of the landfill, pumping of ground, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 100-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.]

10. Long-term debt

- a) The debt limit of the municipality is \$5,220,706. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act Section 161).
- b) Debenture debt is repayable at [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2015				
2016				
2017				
2018				
2019				
Thereafter				
Balance				

Bank loans are repayable [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2015				
2016				
2017				
2018				
2019				
Thereafter				
Balance				

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2014

11. Lease obligations (not applicable)

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

Year	
2015	
2016	
2017	
2018	
2019	
Thereafter	
Total future minimum lease payments	
Amounts representing interest at a	
Capital lease liability	

12. Other non-financial assets

Credit union membership

20

20

13. Contingent liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

~~The municipality is also contingently liable for the following:~~

14. Pension plan

The Municipality of Mervin No. 499 is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2014 was \$102,697. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

15. Comparative figures

Prior year comparative figures may have been restated to conform to the current year's presentation.

16. Trusts administered by the municipality (not applicable)

A summary of trust fund activity by the municipality during the year is as follows:

[Description of Trust i.e. Cemetery]

	Current Total	Prior Year Total
Balance - beginning of year		
Revenue (specify)		
Interest revenue		
Expenditure (specify)		
Balance - end of year		

17. Budget figures

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

Rural Municipality of Mervin No. 499
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2014

Schedule 1

	2014 Budget	2014	2013
TAXES			
General municipal tax levy	4,700,000	4,808,578	4,460,265
Abatements and adjustments	(7,000)	(3,284)	(6,495)
Discount on current year taxes	(185,000)	(211,465)	(196,397)
Net Municipal Taxes	4,508,000	4,593,829	4,257,373
Potash tax share			
Trailer license fees			
Penalties on tax arrears	10,000	15,918	14,232
Special tax levy			
Other (Specify)			
Total Taxes	4,518,000	4,609,747	4,271,605
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	285,000	302,954	304,407
Organized Hamlet	61,000	65,336	66,803
Total Unconditional Grants	346,000	368,290	371,210
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
SPMC - Municipal Share			
SaskTel			
Other	20,000	20,672	20,889
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	8,000	8,382	9,543
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			
Total Grants in Lieu of Taxes	28,000	29,054	30,432
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	4,892,000	5,007,091	4,673,247

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2014

Schedule 2 - 1

	2014 Budget	2014	2013
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	500	590	7,504
- Sales of supplies	3,500	5,430	3,633
- Other (Specify)			
Total Fees and Charges	4,000	6,020	11,137
- Tangible capital asset sales - gain (loss)			(4,813)
- Land sales - gain	1,500	1,743	1,500
- Investment income and commissions	41,000	74,245	44,323
- Other (Specify)	317,000	293,787	169,853
Total Other Segmented Revenue	363,500	375,795	222,000
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	363,500	375,795	222,000
Capital			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total General Government Services	363,500	375,795	222,000

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating			

Capital

Conditional Grants			
- Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Total Protective Services			

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2014

Schedule 2 - 2

	2014 Budget	2014	2013
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	248,000	311,445	38,328
- Sales of supplies	14,000	36,876	25,144
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges	262,000	348,321	63,472
- Tangible capital asset sales - gain (loss)	20,000	3,098	(79,116)
- Other (Specify)			
Total Other Segmented Revenue	282,000	351,419	(15,644)
Conditional Grants			
- Primary Weight Corridor			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	282,000	351,419	(15,644)
Capital			
Conditional Grants			
- Gas Tax	69,000	69,523	69,278
- Canada/Sask Municipal Rural Infrastructure Fund			750,000
- Heavy Haul			
- Designated Municipal Roads and Bridges			
- Provincial Disaster Assistance			
- Other	5,000	4,150	1,150
Total Capital	74,000	73,673	820,428
Total Transportation Services	356,000	425,092	804,784

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	30,000	211,015	173,047
- Other	7,000	57,588	46,197
Total Fees and Charges	37,000	268,603	219,244
- Tangible capital asset sales - gain (loss)			
- Other	330,000	347,652	327,176
Total Other Segmented Revenue	367,000	616,255	546,420
Conditional Grants			
- Student Employment			
- Local government			
- Other	1,500	10,221	7,947
Total Conditional Grants	1,500	10,221	7,947
Total Operating	368,500	626,476	554,367
Capital			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Transit for Disabled			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Environmental and Public Health Services	368,500	626,476	554,367

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2014

Schedule 2 - 3

	2014 Budget	2014	2013
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	10,000	11,500	14,000
- Other (Specify)	15,000	12,500	7,042
Total Fees and Charges	25,000	24,000	21,042
- Tangible capital asset sales - gain (loss)			
- Other	70,000	88,446	52,285
Total Other Segmented Revenue	95,000	112,446	73,327
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	95,000	112,446	73,327
Capital			
Conditional Grants			
- Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Planning and Development Services	95,000	112,446	73,327

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Donations			
- Other (Specify)			
Total Conditional Grants			
Total Operating			

Capital

Conditional Grants			
- Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Recreation and Cultural Services			

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2014

Schedule 2 - 4

	2014 Budget	2014	2013
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	90,000	99,752	92,566
- Sewer			
- Other (Specify)			
Total Fees and Charges	90,000	99,752	92,566
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	90,000	99,752	92,566
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	90,000	99,752	92,566
Capital			
Conditional Grants			
- Gas Tax			
- Sask Water Corp.			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Utility Services	90,000	99,752	92,566

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,273,000	1,639,561	1,747,044
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SUMMARY

Total Other Segmented Revenue	1,197,500	1,555,667	918,669
Total Conditional Grants	1,500	10,221	7,947
Total Capital Grants and Contributions	74,000	73,673	820,428
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,273,000	1,639,561	1,747,044

	2014 Budget	2014	2013
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	77,500	66,164	62,487
Wages and benefits	314,100	299,048	302,358
Professional/Contractual services	340,900	326,698	312,263
Utilities	15,500	14,840	13,657
Maintenance, materials and supplies	62,000	63,383	34,950
Grants and contributions - operating			
- capital			
Amortization	18,282	19,919	18,282
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Government Services	828,282	790,052	743,997

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	47,200	48,451	46,528
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	114,700	93,717	86,810
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)		242	12,842
Total Protective Services	161,900	142,410	146,180

TRANSPORTATION SERVICES

Wages and benefits	887,100	671,177	629,751
Professional/Contractual services	183,500	108,392	102,870
Utilities	20,000	23,737	19,558
Maintenance, materials and supplies	400,000	268,554	385,764
Gravel	380,000	766,320	261,274
Grants and contributions - operating			
- capital			
Amortization	1,111,000	1,059,936	1,050,282
Interest			
Other	325,000	317,297	331,117
Total Transportation Services	3,306,600	3,215,413	2,780,616

	2014 Budget	2014	2013
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	330,000	347,616	327,176
Professional/Contractual services	245,000	279,343	209,655
Utilities	1,200	1,308	1,071
Maintenance, materials and supplies	12,000	5,323	10,894
Grants and contributions - operating	8,000	7,948	7,448
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization	1,500	1,490	1,490
Interest			
Other (Specify)			
Total Environmental and Public Health Services	597,700	643,028	557,734

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits	63,200	63,917	63,738
Professional/Contractual services	57,750	59,910	66,118
Grants and contributions - operating			
- capital			
Amortization			
Utilities	1,300	1,001	1,717
Other (Specify)			
Total Planning and Development Services	122,250	124,828	131,573

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	13,500	13,856	13,072
Utilities			
Maintenance, materials and supplies	55,000	31,383	52,967
Grants and contributions - operating			
- capital			
Amortization	6,500	10,559	6,320
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Recreation and Cultural Services	75,000	55,798	72,359

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2014

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	6,020		348,321	268,603	24,000		99,752	746,696
Tangible Capital Asset Sales - Gain			3,098					3,098
Land Sales - Gain	1,743							1,743
Investment Income and Commissions	74,245							74,245
Other Revenues	293,787			347,652	88,446			729,885
Grants - Conditional			73,673	10,221				10,221
- Capital								73,673
Total revenues	375,795		425,092	626,476	112,446		99,752	1,639,561
Expenses (Schedule 3)								
Wages and Benefits	365,212		671,177	347,616	63,917			1,447,922
Professional/ Contractual Services	326,698	142,168	108,392	279,343	59,910	13,856		930,367
Utilities	14,840		23,737	1,308				39,885
Maintenance Materials and Supplies	63,383		1,034,874	5,323		31,383	96,917	1,231,880
Grants and Contributions			1,059,936	7,948		10,559	40,692	1,132,596
Amortization	19,919			1,490				
Interest					1,001			1,001
Allowance for Uncollectibles		242						
Other								317,539
Total expenses	790,052	142,410	3,215,413	643,028	124,828	55,798	137,609	5,109,138
Surplus (Deficit) by Function	(414,257)	(142,410)	(2,790,321)	(16,552)	(12,382)	(55,798)	(37,857)	(3,469,517)
Taxes and other unconditional revenue (Schedule 1)								
								5,007,091
Net Surplus (Deficit)								1,537,514

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2013

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	11,137		63,472	219,244	21,042		92,566	407,461
Tangible Capital Asset Sales - Gain	(4,813)		(79,116)					(83,929)
Land Sales - Gain	1,500							1,500
Investment Income and Commissions	44,323			327,176	52,285			44,323
Other Revenues	169,853			7,947				549,314
Grants - Conditional			820,428					7,947
- Capital								820,428
Total revenues	222,000		804,784	554,367	73,327		92,566	1,747,044
Expenses (Schedule 3)								
Wages and Benefits	364,845		629,751	327,176	63,738			1,385,510
Professional/ Contractual Services	312,263	133,338	102,870	209,655	66,118	13,072		837,316
Utilities	13,657		19,558	1,071				34,286
Maintenance Materials and Supplies	34,950		647,038	10,894		52,967		843,224
Grants and Contributions				7,448				7,448
Amortization	18,282		1,050,282	1,490		6,320		1,117,066
Interest					1,717			1,717
Allowance for Uncollectibles		12,842						
Other			331,117					
Total expenses	743,997	146,180	2,780,616	557,734	131,573	72,359	138,067	4,570,526
Surplus (Deficit) by Function	(521,997)	(146,180)	(1,975,832)	(3,367)	(58,246)	(72,359)	(45,501)	(2,823,482)
Taxes and other unconditional revenue (Schedule 1)								4,673,247
Net Surplus (Deficit)								1,849,765

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2014

	2014						2013	
	General Assets			Infrastructure Assets			General/Infrastructure	
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Linear assets	Assets Under Construction	Total
Asset cost								
Opening Asset costs	229,019		1,120,655	102,693	2,742,450	31,866,496		33,055,511
Additions during the year		16,123			278,858	738,794	14,234	3,313,912
Disposals and write-downs during the year					(35,374)			(308,110)
Transfers (from) assets under construction								
Closing Asset Costs	229,019		1,136,778	102,693	2,985,934	32,605,290	14,234	36,061,313
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs			269,124	32,898	500,388	15,625,861		15,406,817
Add: Amortization taken			28,149	11,920	178,519	914,008		1,117,066
Less: Accumulated amortization on disposals					(7,075)			(95,612)
Closing Accumulated Amortization Costs			297,273	44,818	671,832	16,539,869		16,428,271
Net Book Value	229,019		839,505	57,875	2,314,102	16,065,421	14,234	19,633,042

1. Total contributed/donated assets received in 2014: Nil

2. List of assets recognized at nominal value in 2014 are:

- Infrastructure Assets Nil
 - Vehicles Nil
 - Machinery and Equipment Nil
3. Amount of interest capitalized in 2014 Nil

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2014

	2014						2013		
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total	Total
<i>Assets</i>									
Asset cost									
Opening Asset costs	736,210		33,604,677	93,383		81,819	1,545,224	33,055,511	36,061,313
Additions during the year	22,373		966,578			59,058		3,313,912	1,048,009
Disposals and write-downs during the year			(35,374)					(308,110)	(35,374)
Closing Asset Costs	758,583		34,555,881	93,383		140,877	1,545,224	36,061,313	37,073,948
<i>Amortization</i>									
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	147,127		15,498,622	56,607		13,766	712,149	15,406,817	16,428,271
Add: Amortization taken	19,919		1,059,936	1,490		10,559	40,692	1,117,066	1,132,596
Less: Accumulated amortization on disposals			(7,075)					(95,612)	(7,075)
Closing Accumulated Amortization Costs	167,046		16,551,483	58,097		24,325	752,841	16,428,271	17,553,792
Net Book Value	591,537		17,984,398	35,286		116,552	792,383	19,633,042	19,520,156

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2014

Schedule 8

	2013	Changes	2014
UNAPPROPRIATED SURPLUS	2,369,844	838,150	3,207,994

APPROPRIATED RESERVES

Machinery and Equipment	2,500,000	750,000	3,250,000
Public Reserve			
Capital Trust	106,500		106,500
Utility			
Other (Specify)	67,049	24	67,073
Total Appropriated	2,673,549	750,024	3,423,573

ORGANIZED HAMLETS (add lines if required)

Organized Hamlet	969,903	41,570	1,011,473
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet	72,451	20,656	93,107
Total Organized Hamlets	1,042,354	62,226	1,104,580

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	19,633,042	(112,886)	19,520,156
Less: Related debt			
Net Investment in Tangible Capital Assets	19,633,042	(112,886)	19,520,156

Total Accumulated Surplus	25,718,789	1,537,514	27,256,303
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Rural Municipality of Mervin No. 499
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2014

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
Taxable Assessment	53,582,220	90,215,255		210,691,320	51,432,400		405,921,195
Regional Park Assessment							
Total Assessment							405,921,195
Mill Rate Factor(s)	1.0000	0.4000		0.4000	3.6000		
Total Base/Minimum Tax (generated for each property class)	134,400	751,600			1,211,000		2,097,000
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	552,494	1,580,798			2,675,286		4,808,578

MILL RATES:

	MILLS
Average Municipal*	14.6300
Average School*	5.0300
Potash Mill Rate	
Uniform Municipal Mill Rate	9.0000

* Average Mill Rates (multiple the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Rural Municipality of Mervin No. 499
 Schedule of Council Remuneration
 For the year ended December 31, 2014

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	8,990	579	9,569
Councillor Div. #1	Georgina Pilling	8,540	1,374	9,914
Councillor Div. #2	Lyle McKee	6,555	788	7,343
Councillor Div. #3	Alex McDonald	6,532	505	7,037
Councillor Div. #4	Charles Bodnar	7,019	1,063	8,082
Councillor Div. #5	Evelyn Bloom	7,436	1,123	8,559
Councillor Div. #6	Colin Davidson	6,554	2,157	8,711
Councillor Div. #6	Victor Hamm	1,797	248	2,045
Total		53,423	7,837	61,260