

Management's Responsibility

To the Ratepayers of 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 judgements and estimates in accordance with Canadian public sector accounting standards 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 judgement 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.

Vantage, an independent firm of Chartered Professional Accountants, is appointed by the councillors 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

June 12, 2018



Vantage
CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2017, 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' judgement, 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, 2017, 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
June 12, 2018

Rural Municipality of Mervin No. 499
 Consolidated Statement of Financial Position
 As at December 31, 2017

Statement 1

	2017	2016
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	9,824,542	8,919,009
Taxes Receivable - Municipal (Note 3)	442,978	369,692
Other Accounts Receivable (Note 4)	188,017	229,303
Land for Resale (Note 5)	18,345	18,345
Long-Term Investments (Note 6)	123,159	120,609
Debt Charges Recoverable		
Other		
Total Financial Assets	10,597,041	9,656,958
LIABILITIES		
Bank Indebtedness		
Accounts Payable	492,771	652,799
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	492,771	652,799
NET FINANCIAL ASSETS (DEBT)	10,104,270	9,004,159
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	21,446,087	20,393,856
Prepayments and Deferred Charges		
Stock and Supplies	376,982	510,402
Other		
Total Non-Financial Assets	21,823,069	20,904,258
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	31,927,339	29,908,417

Rural Municipality of Mervin No. 499
Consolidated Statement of Operations
For the year ended December 31, 2017

Statement 2

	2017 Budget	2017	2016
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	5,450,500	5,287,141	5,390,478
Fees and Charges (Schedule 4, 5)	1,461,000	1,624,660	559,862
Conditional Grants (Schedule 4, 5)	5,000	20,633	6,943
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(108,528)	(132,009)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	48,500	64,664	64,575
Other Revenues (Schedule 4, 5)	626,600	606,330	661,662
Total Revenues	7,591,600	7,494,900	6,551,511
EXPENSES			
General Government Services (Schedule 3)	907,159	852,909	808,162
Protective Services (Schedule 3)	192,350	150,212	140,910
Transportation Services (Schedule 3)	4,040,648	3,369,329	3,474,685
Environmental and Public Health Services (Schedule 3)	882,360	724,994	720,868
Planning and Development Services (Schedule 3)	239,550	220,277	222,229
Recreation and Cultural Services (Schedule 3)	125,500	121,212	56,796
Utility Services (Schedule 3)	108,000	111,464	106,074
Total Expenses	6,495,567	5,550,397	5,529,724
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	1,096,033	1,944,503	1,021,787
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	77,000	74,419	72,950
Surplus (Deficit) of Revenues over Expenses	1,173,033	2,018,922	1,094,737
Accumulated Surplus (Deficit), Beginning of Year	29,908,417	29,908,417	28,813,680
Accumulated Surplus (Deficit), End of Year	31,081,450	31,927,339	29,908,417

Rural Municipality of Mervin No. 499
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2017

Statement 3

	2017 Budget	2017	2016
Surplus (Deficit)	1,173,033	2,018,922	1,094,737
(Acquisition) of tangible capital assets		(2,480,041)	(2,111,487)
Amortization of tangible capital assets		1,190,582	1,158,876
Proceeds on disposal of tangible capital assets		128,700	307,360
Loss (gain) on the disposal of tangible capital assets		108,528	132,009
Surplus (Deficit) of capital expenses over expenditures		(1,052,231)	(513,242)
(Acquisition) of supplies inventories		133,420	(111,094)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		133,420	(111,094)
Increase/Decrease in Net Financial Assets	1,173,033	1,100,111	470,401
Net Financial Assets (Debt) - Beginning of Year	9,004,159	9,004,159	8,533,758
Net Financial Assets (Debt) - End of Year	10,177,192	10,104,270	9,004,159

Rural Municipality of Mervin No. 499
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2017

Statement 4

	2017	2016
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	2,018,922	1,094,737
Amortization	1,190,582	1,158,876
Loss (gain) on disposal of tangible capital assets	108,528	132,009
	3,318,032	2,385,622
Change in assets/liabilities		
Taxes receivable - municipal	(73,286)	(83,131)
Other receivables	41,286	(51,641)
Land for resale		8,546
Other financial assets		
Accounts and accrued liabilities payable	(160,028)	425,330
Deposits		
Deferred revenue		
Accrued landfill costs		
Liability for contaminated sites		
Other liabilities		
Stock and supplies	133,420	(111,094)
Prepayments and deferred charges		
Other (Specify)		
Cash provided by operating transactions	3,259,424	2,573,632
Capital:		
Acquisition of tangible capital assets	(2,480,041)	(2,111,487)
Proceeds from the disposal of tangible capital assets	128,700	307,360
Other capital		
Cash applied to capital transactions	(2,351,341)	(1,804,127)
Investing:		
Long-term investments	(2,550)	(2,649)
Other investments		
Cash provided by (applied to) investing transactions	(2,550)	(2,649)
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	905,533	766,856
Cash and Temporary Investments - Beginning of Year	8,919,009	8,152,153
Cash and Temporary Investments - End of Year	9,824,542	8,919,009

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 consolidates 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.
- 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.
- c) **Government transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred, as long as:
 - a) the transfers are authorized
 - b) any eligibility criteria have been met; and
 - c) reasonable estimates of the amounts 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. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- 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 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 tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. 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

Government contributions: Government contributions for the acquisition of tangible 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 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) **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.
- n) **Liability for contaminated sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) The municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
 - d) it is expected that future economic benefits will be given up; and
 - e) a reasonable estimate of the amount can be made.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

1. Significant accounting policies - continued

- o) **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.

- p) **Basis of segmentation/segment report:** The municipality follows the 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: provides for the administration of the municipality.

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

Transportation services: 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: provides for neighbourhood development and sustainability.

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

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

2. Cash and temporary investments

	2017	2016
Cash	9,718,042	8,812,509
Temporary investments	106,500	106,500
Restricted cash		
Total cash and temporary investments	9,824,542	8,919,009

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 receivable - municipal

	2017	2016
Municipal - Current	303,682	271,626
- Arrears	139,296	98,066
	442,978	369,692
- Less allowance for uncollectibles		
Total municipal taxes receivable	442,978	369,692
School - Current	152,241	183,963
- Arrears	51,429	(31,796)
Total school taxes receivable	203,670	152,167
Other	4,174	1,596
Total taxes and grants in lieu receivable	650,822	523,455
Deduct taxes receivable to be collected on behalf of other organizations	(207,844)	(153,763)
Total taxes receivable - municipal	442,978	369,692

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

4. Other accounts receivable

	2017	2016
Federal government		
Provincial government	36,475	37,813
Local government		
Utility		
Trade		
Other	151,542	191,490
Total other accounts receivable	188,017	229,303
Less: allowance for uncollectibles		
Net other accounts receivable	188,017	229,303

5. Land for resale

	2017	2016
Tax title property	21,600	21,600
Allowance for market value adjustment	(3,255)	(3,255)
Net tax title property	18,345	18,345
Other land		
Allowance for market value adjustment		
Net other land		
Total land for resale	18,345	18,345

6. Long-term investments

	2017	2016
Sask Assoc. of Rural Municipalities Self-Insurance Fund	123,139	120,589
Credit union shares	20	20
Total long-term investments	123,159	120,609

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

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

7. Long-term debt

The debt limit of the municipality is \$7,092,119. 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(1)).

8. 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.

9. Pension plan

The municipality 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 pension expense in 2017 was \$127,240. 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.

10. Comparative figures

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

11. 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, 2017

Schedule 1

	2017 Budget	2017	2016
TAXES			
General municipal tax levy	6,900,000	6,887,746	6,490,663
Abatements and adjustments	(1,608,000)	(1,814,558)	(1,369,199)
Discount on current year taxes	(250,000)	(213,190)	(145,445)
Net Municipal Taxes	5,042,000	4,859,998	4,976,019
Potash tax share			
Trailer license fees			
Penalties on tax arrears	18,000	25,080	19,773
Special tax levy			
Other			
Total Taxes	5,060,000	4,885,078	4,995,792
UNCONDITIONAL GRANTS			
Revenue Sharing	302,000	302,954	302,954
Organized Hamlet	68,000	69,338	68,271
Total Unconditional Grants	370,000	372,292	371,225
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	14,000	18,736	20,380
Other			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	6,500	11,035	3,081
Other			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other			
Total Grants in Lieu of Taxes	20,500	29,771	23,461
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	5,450,500	5,287,141	5,390,478

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2017

Schedule 2 - 1

	2017 Budget	2017	2016
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	3,800		9,178
- Sales of supplies	4,500	3,241	3,275
- Loss on Tax Title Property	10,000		(13,209)
Total Fees and Charges	18,300	3,241	(756)
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	48,500	64,664	64,575
- Other	198,500	176,293	230,834
Total Other Segmented Revenue	265,300	244,198	294,653
Conditional Grants			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	265,300	244,198	294,653
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total General Government Services	265,300	244,198	294,653

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other			
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, 2017

Schedule 2 - 2

	2017 Budget	2017	2016
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	960,000	1,081,043	19,795
- Sales of supplies	27,500	66,452	43,449
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other			
Total Fees and Charges	987,500	1,147,495	63,244
- Tangible capital asset sales - gain (loss)		(108,528)	(132,009)
- Other			
Total Other Segmented Revenue	987,500	1,038,967	(68,765)
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	987,500	1,038,967	(68,765)
Capital			
Conditional Grants			
- Federal Gas Tax	73,000	74,419	72,950
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other	4,000		
Total Capital	77,000	74,419	72,950
Total Transportation Services	1,064,500	1,113,386	4,185

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	57,500	129,671	141,254
- Other	130,200	66,841	65,517
Total Fees and Charges	187,700	196,512	206,771
- Tangible capital asset sales - gain (loss)			
- Other	393,100	399,372	391,328
Total Other Segmented Revenue	580,800	595,884	598,099
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other	5,000	20,633	6,943
Total Conditional Grants	5,000	20,633	6,943
Total Operating	585,800	616,517	605,042
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total Environmental and Public Health Services	585,800	616,517	605,042

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2017

Schedule 2 - 3

	2017 Budget	2017	2016
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	167,500	129,365	186,751
- Other		41,067	
Total Fees and Charges	167,500	170,432	186,751
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue	167,500	170,432	186,751
Conditional Grants			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	167,500	170,432	186,751
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total Planning and Development Services	167,500	170,432	186,751

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Donation	35,000	30,665	39,500
Total Other Segmented Revenue	35,000	30,665	39,500
Conditional Grants			
- Student Employment			
- Local government			
- Other			
Total Conditional Grants			
Total Operating	35,000	30,665	39,500
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total Recreation and Cultural Services	35,000	30,665	39,500

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2017

Schedule 2 - 4

	2017 Budget	2017	2016
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	100,000	106,980	103,852
- Sewer			
- Other			
Total Fees and Charges	100,000	106,980	103,852
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue	100,000	106,980	103,852
Conditional Grants			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	100,000	106,980	103,852
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total Utility Services	100,000	106,980	103,852
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	2,218,100	2,282,178	1,233,983

SUMMARY

Total Other Segmented Revenue	2,136,100	2,187,126	1,154,090
Total Conditional Grants	5,000	20,633	6,943
Total Capital Grants and Contributions	77,000	74,419	72,950
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	2,218,100	2,282,178	1,233,983

Rural Municipality of Mervin No. 499

Total Expenses by Function

For the year ended December 31, 2017

Schedule 3 - 1

	2017 Budget	2017	2016
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	70,000	70,663	74,632
Wages and benefits	373,600	378,192	358,801
Professional/Contractual services	388,140	333,113	302,737
Utilities	16,500	17,453	16,114
Maintenance, materials and supplies	38,000	32,550	35,959
Grants and contributions - operating			
- capital			
Amortization	20,919	20,938	19,919
Interest			
Allowance for uncollectibles			
Other			
Total Government Services	907,159	852,909	808,162

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	78,200	55,121	53,046
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Other			

Fire protection

Wages and benefits			
Professional/Contractual services	114,150	95,091	87,864
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other			
Total Protective Services	192,350	150,212	140,910

TRANSPORTATION SERVICES

Wages and benefits	994,000	908,378	963,664
Professional/Contractual Services	294,000	237,582	111,872
Utilities	18,000	20,073	16,166
Maintenance, materials and supplies	680,373	488,762	377,722
Gravel	595,000	343,222	586,679
Grants and contributions - operating			
- capital			
Amortization	1,076,000	1,062,003	1,066,154
Interest			
Other	383,275	309,309	352,428
Total Transportation Services	4,040,648	3,369,329	3,474,685

Total Expenses by Function

For the year ended December 31, 2017

Schedule 3 - 2

	2017 Budget	2017	2016
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	393,100	401,154	391,204
Professional/Contractual services	460,260	268,461	276,952
Utilities	1,500	1,148	1,364
Maintenance, materials and supplies	5,000	7,540	4,074
Grants and contributions - operating	15,000	14,948	45,278
o Waste disposal			
o Public Health			
- capital			1,996
o Waste disposal			
o Public Health			
Amortization	7,500	31,743	
Interest			
Other			
Total Environmental and Public Health Services	882,360	724,994	720,868

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits	82,600	67,002	76,278
Professional/Contractual services	155,250	152,051	144,360
Grants and contributions - operating	1,700	1,224	1,591
- capital			
Amortization			
Interest			
Other			
Total Planning and Development Services	239,550	220,277	222,229

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	15,500	15,435	15,055
Utilities			
Maintenance, materials and supplies	72,000	38,765	13,342
Grants and contributions - operating	30,000	30,000	
- capital		3,467	
Amortization	8,000	33,545	28,399
Interest			
Allowance for uncollectibles			
Other			
Total Recreation and Cultural Services	125,500	121,212	56,796

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2017

Schedule 4

	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	3,241		1,147,495 (108,528)	196,512	170,432		106,980	1,624,660 (108,528)
Tangible Capital Asset Sales - Loss								
Land Sales - Gain	64,664							64,664
Investment Income and Commissions	176,293			399,372		30,665		606,330
Other Revenues				20,633				20,633
Grants - Conditional			74,419					74,419
- Capital								
Total Revenues	244,198		1,113,386	616,517	170,432	30,665	106,980	2,282,178
Expenses (Schedule 3)								
Wages and Benefits	448,855		908,378	401,154	67,002			1,825,389
Professional/Contractual Services	333,113	150,212	237,582	268,461	152,051	15,435		1,156,854
Utilities	17,453		20,073	1,148				38,674
Maintenance Materials and Supplies	32,550		831,984	7,540		38,765	69,111	979,950
Grants and Contributions				14,948	1,224	33,467		49,639
Amortization	20,938		1,062,003	31,743		33,545	42,353	1,190,582
Interest								
Allowance for Uncollectibles								
Other			309,309					309,309
Total Expenses	852,909	150,212	3,369,329	724,994	220,277	121,212	111,464	5,550,397
Surplus (Deficit) by Function	(608,711)	(150,212)	(2,255,943)	(108,477)	(49,845)	(90,547)	(4,484)	(3,268,219)
Taxes and other unconditional revenue (Schedule 1)								5,287,141
Net Surplus (Deficit)								2,018,922

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2016

	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	(756)		63,244 (132,009)	206,771	186,751		103,852	559,862 (132,009)
Tangible Capital Asset Sales - Gain								
Land Sales - Gain								
Investment Income and Commissions	64,575			391,328		39,500		64,575
Other Revenues	230,834			6,943				661,662
Grants - Conditional			72,950					6,943
- Capital								72,950
Total Revenues	294,653		4,185	605,042	186,751	39,500	103,852	1,233,983
Expenses (Schedule 3)								
Wages and Benefits	433,433		963,664	391,204	76,278			1,864,579
Professional/Contractual Services	302,737	140,910	111,872	276,952	144,360	15,055		991,886
Utilities	16,114		16,166	1,364				33,644
Maintenance Materials and Supplies	35,959		964,401	4,074		13,342	61,671	1,079,447
Grants and Contributions			1,066,154	47,274	1,591	28,399	44,403	48,865
Amortization	19,919							1,158,875
Interest								
Allowance for Uncollectibles								
Other			352,428					352,428
Total Expenses	808,162	140,910	3,474,685	720,868	222,229	56,796	106,074	5,529,724
Surplus (Deficit) by Function	(513,509)	(140,910)	(3,470,500)	(115,826)	(35,478)	(17,296)	(2,222)	(4,295,741)
Taxes and other unconditional revenue (Schedule 1)								5,390,478
Net Surplus (Deficit)								1,094,737

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2017

2016

2017

	General Assets					Infrastructure Assets	General/ Infrastructure	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment			
Asset cost								
Opening Asset costs	229,019		1,185,746	225,860	4,022,277	33,852,778	466,746	38,561,324
Additions during the year			11,094		509,515	683,285	1,276,147	2,111,487
Disposals and write-downs during the year					(353,150)		(420,998)	(690,385)
Transfers (from) assets under construction						420,998		
Closing Asset Costs	229,019		1,196,840	225,860	4,178,642	34,957,061	1,321,895	39,982,426
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs			352,279	79,153	857,976	18,299,162		18,680,710
Add: Amortization taken			28,161	19,081	257,069	886,271		1,158,876
Less: Accumulated amortization on disposals					(115,922)			(251,016)
Closing Accumulated Amortization Costs			380,440	98,234	999,123	19,185,433		19,588,570
Net Book Value	229,019		816,400	127,626	3,179,519	15,771,628	1,321,895	20,393,856

1. Total contributed/donated assets received in 2016: Nil

2. List of assets recognized at nominal value in 2016 are:

- Infrastructure Assets Nil
 - Vehicles Nil
 - Machinery and Equipment Nil
3. Amount of interest capitalized in 2016 Nil

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2017

Schedule 7

	2017						2016		
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total	Total
Asset cost									
Opening Asset costs	758,583		36,584,033	441,674		447,980	1,750,156	39,982,426	38,561,324
Additions during the year	10,190		2,285,869	134,799		49,183		2,480,041	2,111,487
Disposals and write-downs during the year			(353,150)					(353,150)	(690,385)
Closing Asset Costs	768,773		38,516,752	576,473		497,163	1,750,156	42,109,317	39,982,426
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	206,884		18,401,487	59,587		77,553	843,059	19,588,570	18,680,710
Add: Amortization taken	20,938		1,062,003	31,743		33,545	42,353	1,190,582	1,158,876
Less: Accumulated amortization on disposals			(115,922)					(115,922)	(251,016)
Closing Accumulated Amortization Costs	227,822		19,347,568	91,330		111,098	885,412	20,663,230	19,588,570
Net Book Value	540,951		19,169,184	485,143		386,065	864,744	21,446,087	20,393,856

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2017

Schedule 8

	2016	Changes	2017
UNAPPROPRIATED SURPLUS	3,238,160	(202,044)	3,036,116
APPROPRIATED RESERVES			
Machinery and Equipment	4,716,581	900,000	5,616,581
Public Reserve			
Capital Trust	106,500		106,500
Utility			
Other	30,113	57,727	87,840
Total Appropriated	4,853,194	957,727	5,810,921
ORGANIZED HAMLETS			
Organized Hamlets	1,423,207	211,008	1,634,215
Total Organized Hamlets	1,423,207	211,008	1,634,215
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	20,393,856	1,052,231	21,446,087
Less: Related debt			
Net Investment in Tangible Capital Assets	20,393,856	1,052,231	21,446,087
Total Accumulated Surplus	29,908,417	2,018,922	31,927,339

Rural Municipality of Mervin No. 499
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2017

	PROPERTY CLASS							Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)		
Taxable Assessment	118,804,595	112,924,649		264,957,490	60,509,100			557,195,834
Regional Park Assessment								
Total Assessment								557,195,834
Mill Rate Factor(s)	0.5000	0.3420		0.3420	3.0780			
Total Base/Minimum Tax (generated for each property class)	128,700	Inc In Seas Res		827,475	2,574,000			3,530,175
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	662,825	Inc In Seas Res		1,786,014	4,438,907			6,887,746

MILL RATES: MILLS

Average Municipal*	12.36
Average School*	4.10
Potash Mill Rate	
Uniform Municipal Mill Rate	10.00

* Average Mill Rates (multiply 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, 2017

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	6,928	3,464	10,392
Councillor Division 1	Georgina Pilling	5,960	2,980	8,940
Councillor Division 2	Lyle McKee	4,657	2,328	6,985
Councillor Division 3	Gordon Spencer	4,240	2,120	6,360
Councillor Division 4	Charles Bodnar	4,635	2,317	6,952
Councillor Division 5	Evelyn Bloom	5,540	2,770	8,310
Councillor Division 6	Victor Hamm	4,497	2,248	6,745
Total		36,457	18,227	54,684