

Management's Responsibility

To the Ratepayers of Rural Municipality of Mervin No. 499

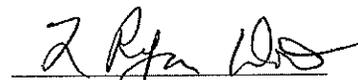
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual 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

April 18, 2017



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, 2016, 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, 2016, 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
April 18, 2017

Rural Municipality of Mervin No. 499
 Consolidated Statement of Financial Position
 As at December 31, 2016

Statement 1

	2016	2015
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	8,919,009	8,152,153
Taxes Receivable - Municipal (Note 3)	369,692	286,561
Other Accounts Receivable (Note 4)	229,303	177,662
Land for Resale (Note 5)	18,345	26,891
Long-Term Investments (Note 6)	120,609	117,960
Debt Charges Recoverable		
Other		
Total Financial Assets	9,656,958	8,761,227
LIABILITIES		
Bank Indebtedness		
Accounts Payable	652,799	227,469
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	652,799	227,469
NET FINANCIAL ASSETS (DEBT)	9,004,159	8,533,758
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	20,393,856	19,880,614
Prepayments and Deferred Charges		
Stock and Supplies	510,402	399,308
Other		
Total Non-Financial Assets	20,904,258	20,279,922
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	29,908,417	28,813,680

Rural Municipality of Mervin No. 499
 Consolidated Statement of Operations
 For the year ended December 31, 2016

Statement 2

	2016 Budget	2016	2015
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	5,205,000	5,390,478	5,556,186
Fees and Charges (Schedule 4, 5)	504,050	559,862	570,932
Conditional Grants (Schedule 4, 5)	4,000	6,943	9,290
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(132,009)	15,232
Land Sales - Gain (Schedule 4, 5)			1,500
Investment Income and Commissions (Schedule 4, 5)	64,000	64,575	83,169
Other Revenues (Schedule 4, 5)	541,900	661,662	614,510
Total Revenues	6,318,950	6,551,511	6,850,819
EXPENSES			
General Government Services (Schedule 3)	954,599	808,162	943,786
Protective Services (Schedule 3)	192,700	140,910	153,365
Transportation Services (Schedule 3)	3,947,360	3,474,685	3,245,217
Environmental and Public Health Services (Schedule 3)	816,840	720,868	707,246
Planning and Development Services (Schedule 3)	212,150	222,229	137,444
Recreation and Cultural Services (Schedule 3)	65,660	56,796	62,854
Utility Services (Schedule 3)	115,000	106,074	113,053
Total Expenses	6,304,309	5,529,724	5,362,965
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	14,641	1,021,787	1,487,854
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	73,000	72,950	69,523
Surplus (Deficit) of Revenues over Expenses	87,641	1,094,737	1,557,377
Accumulated Surplus (Deficit), Beginning of Year	28,813,680	28,813,680	27,256,303
Accumulated Surplus (Deficit), End of Year	28,901,321	29,908,417	28,813,680

Rural Municipality of Mervin No. 499
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2016

Statement 3

	2016 Budget	2016	2015
Surplus (Deficit)	87,641	1,094,737	1,557,377
(Acquisition) of tangible capital assets		(2,111,487)	(1,573,982)
Amortization of tangible capital assets		1,158,876	1,154,397
Proceeds on disposal of tangible capital assets		307,360	74,359
Loss (gain) on the disposal of tangible capital assets		132,009	(15,232)
Surplus (Deficit) of capital expenses over expenditures		(513,242)	(360,458)
(Acquisition) of supplies inventories		(111,094)	(76,728)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(111,094)	(76,728)
Increase/Decrease in Net Financial Assets	87,641	470,401	1,120,191
Net Financial Assets (Debt) - Beginning of Year	8,533,758	8,533,758	7,413,567
Net Financial Assets (Debt) - End of Year	8,621,399	9,004,159	8,533,758

Rural Municipality of Mervin No. 499
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2016

Statement 4

	2016	2015
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	1,094,737	1,557,377
Amortization	1,158,876	1,154,397
Loss (gain) on disposal of tangible capital assets	132,009	(15,232)
	<u>2,385,622</u>	<u>2,696,542</u>
Change in assets/liabilities		
Taxes receivable - municipal	(83,131)	(8,286)
Other receivables	(51,641)	127,142
Land for resale	8,546	15,122
Other financial assets		
Accounts and accrued liabilities payable	425,330	(29,309)
Deposits		
Deferred revenue		
Accrued landfill costs		
Liability for contaminated sites		
Other liabilities		
Stock and supplies	(111,094)	(76,728)
Prepayments and deferred charges		
Other (Specify)		
Cash provided by operating transactions	2,573,632	2,724,483
Capital:		
Acquisition of tangible capital assets	(2,111,487)	(1,573,982)
Proceeds from the disposal of tangible capital assets	307,360	74,359
Other capital		
Cash applied to capital transactions	(1,804,127)	(1,499,623)
Investing:		
Long-term investments	(2,649)	223
Other investments		
Cash provided by (applied to) investing transactions	(2,649)	223
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	766,856	1,225,083
Cash and Temporary Investments - Beginning of Year	8,152,153	6,927,070
Cash and Temporary Investments - End of Year	8,919,009	8,152,153

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.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

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
<i>Vehicles and equipment</i>	
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:
- an environmental standard exists;
 - contamination exceeds the environmental standard;
 - The municipality:
 - is directly responsible; or
 - accepts responsibility;
 - it is expected that future economic benefits will be given up; and
 - 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, 2016

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

	2016	2015
Cash	8,812,509	8,045,653
Temporary investments	106,500	106,500
Restricted cash		
Total cash and temporary investments	8,919,009	8,152,153

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

	2016	2015
Municipal - Current	271,626	209,769
- Arrears	98,066	76,792
	369,692	286,561
- Less allowance for uncollectibles		
Total municipal taxes receivable	369,692	286,561
School - Current	183,963	128,897
- Arrears	(31,796)	(30,481)
Total school taxes receivable	152,167	98,416
Other	1,596	2,351
Total taxes and grants in lieu receivable	523,455	387,328
Deduct taxes receivable to be collected on behalf of other organizations	(153,763)	(100,767)

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

4. Other accounts receivable

	2016	2015
Federal government		
Provincial government	37,813	34,762
Local government		5,280
Utility		
Trade		
Other	191,490	137,620
Total other accounts receivable	229,303	177,662
Less: allowance for uncollectibles		
Net other accounts receivable	229,303	177,662

5. Land for resale

	2016	2015
Tax title property	21,600	30,897
Allowance for market value adjustment	(3,255)	(4,006)
Net tax title property	18,345	26,891
Other land		
Allowance for market value adjustment		
Net other land		
Total land for resale	18,345	26,891

6. Long-term investments

	2016	2015
Sask Assoc. of Rural Municipalities Self-Insurance Fund	120,589	117,940
Credit union shares	20	20
Total long-term investments	120,609	117,960

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, 2016

7. Long-term debt

The debt limit of the municipality is \$6,160,074. 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 2016 was \$119,275. 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, 2016

Schedule 1

	2016 Budget	2016	2015
TAXES			
General municipal tax levy	6,391,000	6,490,663	6,589,119
Abatements and adjustments	(1,350,000)	(1,369,199)	(1,207,557)
Discount on current year taxes	(250,000)	(145,445)	(243,064)
Net Municipal Taxes	4,791,000	4,976,019	5,138,498
Potash tax share			
Trailer license fees			
Penalties on tax arrears	16,000	19,773	18,032
Special tax levy			
Other			
Total Taxes	4,807,000	4,995,792	5,156,530
UNCONDITIONAL GRANTS			
Revenue Sharing	302,000	302,954	302,954
Organized Hamlet	67,000	68,271	67,020
Total Unconditional Grants	369,000	371,225	369,974
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	20,500	20,380	20,870
Other			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	8,500	3,081	8,812
Other			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other			
Total Grants in Lieu of Taxes	29,000	23,461	29,682
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	5,205,000	5,390,478	5,556,186

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2016

Schedule 2 - 1

	2016 Budget	2016	2015
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,300	9,178	16,222
- Sales of supplies	5,500	3,275	8,231
- Loss on Tax Title Property	500	(13,209)	(7,818)
Total Fees and Charges	8,300	(756)	16,635
- Tangible capital asset sales - gain (loss)			1,500
- Land sales - gain			83,169
- Investment income and commissions	64,000	64,575	155,909
- Other	191,900	230,834	257,213
Total Other Segmented Revenue	264,200	294,653	257,213
Conditional Grants			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	264,200	294,653	257,213
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total General Government Services	264,200	294,653	257,213

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, 2016

Schedule 2 - 2

	2016 Budget	2016	2015
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	25,000	19,795	18,220
- Sales of supplies	28,500	43,449	34,910
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other			
Total Fees and Charges	53,500	63,244	53,130
- Tangible capital asset sales - gain (loss)		(132,009)	15,232
- Other			
Total Other Segmented Revenue	53,500	(68,765)	68,362
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	53,500	(68,765)	68,362
Capital			
Conditional Grants			
- Federal Gas Tax	69,000	72,950	69,523
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other	4,000		
Total Capital	73,000	72,950	69,523
Total Transportation Services	126,500	4,185	137,885

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	69,000	141,254	281,157
- Other	184,750	65,517	82,344
Total Fees and Charges	253,750	206,771	363,501
- Tangible capital asset sales - gain (loss)			
- Other	350,000	391,328	372,957
Total Other Segmented Revenue	603,750	598,099	736,458
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other	4,000	6,943	9,290
Total Conditional Grants	4,000	6,943	9,290
Total Operating	607,750	605,042	745,748
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other			
Total Capital			

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2016

Schedule 2 - 3

	2016 Budget	2016	2015
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	88,500	186,751	24,756
- Other			6,455
Total Fees and Charges	88,500	186,751	31,211
- Tangible capital asset sales - gain (loss)			
- Other			85,644
Total Other Segmented Revenue	88,500	186,751	116,855
Conditional Grants			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	88,500	186,751	116,855
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other			
Total Capital			
Total Planning and Development Services	88,500	186,751	116,855

RECREATION AND CULTURAL SERVICES

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

Rural Municipality of Mervin No. 499
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2016

Schedule 2 - 4

	2016 Budget	2016	2015
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	100,000	103,852	106,455
- Sewer			
- Other			
Total Fees and Charges	100,000	103,852	106,455
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue	100,000	103,852	106,455
Conditional Grants			
- Student Employment			
- Other			
Total Conditional Grants			
Total Operating	100,000	103,852	106,455
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	103,852	106,455
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,186,950	1,233,983	1,364,156

SUMMARY

Total Other Segmented Revenue	1,109,950	1,154,090	1,285,343
Total Conditional Grants	4,000	6,943	9,290
Total Capital Grants and Contributions	73,000	72,950	69,523
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,186,950	1,233,983	1,364,156

	2016 Budget	2016	2015
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	70,000	74,632	76,213
Wages and benefits	358,700	358,801	350,977
Professional/Contractual services	451,980	302,737	447,995
Utilities	15,500	16,114	14,744
Maintenance, materials and supplies	38,500	35,959	33,938
Grants and contributions - operating			
- capital			
Amortization	19,919	19,919	19,919
Interest			
Allowance for uncollectibles			
Other			
Total Government Services	954,599	808,162	943,786

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	52,200	53,046	52,111
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Other			

Fire protection

Wages and benefits			
Professional/Contractual services	140,500	87,864	88,167
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other			13,087
Total Protective Services	192,700	140,910	153,365

TRANSPORTATION SERVICES

Wages and benefits	885,000	963,664	803,175
Professional/Contractual Services	136,500	111,872	149,511
Utilities	21,000	16,166	18,820
Maintenance, materials and supplies	600,000	377,722	208,736
Gravel	900,000	586,679	588,524
Grants and contributions - operating			
- capital			
Amortization	1,096,000	1,066,154	1,062,346
Interest			
Other	308,860	352,428	414,105
Total Transportation Services	3,947,360	3,474,685	3,245,217

Total Expenses by Function

For the year ended December 31, 2016

	2016 Budget	2016	2015
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	356,800	391,204	372,957
Professional/Contractual services	405,340	276,952	320,173
Utilities	1,200	1,364	1,038
Maintenance, materials and supplies	6,000	4,074	1,640
Grants and contributions - operating	40,000	45,278	9,948
o Waste disposal			
o Public Health			
- capital		1,996	
o Waste disposal			
o Public Health			
Amortization	7,500		1,490
Interest			
Other			
Total Environmental and Public Health Services	816,840	720,868	707,246

PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	77,700	76,278	70,866
Professional/Contractual services	132,250	144,360	65,319
Grants and contributions - operating	2,200	1,591	
- capital			
Amortization			
Interest			
Other			1,259
Total Planning and Development Services	212,150	222,229	137,444

RECREATION AND CULTURAL SERVICES			
Wages and benefits			
Professional/Contractual services	15,000	15,055	14,688
Utilities			
Maintenance, materials and supplies	25,660	13,342	23,337
Grants and contributions - operating			
- capital			
Amortization	25,000	28,399	24,829
Interest			
Allowance for uncollectibles			
Other			
Total Recreation and Cultural Services	65,660	56,796	62,854

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

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	(756)		63,244 (132,009)	206,771	186,751		103,852	559,862 (132,009)
Tangible Capital Asset Sales - Loss								
Land Sales - Gain	64,575							64,575
Investment Income and Commissions	230,834			391,328		39,500		661,662
Other Revenues				6,943				6,943
Grants - Conditional			72,950					72,950
- Capital								
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				47,274	1,591			48,865
Amortization	19,919		1,066,154			28,399		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 Segment Disclosure by Function
 For the year ended December 31, 2015

Schedule 5

	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	16,635		53,130	363,501	31,211		106,455	570,932
Tangible Capital Asset Sales - Gain			15,232					15,232
Land Sales - Gain	1,500							1,500
Investment Income and Commissions	83,169							83,169
Other Revenues	155,909			372,957	85,644			614,510
Grants - Conditional				9,290				9,290
- Capital			69,523					69,523
Total Revenues	257,213		137,885	745,748	116,855		106,455	1,364,156
Expenses (Schedule 3)								
Wages and Benefits	427,190		803,175	372,957	70,866			1,674,188
Professional/Contractual Services	447,995	140,278	149,511	320,173	65,319	14,688		1,137,964
Utilities	14,744		18,820	1,038				34,602
Maintenance Materials and Supplies	33,938		797,260	1,640		23,337		923,413
Grants and Contributions			1,062,346	9,948			67,238	9,948
Amortization	19,919			1,490				1,154,399
Interest							45,815	
Allowance for Uncollectibles								
Other		13,087	414,105		1,259			428,451
Total Expenses	943,786	153,365	3,245,217	707,246	137,444	62,854	113,053	5,362,965
Surplus (Deficit) by Function	(686,573)	(153,365)	(3,107,332)	38,502	(20,589)	(62,854)	(6,598)	(3,998,809)
axes and other unconditional revenue (Schedule 1)								5,556,186
Net Surplus (Deficit)								1,557,377

Rural Municipality of Merwin No. 499
 Consolidated Schedule of Tangible Capital Assets by Object
 for the year ended December 31, 2016

2016

2015

Asset cost	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment				Linear assets
Opening Asset costs	229,019		1,144,653	233,860	3,278,833	33,347,620	327,339	37,073,948	
Additions during the year			41,093		1,425,829	405,661	238,904	1,573,982	
Disposals and write-downs during the year				(8,000)	(682,385)		(99,497)	(86,606)	
Transfers (from) assets under construction						99,497			
Closing Asset Costs	229,019		1,185,746	225,860	4,022,277	33,852,778	466,746	38,561,324	
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			325,422	63,871	834,796	17,456,621		17,553,792	
Add: Amortization taken			26,857	23,282	266,196	842,541		1,154,397	
Less: Accumulated amortization on disposals				(8,000)	(243,016)			(27,479)	
Closing Accumulated Amortization Costs			352,279	79,153	857,976	18,299,162		18,680,710	
Net Book Value	229,019		833,467	146,707	3,164,301	15,553,616	466,746	19,880,614	

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, 2016

Schedule 7-

	2016						2015	
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total
Asset cost								
Opening Asset costs	758,583		35,357,228	321,228		374,129	1,750,156	37,073,948
Additions during the year			1,917,190	120,446		73,851		1,573,982
Disposals and write-downs during the year			(690,385)					(86,606)
Closing Asset Costs	758,583		36,584,033	441,674		447,980	1,750,156	38,561,324
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	186,965		17,586,348	59,587		49,154	798,656	17,553,792
Add: Amortization taken	19,919		1,066,155			28,399	44,403	1,154,397
Less: Accumulated amortization on disposals			(251,016)					(27,479)
Closing Accumulated Amortization Costs	206,884		18,401,487	59,587		77,553	843,059	18,680,710
Net Book Value	551,699		18,182,546	382,087		370,427	907,097	19,880,614

Rural Municipality of Mervin No. 499
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2016

Schedule 8

	2015	Changes	2016
UNAPPROPRIATED SURPLUS	3,368,337	(130,177)	3,238,160
APPROPRIATED RESERVES			
Machinery and Equipment	4,236,581	480,000	4,716,581
Public Reserve			
Capital Trust	106,500		106,500
Utility			
Other	30,492	(379)	30,113
Total Appropriated	4,373,573	479,621	4,853,194
ORGANIZED HAMLETS			
Organized Hamlets	1,191,156	232,051	1,423,207
Total Organized Hamlets	1,191,156	232,051	1,423,207
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	19,880,614	513,242	20,393,856
Less: Related debt			
Net Investment in Tangible Capital Assets	19,880,614	513,242	20,393,856
Total Accumulated Surplus	28,813,680	1,094,737	29,908,417

Rural Municipality of Mervin No. 499
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2016

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	53,576,710	99,679,292		212,026,995	53,253,250		418,536,247
Regional Park Assessment							
Total Assessment							418,536,247
Mill Rate Factor(s)	2.0000	0.3900		0.3900	3.5100		
Total Base/Minimum Tax (generated for each property class)	123,150	Inc In Seas Res		746,400	2,321,999		3,191,549
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	600,827	Inc In Seas Res		1,698,647	4,191,189		6,490,663

MILL RATES:

	MILLS
Average Municipal*	15.50
Average School*	5.44
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, 2016

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	11,778	1,129	12,907
Councillor Division 1	Georgina Pilling	10,496	1,921	12,417
Councillor Division 2	Lyle McKee	8,001	475	8,476
Councillor Division 3	Alex MacDonald	4,643		4,643
Councillor Division 3	Gordon Spencer	920	63	983
Councillor Division 4	Charles Bodnar	6,854	1,128	7,982
Councillor Division 5	Evelyn Bloom	6,982	1,363	8,345
Councillor Division 6	Victor Hamm	8,463	2,958	11,421
Total		58,137	9,037	67,174