
RURAL MUNICIPALITY OF MERVIN NO. 499

FINANCIAL STATEMENTS

DECEMBER 31, 2011

MENSSA BAERT CAMERON ODISHAW LA COCK
CHARTERED ACCOUNTANTS

**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

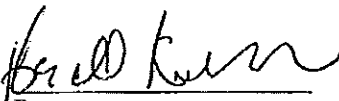
To the Ratepayers of
Rural Municipality of Mervin No. 499
Turtleford, Saskatchewan

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 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 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.

Menssa Baert Cameron Odishaw La Cock, an independent firm of chartered accountants, is appointed by the councilors to audit the 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

March 26, 2012

MENSSA BAERT CAMERON ODISHAW LA COCK
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S 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, 2011, and 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 Financial Statements

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

Auditor's Responsibility

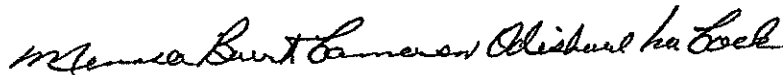
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Mervin No. 499 as at December 31, 2011, and its financial performance and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

North Battleford, Saskatchewan
March 26, 2012

Rural Municipality of Mervin No 499
 Consolidated Statement of Financial Position
 As at December 31, 2011

Statement 1

	2011	2010
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	3,489,164	1,632,981
Taxes Receivable - Municipal (Note 3)	171,736	178,680
Other Accounts Receivable (Note 4)	214,224	881,803
Land for Resale (Note 5)	10,070	10,070
Long-Term Investments (Note 6)	120,708	114,743
Other		
Total Financial Assets	4,005,902	2,818,277
LIABILITIES		
Bank Indebtedness		
Accounts Payable	205,734	285,515
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	205,734	285,515
NET FINANCIAL ASSETS	3,800,168	2,532,762
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	17,853,146	17,453,840
Prepayments and Deferred Charges		
Stock and Supplies	572,855	494,561
Other	20	20
Total Non-Financial Assets	18,426,021	17,948,421
Accumulated Surplus (Deficit) (Schedule 8)	22,226,189	20,481,183

Rural Municipality of Mervin No 499
 Consolidated Statement of Operations
 For the Year Ended December 31, 2011

Statement 2

	2011 Budget	2011	2010
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	3,638,000	3,861,199	3,209,750
Fees and Charges (Schedule 4, 5)	583,500	668,936	681,182
Conditional Grants (Schedule 4, 5)	61,500	3,113	3,665
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(19,107)	1,325
Land Sales - Gain (Schedule 4, 5)	1,500	1,500	4,204
Investment Income and Commissions (Schedule 4, 5)	25,000	20,212	29,320
Other Revenues (Schedule 4, 5)	344,200	521,068	350,518
Total Revenues	4,653,700	5,056,921	4,279,964
Expenses			
General Government Services (Schedule 3)	607,274	602,043	499,593
Protective Services (Schedule 3)	165,335	139,225	136,740
Transportation Services (Schedule 3)	2,713,682	1,969,027	2,139,777
Environmental and Public Health Services (Schedule 3)	586,610	547,065	624,380
Planning and Development Services (Schedule 3)	94,700	79,912	16,771
Recreation and Cultural Services (Schedule 3)	57,740	24,256	71,586
Utility Services (Schedule 3)	512,000	532,745	517,618
Total Expenses	4,737,341	3,894,273	4,006,465
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(83,641)	1,162,648	273,499
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	382,000	582,358	1,228,854
Surplus (Deficit) of Revenues over Expenses	298,359	1,745,006	1,302,353
Accumulated Surplus (Deficit), Beginning of Year	20,481,183	20,481,183	18,978,830
Accumulated Surplus (Deficit), End of Year	20,779,542	22,226,189	20,481,183

Rural Municipality of Mervin No 499
 Consolidated Statement of Change in Net Financial Assets
 For the Year Ended December 31, 2011

Statement 3

	2011 Budget	2011	2010
Surplus (Deficit)	298,359	1,745,006	1,502,353
(Acquisition) of tangible capital assets	(670,000)	(1,606,005)	(2,591,503)
Amortization of tangible capital assets	1,058,000	945,649	878,252
Proceeds on disposal of tangible capital assets		241,942	29,977
Loss (gain) on the disposal of tangible capital assets		19,107	(1,325)
Surplus (Deficit) of capital expenses over expenditures	388,000	(399,307)	(1,684,599)
(Acquisition) of supplies inventories		(78,293)	(141,079)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(78,293)	(141,079)
Increase/Decrease in Net Financial Assets	686,359	1,267,406	(323,325)
Net Financial Assets - Beginning of Year	2,532,762	2,532,762	2,856,087
Net Financial Assets - End of Year	3,219,121	3,800,168	2,532,762

Rural Municipality of Mervin No 499
 Schedule of Council Remuneration
 For the Year Ended December 31, 2011

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Harold Kivimaa	6,300	973	7,273
Georgina Pilling	6,268	1,182	7,450
Keith Vallentgoed	5,819	872	6,691
Alex McDonald	7,686	868	8,554
Charles Bodnar	7,340	1,273	8,613
William Bleakney	3,188	920	4,108
Colin Davidson	6,267	2,072	8,339
Total	42,868	8,160	51,028