
RURAL MUNICIPALITY OF MERVIN NO. 499

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

BAERT CAMERON ODISHAW LA COCK
CHARTERED ACCOUNTANTS

Management's Responsibility

To the Ratepayers of Municipality of Mervin No. 499

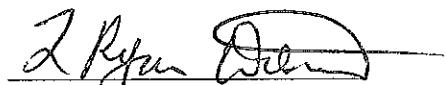
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report 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.

Baert Cameron Odishaw La Cock, an independent firm of Chartered Accountants, is appointed by the council 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

BAERT CAMERON ODISHAW LA COCK
CHARTERED 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, 2012, 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 Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Mervin No. 499 as at December 31, 2012, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Baert Cameron Odishaw La Cock

Chartered Accountants

North Battleford, Saskatchewan
April 1, 2013

Municipality of Mervin No. 499
Consolidated Statement of Financial Position
As at December 31, 2012

Statement 1

	2012	2011
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	5,198,813	3,489,164
Taxes Receivable - Municipal (Note 3)	207,124	171,736
Other Accounts Receivable (Note 4)	178,409	214,224
Land for Resale (Note 5)	14,474	10,070
Long-Term Investments (Note 6)	130,285	120,708
Other (Specify)		
Total Financial Assets	5,729,105	4,005,902
LIABILITIES		
Bank Indebtedness (Note 7)		
Accounts Payable	186,173	205,734
Accrued Liabilities Payable		
Deposits		
Deferred Revenue (Note 8)		
Accrued Landfill Costs (Note 9)		
Other Liabilities		
Long-Term Debt (Note 10)		
Lease Obligations (Note 11)		
Total Liabilities	186,173	205,734
NET FINANCIAL ASSETS	5,542,932	3,800,168
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	17,648,694	17,853,146
Prepayments and Deferred Charges		
Stock and Supplies	677,378	572,855
Other (Note 12)	20	20
Total Non-Financial Assets	18,326,092	18,426,021
Accumulated Surplus (Deficit) (Schedule 8)	23,869,024	22,226,189

Municipality of Mervin No. 499
Consolidated Statement of Operations
For the year ended December 31, 2012

Statement 2

	2012 Budget	2012	2011
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	4,754,500	4,767,166	3,861,199
Fees and Charges (Schedule 4, 5)	435,000	233,259	668,936
Conditional Grants (Schedule 4, 5)	1,500	4,911	3,113
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	(90,000)	(69,476)	(19,107)
Land Sales - Gain (Schedule 4, 5)		1,500	1,500
Investment Income and Commissions (Schedule 4, 5)	21,000	19,693	20,212
Other Revenues (Schedule 4, 5)	485,000	605,044	521,068
Total Revenues	5,607,000	5,562,097	5,056,921

Expenses			
General Government Services (Schedule 3)	1,072,181	653,942	602,043
Protective Services (Schedule 3)	320,400	319,804	139,225
Transportation Services (Schedule 3)	3,019,841	2,253,191	1,969,027
Environmental and Public Health Services (Schedule 3)	523,800	542,666	547,065
Planning and Development Services (Schedule 3)	91,700	85,291	79,912
Recreation and Cultural Services (Schedule 3)	21,500	63,225	24,256
Utility Services (Schedule 3)	144,600	81,953	532,745
Total Expenses	5,194,022	4,000,072	3,894,273

Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	412,978	1,562,025	1,162,648
---	----------------	------------------	------------------

Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	72,500	80,810	582,358
---	--------	--------	---------

Surplus (Deficit) of Revenues over Expenses	485,478	1,642,835	1,745,006
--	----------------	------------------	------------------

Accumulated Surplus (Deficit), Beginning of Year	22,226,189	22,226,189	20,481,183
---	-------------------	-------------------	-------------------

Accumulated Surplus (Deficit), End of Year	22,711,667	23,869,024	22,226,189
---	-------------------	-------------------	-------------------

Municipality of Mervin No. 499

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2012

Statement 3

	2012 Budget	2012	2011
Surplus (Deficit)	485,478	1,642,835	1,745,006
(Acquisition) of tangible capital assets	(1,216,000)	(1,205,546)	(1,606,005)
Amortization of tangible capital assets	1,032,000	989,102	945,650
Proceeds on disposal of tangible capital assets		351,420	241,941
Loss (gain) on the disposal of tangible capital assets	(90,000)	69,476	19,107
Surplus (Deficit) of capital expenses over expenditures	(274,000)	204,452	(399,307)
(Acquisition) of supplies inventories		(104,523)	(78,293)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(104,523)	(78,293)
Increase/Decrease in Net Financial Assets	211,478	1,742,764	1,267,406
Net Financial Assets - Beginning of Year	3,800,168	3,800,168	2,532,762
Net Financial Assets - End of Year	4,011,646	5,542,932	3,800,168

Municipality of Mervin No. 499
Consolidated Statement of Cash Flow
For the year ended December 31, 2012

Statement 4

Cash provided by (used for) the following activities

Operating:

	2012	2011
Surplus (Deficit)	1,642,835	1,745,006
Amortization	989,102	945,650
Loss (gain) on disposal of tangible capital assets	69,476	19,107
	2,701,413	2,709,763

Change in assets/liabilities

Taxes Receivable - Municipal	(35,388)	6,944
Other Receivables	35,815	667,579
Land for Resale	(4,404)	
Other Financial Assets		
Accounts and accrued liabilities payable	(19,561)	(79,781)
Deposits		
Deferred Revenue		
Other Liabilities		
Stock and supplies for use	(104,523)	(78,294)
Prepayments and Deferred Charges		
Other (specify)		

Net cash from (used for) operations	2,573,352	3,226,211
--	------------------	------------------

Capital:

Acquisition of capital assets	(1,205,546)	(1,606,005)
Proceeds from the disposal of capital assets	351,420	241,942
Other capital		

Net cash from (used for) capital	(854,126)	(1,364,063)
---	------------------	--------------------

Investing:

Long-term investments	(9,577)	(5,965)
Other investments		

Net cash from (used for) investing	(9,577)	(5,965)
---	----------------	----------------

Financing:

Long-term debt issued		
Long-term debt repaid		
Other financing		

Net cash from (used for) financing		
---	--	--

Increase (Decrease) in cash resources	1,709,649	1,856,183
--	------------------	------------------

Cash and Investments - Beginning of Year	3,489,164	1,632,981
---	------------------	------------------

Cash and Investments - End of Year	5,198,813	3,489,164
---	------------------	------------------

Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

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 Canadian Institute of Chartered Accountants. 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 recognize revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

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

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

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3
- c) **Government transfers:** Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as
- a) the transfer is authorized;
 - b) eligibility criteria have been met by the recipient; and
 - c) a reasonable estimate of the amount can be made.
- Unearned government transfer amounts received but not earned will be recorded as deferred revenue.
Earned government transfer amounts not received will be recorded as an amount receivable.
- d) **Deferred revenue - Fees and charges:** Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local improvement charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net-financial assets:** Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- 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) **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 Rural Municipalities - Self insurance fund are accounted for on the equity basis.

Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

1. Significant accounting policies - continued

- j) **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.
- k) **Tangible capital assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

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

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

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

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

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

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

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

Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

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 are 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.

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

The segments (functions) are as follows:

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

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

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

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

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

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

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

2. Cash and temporary investments

	2012	2011
Cash	5,092,313	3,407,664
Temporary investments	106,500	81,500
Total cash and temporary investments	5,198,813	3,489,164

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

3. Taxes and grants in lieu receivable

	2012	2011
Municipal - Current	156,120	127,135
- Arrears	51,004	44,601
- Less allowance for uncollectibles	207,124	171,736
Total municipal taxes receivable	207,124	171,736
School - Current	120,700	86,858
- Arrears	36,292	35,801
Total school taxes receivable	156,992	122,659
Other	2,653	1,174
Total taxes and grants in lieu receivable	366,769	295,569
Deduct taxes receivable to be collected on behalf of other organizations	(159,645)	(123,833)
Municipal and grants in lieu taxes receivable	207,124	171,736

Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

	2012	2011
4. Other accounts receivable		
Federal government	24,470	22,409
Provincial government	38,499	43,743
Local government	37,725	78,477
Utility		
Trade		
Other (specify)	77,715	69,595
Total other accounts receivable	178,409	214,224

Less Allowance for Uncollectibles

Net Other Accounts Receivable	178,409	214,224
--------------------------------------	----------------	----------------

5. Land for Resale

Tax Title Property	17,706	13,285
Allowance for market value adjustment	(3,232)	(3,215)
Net Tax Title Property	14,474	10,070

Other Land		
Allowance for market value adjustment		
Net Other Land		

Total Land for Resale	14,474	10,070
------------------------------	---------------	---------------

6. Long-term investments

Sask Assoc of Rural Municipalities - Self Insurance Fund	130,285	120,708
--	---------	---------

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

Other long-term investments (examples)

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

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

7. Bank indebtedness (not applicable)

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

Credit Arrangements

[Disclosure appropriate where lines of credit have been authorized, but nil amount is drawn at statement date]
At [date], the Municipality had lines of credit totaling [\$], none of which were drawn. The following has been collateralized in connection with this line of credit:

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

8. Deferred revenue (not applicable)

	2012	2011
[describe deferred revenue]		
Total deferred revenue	0	0

Municipality of Mervin No. 499

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

9. Accrued landfill costs (not applicable)

	2012	2011
Environmental liabilities	0	0

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

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

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

10. Long-term debt

a) The debt limit of the municipality is \$5,241,821. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act Section 161).

b) ~~Debt is repayable at [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].~~

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2013	0	0	0	0
2014			0	0
2015			0	0
2016			0	0
2017			0	0
Thereafter			0	0
Balance	0	0	0	0

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

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2013			0	0
2014			0	0
2015			0	0
2016			0	0
2017			0	0
Thereafter			0	0
Balance	0	0	0	0

Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

11. Lease obligations (not applicable)

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

Year	
2013	0
2014	0
2015	0
2016	0
2017	0
Thereafter	0
Total future minimum lease payments	0
Amounts representing interest at a weighted average rate of _____ %	0
Capital lease liability	0

12. Other non-financial assets

Credit union membership

20	20
----	----

13. Contingent liabilities

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

The municipality is also contingently liable for the following:

14. Change in accounting policies

Effective January 1, 2009, the municipality adopted the Public Sector Accounting Board's recommendations for recording tangible capital assets and the new financial statement presentation. The tangible capital asset section, PSAB 3150, establishes standards on how to account for and report tangible capital assets in government financial statements. The financial statement presentation section, PSAB 1201, establishes general reporting principles and standards for the disclosure of information based on the underlying financial statement concepts and the objectives of the government financial statements.

15. Comparative figures

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

16. Trusts administered by the municipality (not applicable)

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

[Description of Trust i.e. Cemetery]

	Current Total	Prior Year Total
Balance - Beginning of Year		
Revenue (Specify)		
Interest revenue		
Expenditure (Specify)		
Balance - End of Year	0	0

17. Budget figures

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

Municipality of Mervin No. 499

Schedule of Taxes and Other Unconditional Revenue

For the year ended December 31, 2012

Schedule 1

TAXES

	2012 Budget	2012	2011
General municipal tax levy	4,700,000	4,577,554	3,720,489
Abatements and adjustments	(135,000)	(1,004)	(97,571)
Discount on current year taxes	(210,000)	(209,904)	(165,251)
Net Municipal Taxes	4,355,000	4,366,646	3,457,667
Potash tax share			
Trailer license fees			
Penalties on tax arrears	8,000	10,768	11,523
Special tax levy			
Other (Specify)			
Total Taxes	4,363,000	4,377,414	3,469,190

UNCONDITIONAL GRANTS

Equalization (Revenue Sharing)	303,000	302,954	302,954
Organized Hamlet	63,000	61,380	63,317
Total Unconditional Grants	366,000	364,334	366,271

GRANTS IN LIEU OF TAXES

General			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
SPMC - Municipal Share			
SaskTel			
Other (Specify)	18,000	17,660	18,290
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	7,500	7,758	7,448
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			
Total Grants in Lieu of Taxes	25,500	25,418	25,738

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	4,754,500	4,767,166	3,861,199
--	------------------	------------------	------------------

Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2012

Schedule 2 - 1

	2012 Budget	2012	2011
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work		5,132	
- Sales of supplies	4,000	4,290	3,672
- Other (Specify)	250,000	(21,390)	467,878
Total Fees and Charges	254,000	(11,968)	471,550
- Tangible capital asset sales - gain (loss)			
- Land sales - gain		1,500	1,500
- Investment income and commissions	21,000	19,693	20,212
- Other (Specify)	169,200	277,380	183,878
Total Other Segmented Revenue	444,200	286,605	677,140
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	444,200	286,605	677,140
Capital			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Provincial Disaster Assistance			
- Other MREP			195,302
Total Capital			195,302
Total General Government Services	444,200	286,605	872,442

PROTECTIVE SERVICES

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

Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2012

Schedule 2 - 2

	2012 Budget	2012	2011
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	20,000	22,945	18,397
- Sales of supplies	20,000	34,171	34,501
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges	40,000	57,116	52,898
- Tangible capital asset sales - gain (loss)	(90,000)	(69,476)	(19,107)
- Other (Specify)			
Total Other Segmented Revenue	(50,000)	(12,360)	33,791
Conditional Grants			
- Primary Weight Corridor			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	(50,000)	(12,360)	33,791
Capital			
Conditional Grants			
- Gas Tax	69,000	69,278	140,126
- Canada/Sask Municipal Rural Infrastructure Fund			
- Heavy Haul			
- Designated Municipal Roads and Bridges			
- Provincial Disaster Assistance			
- Other (Specify) Sask. Water	3,500	11,532	3,680
Total Capital	72,500	80,810	143,806
Total Transportation Services	22,500	68,450	177,597

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	23,000	35,661	30,221
- Other (Specify)	5,000	14,049	8,332
Total Fees and Charges	28,000	49,710	38,553
- Tangible capital asset sales - gain (loss)			
- Other (Specify) NSRMHH Contract Work	304,800	267,093	289,004
Total Other Segmented Revenue	332,800	316,803	327,557
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify) West Nile	1,500	4,911	3,113
Total Conditional Grants	1,500	4,911	3,113
Total Operating	334,300	321,714	330,670
Capital			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Transit for Disabled			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Environmental and Public Health Services	334,300	321,714	330,670

Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2012

Schedule 2 - 3

	2012 Budget	2012	2011
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	7,000	13,000	7,000
- Other (Specify) In Lieu of MR	11,000	11,565	3,500
Total Fees and Charges	18,000	24,565	10,500
- Tangible capital asset sales - gain (loss)			
- Other (Specify) Municipal Fees	11,000	60,571	48,186
Total Other Segmented Revenue	29,000	85,136	58,686
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	29,000	85,136	58,686
Capital			
Conditional Grants			
- Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Planning and Development Services	29,000	85,136	58,686

RECREATION AND CULTURAL SERVICES

Operating

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

Capital

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

Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2012

Schedule 2 - 4

	2012 Budget	2012	2011
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	95,000	113,836	95,435
- Sewer			
- Other (Specify)			
Total Fees and Charges	95,000	113,836	95,435
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	95,000	113,836	95,435
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	95,000	113,836	95,435
Capital			
Conditional Grants			
- Gas Tax			
- Sask Water Corp.			
- Provincial Disaster Assistance			
- Other (Specify) Building Canada Fund			243,250
Total Capital			243,250
Total Utility Services	95,000	113,836	338,685

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	925,000	875,741	1,778,080
--	----------------	----------------	------------------

SUMMARY

Total Other Segmented Revenue	851,000	790,020	1,192,609
Total Conditional Grants	1,500	4,911	3,113
Total Capital Grants and Contributions	72,500	80,810	582,358
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	925,000	875,741	1,778,080

	2012 Budget	2012	2011
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	64,500	63,908	58,370
Wages and benefits	271,000	268,224	229,693
Professional/Contractual services	288,610	261,335	236,977
Utilities	16,000	12,280	14,303
Maintenance, materials and supplies	414,071	31,045	41,280
Grants and contributions - operating			
- capital			
Amortization	18,000	17,150	17,150
Interest			4,270
Allowance for uncollectibles			
Other (Specify)			
Total Government Services	1,072,181	653,942	602,043

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	43,700	42,306	43,391
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protections

Wages and benefits			
Professional/Contractual services	276,700	273,707	89,361
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify) Hamlets		3,791	6,473

Total Protective Services	320,400	319,804	139,225
----------------------------------	----------------	----------------	----------------

TRANSPORTATION SERVICES

Wages and benefits	594,000	531,067	435,358
Professional/Contractual Services	406,500	34,359	91,503
Utilities	22,500	15,155	20,993
Maintenance, materials, and supplies	400,500	179,598	84,010
Gravel	433,000	277,702	206,273
Grants and contributions - operating			
- capital			
Amortization	975,000	926,047	892,762
Interest			
Other (Specify)	188,341	289,263	238,128

Total Transportation Services	3,019,841	2,253,191	1,969,027
--------------------------------------	------------------	------------------	------------------

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

	2012 Budget	2012	2011
Wages and benefits	304,800	267,093	288,967
Professional/Contractual services	169,500	221,584	224,031
Utilities	2,000	588	1,711
Maintenance, materials and supplies	32,500	18,680	4,702
Grants and contributions - operating	5,000	20,000	18,000
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization	10,000	14,721	9,654
Interest			
Other (Specify)			
Total Environmental and Public Health Services	523,800	542,666	547,065

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits	59,000	58,887	47,803
Professional/Contractual Services	32,700	25,533	30,753
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)		871	1,356
Total Planning and Development Services	91,700	85,291	79,912

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	12,500	12,338	12,068
Utilities			
Maintenance, materials and supplies		47,164	8,465
Grants and contributions - operating	5,000		
- capital			
Amortization	4,000	3,723	3,723
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Recreation and Cultural Services	21,500	63,225	24,256

Municipality of Mervin No. 499

Total Expenses by Function

For the year ended December 31, 2012

Schedule 3 - 3

	2012 Budget	2012	2011
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies	119,600	54,492	510,384
Grants and contributions - operating			
- capital			
Amortization	25,000	27,461	22,361
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Utility Services	144,600	81,953	532,745
TOTAL EXPENSES BY FUNCTION			
	5,194,022	4,000,072	3,894,273

Municipality of Me No. 499
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2012

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	(11,968)		57,116	49,710	24,565		113,836	233,259
Tangible Capital Asset Sales - Gain			(69,476)					(69,476)
Land Sales - Gain	1,500							1,500
Investment Income and Commissions	19,693							19,693
Other Revenues	277,380			267,093	60,571			605,044
Grants - Conditional				4,911				4,911
- Capital			80,810					80,810
Total revenues	286,605		68,450	321,714	85,136		113,836	875,741
Expenses (Schedule 3)								
Wages & Benefits	332,132		531,067	267,093	58,887			1,189,179
Professional/ Contractual Services	261,335	316,013	34,359	221,584	25,533	12,338		871,162
Utilities	12,280		15,155	588				28,023
Maintenance Materials and Supplies	31,045		457,300	18,680		47,164	54,492	608,681
Grants and Contributions				20,000				20,000
Amortization	17,150		926,047	14,721		3,723	27,461	989,102
Interest								
Allowance for Uncollectibles								
Other		3,791	289,263		871			293,925
Total expenses	653,942	319,804	2,253,191	542,666	85,291	63,225	81,953	4,000,072
Surplus (Deficit) by Function	(367,337)	(319,804)	(2,184,741)	(220,952)	(155)	(63,225)	31,883	(3,124,331)

Taxation and other unconditional revenue (Schedule 1)

4,767,166

Net Surplus (Deficit)	1,642,835
------------------------------	------------------

Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2011

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	471,550		52,898 (19,107)	38,553	10,500		95,435	668,936 (19,107)
Tangible Capital Asset Sales - Gain	1,500							1,500
Land Sales - Gain	20,212							20,212
Investment Income and Commissions	183,878			289,004	48,186			521,068
Other Revenues				3,113				3,113
Grants - Conditional	195,302		143,806				243,250	582,358
- Capital								
Total revenues	872,442		177,597	330,670	58,686		338,685	1,778,080
Expenses (Schedule 3)								
Wages & Benefits	288,063		435,358	288,967	47,803			1,060,191
Professional/ Contractual Services	236,977	132,752	91,503	224,031	30,753	12,068		728,084
Utilities	14,303		20,993	1,711				37,007
Maintenance Materials and Supplies	41,280		290,283	4,702		8,465	510,384	855,114
Grants and Contributions				18,000				18,000
Amortization	17,150		892,762	9,654		3,723	22,361	945,650
Interest	4,270							4,270
Allowance for Uncollectibles								
Other		6,473	238,128		1,356			245,957
Total expenses	602,043	139,225	1,969,027	547,065	79,912	24,256	532,745	3,894,273
Surplus (Deficit) by Function	270,399	(139,225)	(1,791,430)	(216,395)	(21,226)	(24,256)	(194,060)	(2,116,193)

Taxation and other unconditional revenue (Schedule 1)

3,861,199

Net Surplus (Deficit)**1,745,006**

Municipality of Me No. 499
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2012

Schedule 6

2012										2011
Assets	General Assets						Infrastructure Assets	General/ Infrastructure	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets				
						Assets Under Construction	Total			
Asset cost										
Opening Asset costs	194,019		1,120,655	22,045	2,104,720	28,649,348	366,150	32,456,937	31,388,415	
Additions during the year				21,000	837,270	685,436	27,990	1,571,696	1,606,005	
Disposals and write-downs during the year					(606,972)			(606,972)	(537,483)	
Transfers (from) assets under construction							(366,150)	(366,150)		
Closing Asset Costs	194,019		1,120,655	43,045	2,335,018	29,334,784	27,990	33,055,511	32,456,937	
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs			213,361	15,023	423,261	13,952,145		14,603,790	13,934,574	
Add: Amortization taken			28,016	5,956	176,317	778,813		989,102	945,650	
Less: Accumulated amortization on disposals					(186,075)			(186,075)	(276,433)	
Closing Accumulated Amortization Costs			241,377	20,979	413,503	14,730,958		15,406,817	14,603,791	
Net Book Value	194,019		879,278	22,066	1,921,515	14,603,826	27,990	17,648,694	17,853,146	

Municipality of Mer (to. 499)
Consolidated Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2012

Schedule 7

	2012						2011	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets								
Asset cost								
Opening Asset costs	725,049		30,444,131	93,383		55,847	1,138,527	31,388,415
Additions during the year			798,849				406,697	1,606,005
Disposals and write-downs during the year			(606,972)					(537,483)
Closing Asset Costs	725,049		30,636,008	93,383		55,847	1,545,224	32,456,937
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	121,336		13,794,340	53,627		3,723	630,765	13,934,574
Add: Amortization taken	17,150		926,047	1,490		3,723	40,692	945,650
Less: Accumulated amortization on disposals			(186,076)					(276,433)
Closing Accumulated Amortization Costs	138,486		14,534,311	55,117		7,446	671,457	14,603,791
Net Book Value	586,563		16,101,697	38,266		48,401	873,767	17,853,146

Municipality of Mervin No. 499
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2012

Schedule 8

	2011	Changes	2012
UNAPPROPRIATED SURPLUS	1,819,974	875,199	2,695,173

APPROPRIATED RESERVES

Machinery and Equipment	1,675,000	825,000	2,500,000
Public Reserve			
Capital Trust	106,500		106,500
Utility			
Other (Specify)	21,442	24,565	46,007
Total Appropriated	1,802,942	849,565	2,652,507

ORGANIZED HAMLETS (add lines if required)

Organized Hamlet of (Name)	671,879	137,278	809,157
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)	78,248	(14,755)	63,493
Total Organized Hamlets	750,127	122,523	872,650

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	17,853,146	(204,452)	17,648,694
Less: Related debt			
Net Investment in Tangible Capital Assets	17,853,146	(204,452)	17,648,694

Total Accumulated Surplus	22,226,189	1,642,835	23,869,024
----------------------------------	-------------------	------------------	-------------------

Municipality of Manawatu No. 499
Schedule of Mill Rates and Assessments
For the year ended December 31, 2012

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	36,296,765	47,748,775		114,305,175	45,520,575		243,871,290
Regional Park Assessment							
Total Assessment							243,871,290
Mill Rate Factor(s)	1.50	0.55		0.55	10.30		
Total Base/Minimum Tax (generated for each property class)	112,375	687,050		incl in residential	1,000		800,425
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	425,361	1,123,776		incl in residential	3,028,417		4,577,554

MILL RATES:

MILLS

Average Municipal*	18.7704
Average School*	9.2178
Potash Mill Rate	
Uniform Municipal Mill Rate	6.8000

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

Municipality of Mervin No. 499
Schedule of Council Remuneration
For the year ended December 31, 2012

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Harold Kivimaa	6,259	1,388	7,647
Reeve	Tom Brown	1,663	65	1,728
Councillor Div. #1	Georgina Pilling	7,266	1,673	8,939
Councillor Div. #2	Keith Vallentgoed	5,223	1,172	6,395
Councillor Div. #3	Alex McDonald	6,960	788	7,748
Councillor Div. #4	Charles Bodnar	7,447	1,264	8,711
Councillor Div. #5	William Bleakney	5,156	1,828	6,984
Councillor Div. #5	Evelyn Bloom	1,234	118	1,352
Councillor Div. #6	Colin Davidson	5,783	1,951	7,734
Total		46,991	10,247	57,238