

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

Opinion

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, 2019, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Mervin No. 499 as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of Mervin No. 499 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of Mervin No. 499's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

North Battleford, Saskatchewan
April 6, 2020


Chartered Professional Accountants

**Rural Municipality of Mervin No. 499
Schedule of Council Remuneration
For the year ended December 31, 2019**

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	12,860	994	13,854
Councillor	Georgina Pilling	7,894	1,455	9,349
Councillor	Lyle McKee	7,879	512	8,391
Councillor	Gordon Spencer	7,498	697	8,195
Councillor	Evelyn Bloom	8,723	1,785	10,508
Councillor	Ron Gramlich	9,373	2,990	12,363
Councillor	Victor Ham	8,918	2,441	11,359
Total		63,145	10,874	74,019

R.M. of Mervin No. 499

SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

**Rural Municipality of Mervin No. 499
Consolidated Statement of Financial Position
As at December 31, 2019**

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	11,287,851	9,573,694
Taxes Receivable - Municipal (Note 3)	470,927	431,091
Other Accounts Receivable (Note 4)	594,154	284,628
Land for Resale (Note 5)	29,883	43,819
Long-Term Investments (Note 6)	145,101	129,583
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	12,527,916	10,462,815

LIABILITIES

Bank Indebtedness		
Accounts Payable	758,459	305,038
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs (Note 7)	47,620	
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	806,079	305,038

NET FINANCIAL ASSETS (DEBT)

11,721,837 10,157,777

NON-FINANCIAL ASSETS

Tangible Capital Assets (Schedule 6, 7)	24,491,124	23,390,854
Prepayments and Deferred Charges		
Stock and Supplies	1,060,449	994,099
Other		
Total Non-Financial Assets	25,551,573	24,384,953

ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)

37,273,410 34,542,730

Rural Municipality of Mervin No. 499
 Consolidated Statement of Operations
 For the year ended December 31, 2019

Statement 2

	2019 Budget	2019	2018
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	5,596,200	5,749,035	5,473,587
Fees and Charges (Schedule 4, 5)	995,300	1,868,401	2,140,142
Conditional Grants (Schedule 4, 5)	565,000	388,351	13,244
Tangible Capital Asset Sales - Loss (Schedule 4, 5)		(60,464)	(94,362)
Land Sales - Loss (Schedule 4, 5)		(1,094)	
Investment Income and Commissions (Schedule 4, 5)	145,000	146,516	77,868
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	644,750	628,686	624,492
Total Revenues	7,946,250	8,719,431	8,234,971
EXPENSES			
General Government Services (Schedule 3)	994,081	873,878	834,706
Protective Services (Schedule 3)	259,500	181,129	155,094
Transportation Services (Schedule 3)	4,095,235	3,679,986	3,522,676
Environmental and Public Health Services (Schedule 3)	961,530	865,872	763,565
Planning and Development Services (Schedule 3)	173,850	255,583	156,178
Recreation and Cultural Services (Schedule 3)	257,905	147,402	108,521
Utility Services (Schedule 3)	112,312	136,851	155,462
Restructurings (Schedule 3)			
Total Expenses	6,854,413	6,140,701	5,696,202
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	1,091,837	2,578,730	2,538,769
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	80,600	151,950	76,622
Surplus (Deficit) of Revenues over Expenses	1,172,437	2,730,680	2,615,391
Accumulated Surplus (Deficit), Beginning of Year	34,542,730	34,542,730	31,927,339
Accumulated Surplus (Deficit), End of Year	35,715,167	37,273,410	34,542,730

Rural Municipality of Mervin No. 499
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2019

Statement 3

	2019 Budget	2019	2018
Surplus (Deficit)	1,172,437	2,730,680	2,615,391
(Acquisition) of tangible capital assets		(2,644,533)	(3,424,522)
Amortization of tangible capital assets		1,317,617	1,215,393
Proceeds on disposal of tangible capital assets		166,182	170,000
Loss (gain) on the disposal of tangible capital assets		60,464	94,362
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(1,100,270)	(1,944,767)
(Acquisition) of supplies inventories		(66,350)	(617,117)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(66,350)	(617,117)
Increase/Decrease in Net Financial Assets	1,172,437	1,564,060	53,507
Net Financial Assets (Debt) - Beginning of Year	10,157,777	10,157,777	10,104,270
Net Financial Assets (Debt) - End of Year	11,330,214	11,721,837	10,157,777

Rural Municipality of Mervin No. 499
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	2,730,680	2,615,391
Amortization	1,317,617	1,215,393
Loss (gain) on disposal of tangible capital assets	60,464	94,362
	4,108,761	3,925,146
Change in assets/liabilities		
Taxes Receivable - Municipal	(39,836)	11,887
Other Receivables	(309,526)	(96,611)
Land for Resale	13,936	(25,474)
Other Financial Assets		
Accounts and Accrued Liabilities Payable	453,421	(187,733)
Deposits		
Deferred Revenue		
Accrued Landfill Costs	47,620	
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	(66,350)	(617,117)
Prepayments and Deferred Charges		
Other (Specify)		
Cash provided by operating transactions	4,208,026	3,010,098
Capital:		
Acquisition of capital assets	(2,644,533)	(3,424,522)
Proceeds from the disposal of capital assets	166,182	170,000
Other capital		
Cash applied to capital transactions	(2,478,351)	(3,254,522)
Investing:		
Long-term investments	(15,518)	(6,424)
Other investments		
Cash provided by (applied to) investing transactions	(15,518)	(6,424)
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	1,714,157	(250,848)
Cash and Temporary Investments - Beginning of Year	9,573,694	9,824,542
Cash and Temporary Investments - End of Year	11,287,851	9,573,694