

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Mervin No. 499, which comprise the statement of financial position as at December 31, 2021, the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality has interests in the Turtleford and District Fire Association, St. Walburg and District Fire Association and Town of Turtleford/R.M. of Mervin Dr. House which are government partnerships. The municipality has not recorded in its financial statements these interests using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements has not been determined. The municipality controls Sunset View Public Utility Board, Crystal Bay Sunset Public Utility Board and Clover Lake Public Utility Board. The municipality has not consolidated in its financial statements these interests, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements has not been determined.

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 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 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 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 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 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 12, 2022


 Chartered Professional Accountants

**Rural Municipality of Mervin No. 499
 Schedule of Council Remuneration
 For the year ended December 31, 2021**

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Gerry Ritz	10,920	2,925	13,845
Councillor	Jim Range	5,454	1,046	6,500
Councillor	Lyle McKee	5,932	452	6,384
Councillor	Gordon Spencer	5,223	568	5,791
Councillor	David Krywchuk	9,042	2,373	11,415
Councillor	Ron Gramlich	8,917	3,254	12,171
Councillor	Victor Hamm	5,460	1,677	7,137
Total		50,948	12,295	63,243

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, 2021

Statement 1

	2021	2020
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	12,292,532	12,424,007
Taxes Receivable - Municipal (Note 3)	392,228	496,146
Other Accounts Receivable (Note 4)	105,889	119,747
Land for Resale (Note 5)	55,380	37,115
Long-Term Investments (Note 6)	168,493	155,659
Debt Charges Recoverable		
Other (<i>Specify</i>)		
Total Financial Assets	13,014,522	13,232,674

LIABILITIES

Bank Indebtedness (Note 7)		
Accounts Payable	411,183	724,604
Accrued Liabilities Payable		
Deposits	55,000	
Deferred Revenue	2,500	2,500
Accrued Landfill Costs (Note 8)	148,650	97,145
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	617,333	824,249

NET FINANCIAL ASSETS (DEBT)

	12,397,189	12,408,425
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NON-FINANCIAL ASSETS

Tangible Capital Assets (Schedule 6, 7)	26,487,180	24,885,720
Prepayments and Deferred Charges		
Stock and Supplies	812,298	1,010,030
Other		
Total Non-Financial Assets	27,299,478	25,895,750

ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)

	39,696,667	38,304,175
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Rural Municipality of Mervin No. 499
Consolidated Statement of Operations
For the year ended December 31, 2021

	2021 Budget	2021	Statement 2 2020
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	5,859,500	5,992,714	5,194,073
Fees and Charges (Schedule 4, 5)	627,000	781,632	712,953
Conditional Grants (Schedule 4, 5)	2,500	20,824	17,627
Tangible Capital Asset Sales - Loss (Schedule 4, 5)		136,250	
Land Sales - Loss (Schedule 4, 5)	(11,000)	(12,685)	(21,169)
Investment Income and Commissions (Schedule 4, 5)	207,000	184,824	204,745
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	835,750	254,796	216,975
Total Revenues	7,520,750	7,358,355	6,325,204

	2021 Budget	2021	Statement 2 2020
EXPENSES			
General Government Services (Schedule 3)	1,010,538	995,800	873,374
Protective Services (Schedule 3)	402,370	197,897	180,041
Transportation Services (Schedule 3)	3,914,859	4,015,812	3,681,831
Environmental and Public Health Services (Schedule 3)	985,108	406,988	382,219
Planning and Development Services (Schedule 3)	294,550	280,710	199,583
Recreation and Cultural Services (Schedule 3)	239,439	87,663	89,720
Utility Services (Schedule 3)	152,312	149,790	147,608
Restructurings (Schedule 3)			
Total Expenses	6,999,176	6,134,660	5,554,376
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	521,574	1,223,695	770,828
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	118,905	168,797	254,627
Surplus (Deficit) of Revenues over Expenses	640,479	1,392,492	1,025,455
Accumulated Surplus (Deficit), Beginning of Year	38,304,175	38,304,175	37,278,720
Accumulated Surplus (Deficit), End of Year	38,944,654	39,696,667	38,304,175

Rural Municipality of Mervin No. 499
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2021

	2021 Budget	2021	Statement 3 2020
Surplus (Deficit)	640,479	1,392,492	1,025,455
(Acquisition) of tangible capital assets		(3,115,240)	(1,807,995)
Amortization of tangible capital assets		1,400,030	1,413,399
Proceeds on disposal of tangible capital assets		250,000	
Loss (gain) on the disposal of tangible capital assets		(136,250)	
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(1,601,460)	(394,596)
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventory		197,732	50,419
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		197,732	50,419
Increase/Decrease in Net Financial Assets	640,479	(11,236)	681,278
Net Financial Assets (Debt) - Beginning of Year	12,408,425	12,408,425	11,727,147
Net Financial Assets (Debt) - End of Year	13,048,904	12,397,189	12,408,425

Rural Municipality of Mervin No. 499
Consolidated Statement of Cash Flow
For the year ended December 31, 2021

	2021	2020	Statement 4
Cash provided by (used for) the following activities			
Operating:			
Surplus (Deficit)	1,392,492	1,025,455	
Amortization	1,400,030	1,413,399	
Loss (gain) on disposal of tangible capital assets	(136,250)		
	2,656,272	2,438,854	
Change in assets/liabilities			
Taxes Receivable - Municipal	103,918	(25,219)	
Other Receivables	13,858	474,456	
Land for Resale	(18,265)	(7,232)	
Other Financial Assets			
Accounts and Accrued Liabilities Payable	(313,421)	(34,458)	
Deposits	55,000		
Deferred Revenue		2,500	
Accrued Landfill Costs	51,505	49,525	
Liability for Contaminated Sites			
Other Liabilities			
Stock and Supplies	197,732	50,419	
Prepayments and Deferred Charges			
Other (<i>Specify</i>)			
Cash provided by operating transactions	2,746,599	2,948,845	
Capital:			
Acquisition of tangible capital assets	(3,115,240)	(1,807,995)	
Proceeds from the disposal of tangible capital assets	250,000		
Other capital			
Cash applied to capital transactions	(2,865,240)	(1,807,995)	
Investing:			
Long-term investments	(12,834)	(10,558)	
Other investments			
Cash provided by (applied to) investing transactions	(12,834)	(10,558)	
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	(131,475)	1,130,292	
Cash and Temporary Investments - Beginning of Year	12,424,007	11,293,715	
Cash and Temporary Investments - End of Year	12,292,532	12,424,007	