

RM of Caledonia No.99

Financial Statements

Consolidated Statement of Financial Position December 31, 2011

| | 2011 | 2010 |
|---|----------------------------|-------------------------|
| ASSETS | | |
| Financial Assets | | |
| Cash and Temporary Investments | \$ - | 156,935 |
| Taxes Receivable-Municipal (Note 2) | 96,863 | 108,650 |
| Other Accounts Receivable (Note 3) | 34,260 | 43,570 |
| Long-Term Investments (Note 4) | <u>66,012</u> | <u>63,332</u> |
| Total Financial Assets | <u>197,135</u> | <u>372,487</u> |
| LIABILITIES | | |
| Bank Indebtedness | \$ 20,217 | - |
| Short term Debt | 14,593 | - |
| Accounts Payable | <u>15,502</u> | <u>-</u> |
| Total Liabilities | <u>50,312</u> | <u>8,893</u> |
| NET FINANCIAL ASSETS | <u>146,823</u> | <u>363,594</u> |
| Non-Financial Assets | | |
| Tangible Capital Assets | 1,266,807 | 1,164,198 |
| Prepayments and Deferred Charges | 204 | 354 |
| Stock and Supplies | <u>-</u> | <u>-</u> |
| Total Non-Financial Assets | <u>1,267,011</u> | <u>1,164,552</u> |
| Accumulated Surplus (Deficit) (Schedule 8) | <u>\$ 1,413,834</u> | <u>1,528,148</u> |

Consolidated Statement of Changes in Net Financial Assets Year Ended December 31, 2011

| | 2011 Budget | 2011 | 2010 |
|--|--------------------------|--------------------------|--------------------------|
| Surplus (Deficit) | \$ 98,042 | \$ (114,313) | \$ (164,443) |
| Acquisition of tangible capital assets | - | (294,860) | (16,506) |
| Amortization of tangible capital assets | - | 69,510 | 90,910 |
| Proceeds on disposal of tangible capital assets | - | 155,000 | - |
| Loss (gain) on the disposal of tangible capital assets | - | (32,260) | - |
| Surplus (Deficit) of capital expenses Over expenditures | - | (102,610) | 74,404 |
| Use of Prepaid expense | - | 150 | (60) |
| Surplus (Deficit) of expenses of other Nonfinancial over expenditures | - | 150 | (60) |
| Increase (Decrease) in Net Financial Assets | 98,042 | (216,773) | (90,099) |
| Net Financial Assets - Beginning of Year | <u>363,596</u> | <u>363,596</u> | <u>453,695</u> |
| Net Financial Assets - End of Year | <u>\$ 461,638</u> | <u>\$ 146,823</u> | <u>\$ 363,596</u> |

Consolidated Statement of Operations Year Ended December 31, 2011

| | Budget 2011 | 2011 | 2010 |
|---|-------------------------|-------------------------|-------------------------|
| Revenues | | | |
| Taxes & Other Unconditional Revenue(Sched1) | \$689,360 | \$671,933 | \$504,251 |
| Fees and Charges (Schedules 4, 5) | 2,800 | 16,250 | 30,786 |
| Conditional Grants (Schedules 4, 5) | 14,300 | 3,300 | 26,878 |
| Tangible Capital Asset Sales - Gain (Loss) | - | 32,260 | - |
| Land Sales - Gain (Loss) (Schedules 4, 5) | - | - | - |
| Investment Income and Commissions(Sched4, 5) | 2,000 | 5,466 | 3,923 |
| Other Revenues (Schedules 4, 5) | <u>2,450</u> | <u>6,109</u> | <u>2,447</u> |
| Total Revenues | <u>710,910</u> | <u>735,318</u> | <u>568,285</u> |
| Expenses | | | |
| General Government Services (Schedule 3) | 111,676 | 112,837 | 102,122 |
| Protective Services (Schedule 3) | 9,330 | 9,331 | 9,331 |
| Transportation Services (Schedule 3) | 457,222 | 708,905 | 588,363 |
| Environmental and Public Health Services(sch 3) | 20,500 | 22,036 | 20,991 |
| Planning and Development Services (Schedule 3) | 3,600 | 3,657 | 4,283 |
| Recreation and Cultural Services (Schedule 3) | 4,800 | 7,246 | 4,788 |
| Utility Services (Schedule 3) | <u>5,740</u> | <u>3,358</u> | <u>2,850</u> |
| Total Expenses | <u>612,868</u> | <u>867,370</u> | <u>732,728</u> |
| Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions | <u>98,042</u> | <u>(132,052)</u> | <u>(164,443)</u> |
| Provincial/Federal Capital Grants and Contributions (schedule 4 & 5) | - | 17,739 | - |
| Surplus (Deficit) of Revenues over Expenses Accumulated Surplus (Deficit), Beginning of Year | 98,042 | (114,313) | (164,443) |
| Accumulated Surplus (Deficit), End of Year | <u>1,626,190</u> | <u>1,413,834</u> | <u>1,528,148</u> |

RM of Caledonia No.99

Financial Statements

Consolidated Statement of Cash Flow Year Ended December 31, 2011

| | 2011 | 2010 |
|---|--------------------|------------------|
| OPERATING ACTIVITIES | | |
| Surplus (Deficit) | \$ (114,313) | \$ (164,443) |
| Items not affecting cash: | | |
| Amortization of property, plant and equipment | 69,510 | 90,910 |
| Loss (Gain) on disposal of assets | (32,260) | - |
| | <u>(77,063)</u> | <u>(73,533)</u> |
| Changes in non-cash working capital: | | |
| Taxes Receivable - Municipal | 11,787 | (18,364) |
| Other Accounts Receivable | 9,310 | (16,960) |
| Accounts Payable | 6,609 | (3,938) |
| Municipal Hail | - | (812) |
| Prairie Valley | - | (1,121) |
| Prepayments and Deferred Charges | 150 | (60) |
| Rounding Difference | 2 | (2) |
| | <u>27,858</u> | <u>(41,257)</u> |
| Cash flow used by operating activities | <u>(49,205)</u> | <u>(114,790)</u> |
| INVESTING ACTIVITIES | | |
| Additions to capital assets | (294,860) | (16,506) |
| Proceeds on disposal of property, plant and Equipment | 155,000 | - |
| Long-Term Investments | (2,680) | (877) |
| Cash flow used by investing activities | <u>(142,540)</u> | <u>(17,383)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from callable debt financing | 18,000 | - |
| Repayment of callable debt | (3,407) | - |
| Cash flow from financing activities | <u>14,593</u> | <u>-</u> |
| DECREASE IN CASH FLOW | <u>(177,152)</u> | <u>(132,173)</u> |
| Cash- beginning of year | 156,935 | 289,108 |
| CASH (DEFICIENCY)- END OF YEAR | <u>\$ (20,217)</u> | <u>156,935</u> |
| CASH (DEFICIENCY) CONSISTS OF: | | |
| Cash and Temporary Investments | \$ - | \$ 156,935 |
| Bank indebtedness | (20,217) | - |
| | <u>\$ (20,217)</u> | <u>\$156,935</u> |

Schedule of Council Remuneration (Schedule 10) Year Ended December 31, 2011

| | Remuneration | Reimbursed Costs | Total |
|----------------|------------------|------------------|------------------|
| William Brown | \$ 1,500 | \$ 144 | \$ 1,644 |
| Aaron Davidson | 1,437 | 198 | 1,639 |
| Robert Muckalt | 1,562 | 450 | 2,012 |
| Donald Jones | 1,250 | - | 1,250 |
| Mark Beck | 313 | - | 313 |
| Eldon Terry | 2,424 | 755 | 3,179 |
| Darcy Phillips | 1,475 | 278 | 1,753 |
| Richard Linton | 2,813 | 930 | 3,743 |
| | <u>\$ 12,774</u> | <u>\$ 2,755</u> | <u>\$ 15,529</u> |

INDEPENDENT AUDITOR'S REPORT

To the Council of the RM of Caledonia No.99

We have audited the accompanying financial statements of the RM of Caledonia No.99, which comprise the consolidated statement of financial position as at December 31, 2011, and the statements of operations, changes 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 RM of Caledonia No.99 as at December 31, 2011, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Weyburn, Saskatchewan
April 2,2012

Dillon Hilstead Melanson C.G.A. Prof. Corp.
CERTIFIED GENERAL ACCOUNTANTS