

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, 2017, 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, 2017, 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
May 1 2018

CERTIFIED GENERAL ACCOUNTANTS

R.M. OF Caledonia No. 99 SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Consolidated Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
Financial Assets		
Cash & Temporary Investments (Note 2)	\$620,234	\$ 490,237
Taxes Receivable - Municipal (Note 3)	130,133	97,253
Other Accounts Receivable (Note 4)	57,559	37,422
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	70,090	68,585
Total Financial Assets	868,016	693,497
LIABILITIES		
Bank Indebtedness (Note 7)	\$ -	\$ -
Accounts Payable	35,704	24,291
Accrued Liabilities Payable	3,273	4,811
Deposits	-	-
Deferred Revenue	7,213	44
Other Liabilities	-	-
Long Term Debt (Note 8)	263,148	153,746
Lease Obligation	-	54,354
Total Liabilities	309,338	237,246
NET FINANCIAL ASSETS	558,678	456,251
Non-Financial Assets		
Tangible Capital Assets	1,578,022	1,373,246
Prepayments and Deferred Charges	239	118
Stock and Supplies	107,622	27,577
Total Non-Financial Assets	1,685,883	1,400,941
Accumulated Surplus (Deficit) (Schedule 8)	\$ 2,244,561	\$ 1,857,192

Consolidated Statement of Changes in Net Financial Assets Year Ended December 31, 2017

	Budget	2017	2016
Surplus (Deficit)		\$(186,002)	\$387,369
Acquisition of tangible capital assets	(278,000)	(394,857)	(517,728)
Amortization of tangible capital assets	-	135,939	107,453
Proceeds on disposal of tangible capital assets	-	153,700	198,595
Loss (gain) on the disposal of tangible capital assets	-	(99,558)	(65,420)
Surplus (Deficit) of capital expenses			
Over expenditures	(278,000)	(204,776)	(277,100)
Acquisition of prepaid expense	-	(121)	-
Consumption of supplies inventory	-	-	-
Surplus (Deficit) of expenses of other Nonfinancial over expenditures			
	-	(80,166)	49,240
Increase (Decrease) in Net Financial Assets	(464,002)	102,427	(26,026)
Net Financial Assets - Beginning of Year	456,251	456,251	482,277
Net Financial Assets - End of Year	\$ (7,751)	\$ 558,678	\$ 456,251

**Consolidated Statement of Operations
Year Ended December 31, 2017**

	Budget 2017	2017	2016
Revenues			
Taxes & Other Unconditional Revenue (Sched1)	\$ 911,341	\$ 1,037,455	\$ 908,546
Fees and Charges (Schedules 4, 5)	4,270	41,469	36,860
Conditional Grants (Schedules 4, 5)	3,335	5873	5929
Tangible Capital Asset Sales - Gain (Loss)	-	99,558	65,420
Land Sales - Gain (Loss) (Schedules 4, 5)	-	-	-
Investment Income and Comm (Sched 4,5)	4,580	7,049	7,525
Other Revenues (Schedules 4, 5)	1,700	1841	2097
Total Revenues	<u>925,226</u>	<u>1,193,245</u>	<u>1,026,377</u>
Expenses			
General Government Services (Schedule 3)	146,902	143,449	139,129
Protective Services (Schedule 3)	12,940	12,429	11,738
Transportation Services (Schedule 3)	654,046	626,523	656,351
Environmental and Public Health Services	31,680	31,325	29,734
Planning and Development Services (Schedule 3)	3,660	3,603	3,657
Recreation and Cultural Services (Schedule 3)	6,230	10887	7207
Utility Services (Schedule 3)	5160	5806	4114
Total Expenses	<u>860,618</u>	<u>833,932</u>	<u>851,930</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	<u>64,608</u>	<u>359,313</u>	<u>174,447</u>
Provincial/Federal Capital Grants and Contributions (Schedules 4, 5)	<u>27,390</u>	<u>28,056</u>	<u>27,387</u>
Surplus (Deficit) of Revenues over Expenses Accumulated Surplus (Deficit), Beginning of Year	<u>91,998</u>	<u>387,369</u>	<u>201,834</u>
	<u>1,857,192</u>	<u>1,857,192</u>	<u>1,655,358</u>
Accumulated Surplus (Deficit), End of Year	<u>1,949,190</u>	<u>2,244,561</u>	<u>1,857,192</u>

**Consolidated Statement of Cash Flow
Year Ended December 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Surplus (Deficit)	\$387,369	\$201,834
Items not affecting cash:		
Amortization of property, plant and equipment	135,939	107,453
Loss (Gain) on disposal of assets	<u>(99,558)</u>	<u>(65,420)</u>
	<u>423,750</u>	<u>243,867</u>
Changes in non-cash working capital:		
Taxes Receivable - Municipal	(32,880)	503
Other Accounts Receivable	(20,137)	8,363
Accounts Payable	11,413	-
Deferred Revenue	7,169	20
Accrued Liabilities Payable	(1,538)	4,302
Prepayments and Deferred Charges	<u>(121)</u>	<u>(76,818)</u>
Cash flow from operating activities	<u>307,611</u>	<u>306,296</u>
CAPITAL and INVESTING		
Acquisition of capital assets	(394,857)	(517,728)
Proceeds on disposal of prop, plant and equip	153,700	198,595
Long-Term Investments	<u>(1,505)</u>	<u>(2,239)</u>
Cash flow used by investing activities	<u>(1,505)</u>	<u>(2,239)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	175,000	170,000
Repayment of long term debt	<u>(119,952)</u>	<u>(66,306)</u>
Cash flow used by financing activities	<u>55,048</u>	<u>103,694</u>
Increase (Decrease) in Cash Resources	<u>119,997</u>	<u>88,618</u>
Cash and Investments - Beginning of Year	<u>409,237</u>	<u>401,619</u>
Cash and Investments - END OF YEAR (Note 2)	<u>\$610,234</u>	<u>\$ 490,237</u>

**Schedule of Council Remuneration (Schedule 10)
Year Ended December 31, 2017**

	Remuneration	Reimbursed Costs	Total
Mark Beck - Reeve	\$1,500	\$ 1,610	\$ 3,110
William Brown	1,500	1,198	2,698
Chris Williams	1,500	1,591	3,091
Eldon Terry	1,250	150	1,400
Darcy Phillips	1,500	270	1,770
Aaron Davidson	1,500	216	1,716
Chad Nicholas	1,000	120	1,120
Other reimbursed costs		2,939	2,393
	<u>\$9,750</u>	<u>\$ 8,094</u>	<u>\$17,844</u>