

de Jong & Associates

Chartered Professional Accountants, Prof. Corp.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of Council of the Municipality of King George No. 256

The accompanying summary financial statements has been derived from the statement of financial position of the Municipality of King George No. 256 as at December 31, 2016 and the statements of operations, change in net financial assets and cash flow for the year then ended. We expressed a qualified audit opinion on those financial statements in our report dated March 22, 2017.

These summary financial statements do not contain all of the disclosures required by Canadian public sector accounting standards. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the municipality's financial position, results of operations, changes in net financial assets and changes in cash flows, reference should be made to the related complete financial statements.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary of the audited financial statements in accordance with those criteria recommended by Municipal Affairs of Saskatchewan.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS)810, Engagements to Report on Summary Financial Statements.

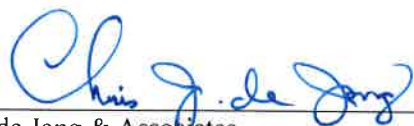
Basis for Qualified Opinion

Due to problems of timing, distance, identification and measurement we did not find it feasible to make a physical count of the various inventory items. The quantities of gravel on hand were determined from "book records" of quantity movements with prices based on original costs while other items were determined by your administration by actual count.

The Municipality operates a landfill, for which estimates of closure and post closure costs require recognition in the financial statements. 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. No estimates were recorded and we were unable to determine the effect on the financial statements.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of RM of King George No. 256 as at December 31, 2016, its financial performance and its cash flows for the year ended December 31, 2016, in accordance with Canadian public sector accounting standards.



de Jong & Associates

Swift Current, Saskatchewan

Management's Responsibility

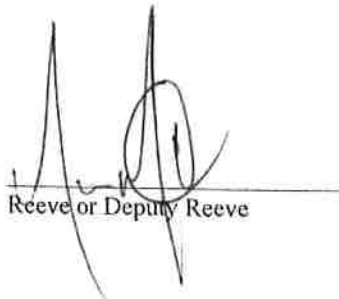
To the Ratepayers of the Municipality of King George No. 256

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.

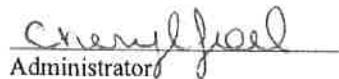
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records 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.

de Jong & Associates, an independent firm of Chartered Professional 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 or Deputy Reeve



Administrator

Municipality of King George No. 256
 Consolidated Statement of Financial Position
 As at December 31, 2016

Statement 1

	2016	2015
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	451,440	414,750
Taxes Receivable - Municipal (Note 3)	54,961	48,795
Other Accounts Receivable (Note 4)	14,093	24,698
Land for Resale (Note 5)		
Long-Term Investments (Note 6)	54,316	53,216
Debt Charges Recoverable (Note 7)		
Other (Specify)		
Total Financial Assets	574,810	541,459
LIABILITIES		
Bank Indebtedness (Note 8)		
Accounts Payable	1,476	3,233
Accrued Liabilities Payable		
Deposits		
Deferred Revenue (Note 9)		
Accrued Landfill Costs (Note 10)		
Liability for Contaminated Sites (Note 11)		
Other Liabilities		
Long-Term Debt (Note 12)	-	89,118
Lease Obligations (Note 13)		
Total Liabilities	1,476	92,351
NET FINANCIAL ASSETS (DEBT)	573,334	449,108
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6. 7)	721,318	822,552
Prepayments and Deferred Charges	60	60
Stock and Supplies	8,000	39,110
Other (Note 14)		-
Total Non-Financial Assets	729,378	861,722
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	1,302,712	1,310,830

Municipality of King George No. 256
Consolidated Statement of Operations
As at December 31, 2016

Statement 2

	2016 Budget	2016	2015
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	631,820	632,380	615,298
Fees and Charges (Schedule 4, 5)	3,360	4,293	3,346
Conditional Grants (Schedule 4, 5)	2,570	2,727	2,543
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	22,500	-
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	6,740	11,162	6,745
Other Revenues (Schedule 4, 5)		886	
Total Revenues	644,490	673,948	627,932
EXPENSES			
General Government Services (Schedule 3)	161,590	152,356	150,200
Protective Services (Schedule 3)	24,920	24,297	24,920
Transportation Services (Schedule 3)	488,640	505,434	425,266
Environmental and Public Health Services (Schedule 3)	7,400	8,130	7,393
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	2,560	2,560	3,563
Utility Services (Schedule 3)	4,350	2,697	3,349
Total Expenses	689,460	695,474	614,691
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(44,970)	(21,526)	13,241
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	30,260	13,408	30,256
Surplus (Deficit) of Revenues over Expenses	(14,710)	(8,118)	43,497
Accumulated Surplus (Deficit), Beginning of Year	1,310,830	1,310,830	1,267,333
Accumulated Surplus (Deficit), End of Year	1,296,120	1,302,712	1,310,830

Municipality of King George No. 256
 Consolidated Statement of Change in Net Financial Assets
 As at December 31, 2016

Statement 3

	2016 Budget	2016	2015
Surplus (Deficit)	(14,710)	(8,118)	43,497
(Acquisition) of tangible capital assets		-	(47,985)
Amortization of tangible capital assets	200	101,234	92,076
Proceeds on disposal of tangible capital assets		22,500	
Loss (gain) on the disposal of tangible capital assets		(22,500)	
Surplus (Deficit) of capital expenses over expenditures	200	101,234	44,091
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventory		31,110	21,090
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	31,110	21,090
Increase/Decrease in Net Financial Assets	(14,510)	124,226	108,678
Net Financial Assets (Debt) - Beginning of Year	449,108	449,108	340,430
Net Financial Assets (Debt) - End of Year	434,598	573,334	449,108

Municipality of King George No. 256
Consolidated Statement of Cash Flow
As at December 31, 2016

Statement 4

	2016	2015
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	(8,118)	43,497
Amortization	101,234	92,076
Loss (gain) on disposal of tangible capital assets	(22,500)	-
	70,616	135,573
Change in assets/liabilities		
Taxes Receivable - Municipal	(6,166)	5,094
Other Receivables	10,605	1,790
Land for Resale	-	-
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(1,757)	3,233
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	31,110	21,090
Prepayments and Deferred Charges		
Other (Specify)		
Cash provided by operating transactions	104,408	166,780
Capital:		
Acquisition of capital assets	-	(47,985)
Proceeds from the disposal of capital assets	22,500	-
Other capital		
Cash applied to capital transactions	22,500	(47,985)
Investing:		
Long-term investments	(1,100)	264
Other investments		
Cash provided by (applied to) investing transactions	(1,100)	264
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid	(89,118)	(60,362)
Other financing		
Cash provided by (applied to) financing transactions	(89,118)	(60,362)
Change in Cash and Temporary Investments during the year	36,690	58,697
Cash and Temporary Investments - Beginning of Year	414,750	356,053
Cash and Temporary Investments - End of Year	451,440	414,750

Municipality of King George No. 256
Schedule of Council Remuneration
As at December 31, 2016

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Norm McIntyre	4,763		4,763
Councillor	Les Dawe	2,795		2,795
Councillor	Ed Omeicinski	4,055		4,055
Councillor	Trevor Henderson	2,088		2,088
Councillor	Bonnie Simonson	2,545		2,545
Councillor	Yvonne Arntsen	2,025		2,025
				-
Total		18,271	-	18,271