

R.M. of Colonsay No. 342
SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Management's Responsibility

To the Ratepayers of the Rural Municipality of Colonsay No. 342

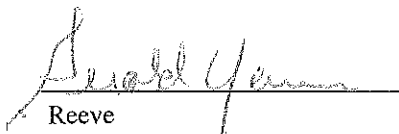
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report 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.

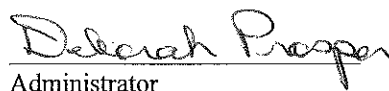
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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

Breen & Associates, an independent firm of Chartered 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.

June 26, 2014


Reeve


Administrator

INDEPENDENT AUDITORS' REPORT

To the Councillors of the
the Rural Municipality of Colonsay No. 342:

We have audited the statement of financial position of Rural Municipality of Colonsay No. 342 as at December 31, 2013 and the statements of operations, changes in net financial assets, and cash flows 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.

Auditors' 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 auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

Due to practical considerations, we were not able to observe the counting of physical inventories nor satisfy ourselves as to inventory quantities by alternative means. Since inventories enter into the determination of the results of operations and changes in net financial position, we are unable to determine what adjustments to surplus (deficit) for the year, accumulated surplus, and changes in net financial assets, if any, might be necessary.

Qualified Opinion

In our opinion, except for the affects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Colonsay No. 342 as at December 31, 2013 and the results of its operations, changes in net financial assets and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

In accordance with the terms of our engagement, we have not audited, nor do we express an opinion on the budget figures included in the accompanying financial statements.

Breen & Associates

Breen & Associates
Chartered Accountants

June 26, 2014

Rural Municipality of Colonsay No. 342
 Consolidated Statement of Financial Position
 As at December 31, 2013

Statement 1

	2013	2012
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	1,206,397	949,661
Taxes Receivable - Municipal (Note 3)	43,698	26,021
Other Accounts Receivable (Note 4)	575,547	198,782
Land for Resale		
Long-Term Investments (Note 5)	59,102	66,681
Other (Specify)		
Total Financial Assets	1,884,744	1,241,145
LIABILITIES		
Bank Indebtedness (Note 6)		
Accounts Payable	4,125	45,447
Accrued Liabilities Payable		
Deposits		
Deferred Revenue (Note 7)	151,864	
Accrued Landfill Costs		
Other Liabilities		
Long-Term Debt (Note 8)	143,848	164,865
Lease Obligations		
Total Liabilities	299,837	210,312
NET FINANCIAL ASSETS	1,584,907	1,030,833
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	3,048,101	2,995,642
Prepayments and Deferred Charges	30	55
Stock and Supplies	593,688	567,056
Other		
Total Non-Financial Assets	3,641,819	3,562,753
Accumulated Surplus (Deficit) (Schedule 8)	5,226,726	4,593,586

Rural Municipality of Colonsay No. 342

Consolidated Statement of Operations

As at December 31, 2013

Statement 2

	2013 Budget	2013	2012
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	1,342,950	1,356,144	1,386,935
Fees and Charges (Schedule 4, 5)	41,500	59,196	35,343
Conditional Grants (Schedule 4, 5)	2,300	1,392	2,313
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	(32,300)	(43,633)
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	13,000	15,728	16,851
Other Revenues (Schedule 4, 5)	-	-	-
Total Revenues	1,399,750	1,400,160	1,397,809
Expenses			
General Government Services (Schedule 3)	181,430	173,910	178,141
Protective Services (Schedule 3)	51,840	23,428	21,801
Transportation Services (Schedule 3)	924,500	650,344	748,296
Environmental and Public Health Services (Schedule 3)	20,800	17,636	19,797
Planning and Development Services (Schedule 3)	6,500	1,476	1,121
Recreation and Cultural Services (Schedule 3)	15,440	15,174	18,432
Utility Services (Schedule 3)	16,750	4,890	6,142
Total Expenses	1,217,260	886,858	993,730
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	182,490	513,302	404,079
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	13,580	119,838	16,758
Surplus (Deficit) of Revenues over Expenses	196,070	633,140	420,837
Accumulated Surplus (Deficit), Beginning of Year	4,593,586	4,593,586	4,172,749
Accumulated Surplus (Deficit), End of Year	4,789,656	5,226,726	4,593,586

Rural Municipality of Colonsay No. 342
 Consolidated Statement of Change in Net Financial Assets
 As at December 31, 2013

Statement 3

	2013 Budget	2013	2012
Surplus (Deficit)	196,070	633,140	420,837
(Acquisition) of tangible capital assets	(175,000)	(340,123)	(925,257)
Amortization of tangible capital assets	149,360	149,364	134,681
Proceeds on disposal of tangible capital assets		106,000	145,000
Loss (gain) on the disposal of tangible capital assets		32,300	43,633
Surplus (Deficit) of capital expenses over expenditures	(25,640)	(52,459)	(601,943)
(Acquisition) of supplies inventories	(147,727)	(147,727)	(85,844)
(Acquisition) of prepaid expense	(30)	(30)	(55)
Consumption of supplies inventory	121,095	121,095	192,025
Use of prepaid expense	55	55	140
Surplus (Deficit) of expenses of other non-financial over expenditures	(26,607)	(26,607)	106,266
Increase/Decrease in Net Financial Assets	143,823	554,074	(74,840)
Net Financial Assets - Beginning of Year	1,030,833	1,030,833	1,105,673
Net Financial Assets - End of Year	1,174,656	1,584,907	1,030,833

Rural Municipality of Colonsay No. 342
 Consolidated Statement of Cash Flow
 As at December 31, 2013

Statement 4

	2013	2012
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	633,140	420,837
Amortization	149,363	134,680
Loss (gain) on disposal of tangible capital assets	32,300	43,633
	<u>814,803</u>	<u>599,150</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(17,677)	5,238
Other Receivables	(376,765)	105,794
Land for Resale		
Other Financial Assets		
Accounts and accrued liabilities payable	(41,322)	44,924
Deposits		
Deferred Revenue	151,864	
Other Liabilities		(11,692)
Stock and supplies for use	(26,632)	106,189
Prepayments and Deferred Charges	25	85
Other (specify)		
Net cash from (used for) operations	504,296	849,688
Capital:		
Acquisition of capital assets	(340,123)	(925,257)
Proceeds from the disposal of capital assets	106,000	145,000
Other capital		
Net cash from (used for) capital	(234,123)	(780,257)
Investing:		
Long-term investments	7,579	(2,734)
Other investments		
Net cash from (used for) investing	7,579	(2,734)
Financing:		
Long-term debt issued		
Long-term debt repaid	(21,016)	(20,111)
Other financing		
Net cash from (used for) financing	(21,016)	(20,111)
Increase (Decrease) in cash resources	256,736	46,586
Cash and Temporary Investments - Beginning of Year	949,661	903,075
Cash and Temporary Investments - End of Year	1,206,397	949,661

Rural Municipality of Colonsay No. 342
 Schedule of Council Remuneration
 As at December 31, 2013

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Gerald Yausie	3,675	660	4,335
Councillor Division 1	Alan Garner	4,500	610	5,110
Councillor Division 2	Pat Mulhall	4,425	379	4,804
Councillor Division 3	Aime Brochu	4,875	180	5,055
Councillor Division 4	Brian Rugg	2,975	1,590	4,565
Councillor Division 5	Marvin Lang	5,250	1,145	6,395
Councillor Division 6	Rose Buscholl	4,575	652	5,227
Total		30,275	5,216	35,491