

RURAL MUNICIPALITY OF STANLEY

**Consolidated Financial Statements
For the Year Ended December 31, 2017**

RURAL MUNICIPALITY OF STANLEY

Consolidated Financial Statements

For the Year Ended December 31, 2017

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STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the Rural Municipality of Stanley and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Municipality met with management and the auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

BDO Canada LLP as the Municipality's appointed external auditor, have audited the consolidated financial statements. The auditor's report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Dale Toews, Chief Administrative Officer

September 6, 2018



Tel: 204-956-7200
Fax: 204-926-7201
Toll-Free: 866-863-6601
www.bdo.ca

BDO Canada LLP
700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Members of Council of
RURAL MUNICIPALITY OF STANLEY

We have audited the accompanying consolidated financial statements of the Rural Municipality of Stanley, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 consolidated 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 judgement, 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 consolidated financial statements present fairly, in all material respects, the financial position of The Rural Municipality of Stanley as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

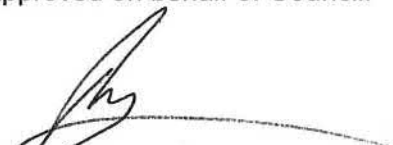
Chartered Professional Accountants

Winnipeg, Manitoba
September 6, 2018

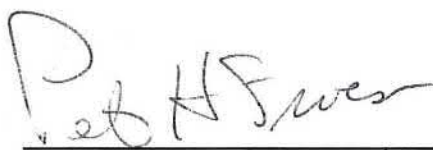
RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 3,610,034	\$ 3,891,560
Amounts receivable (Note 3)	<u>1,062,675</u>	<u>840,359</u>
	<u>4,672,709</u>	<u>4,731,919</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	694,651	786,379
Sick leave payable (Note 7)	25,435	18,780
Deferred revenue	77,093	91,625
Landfill closure and post closure liabilities (Note 8)	435	394
Long-term debt (Note 9)	<u>4,984,225</u>	<u>4,870,298</u>
	<u>5,781,839</u>	<u>5,767,476</u>
NET DEBT	<u>(1,109,130)</u>	<u>(1,035,557)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	24,735,321	22,954,519
Inventories (Note 4)	2,040,208	2,068,024
Prepaid expenses	<u>11,845</u>	<u>12,411</u>
	<u>26,787,374</u>	<u>25,034,954</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 25,678,244</u>	<u>\$ 23,999,397</u>
Commitments (Note 10)		

Approved on behalf of Council:



 Reeve



 Councillor

The accompanying notes are an integral part of these consolidated financial statements.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
REVENUE			
Property taxes	\$ 5,340,554	\$ 5,444,249	\$ 5,216,282
Grants in lieu of taxation	54,377	54,377	47,543
User fees	610,216	860,722	898,152
Permits, licences and fines	14,000	14,083	18,542
Investment income	52,477	106,311	103,478
Other revenue	115,847	88,896	56,468
Water and sewer	1,485,104	1,639,133	1,418,130
Grants - Province of Manitoba	528,358	727,848	787,170
Grants - other	541,945	547,472	576,659
Total revenue (Schedules 2, 4 and 5)	8,742,878	9,483,091	9,122,424
EXPENSES			
General government services	1,091,258	1,068,667	1,020,185
Protective services	629,000	678,977	701,001
Transportation services	3,087,104	3,206,378	3,067,562
Environmental health services	53,837	60,103	52,075
Public health and welfare services	191,199	176,198	176,198
Regional planning and development	417,235	366,035	306,065
Resource conservation and industrial development	329,654	276,121	354,384
Recreation and cultural services	306,390	285,752	327,793
Water and sewer services	1,724,082	1,686,013	1,530,900
Total expenses (Schedules 3, 4 and 5)	7,829,759	7,804,244	7,536,163
ANNUAL SURPLUS	\$ 913,119	1,678,847	1,586,261
ACCUMULATED SURPLUS, BEGINNING OF YEAR		23,999,397	22,413,136
ACCUMULATED SURPLUS, END OF YEAR (Note 16)		\$ 25,678,244	\$ 23,999,397

The accompanying notes are an integral part of these consolidated financial statements.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2017

	<u>2017 Budget (Note 13)</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
ANNUAL SURPLUS	\$ 913,119	\$ 1,678,847	\$ 1,586,261
Acquisition of tangible capital assets	(3,363,880)	(3,363,880)	(2,106,028)
Amortization of tangible capital assets	970,698	970,698	861,760
Loss on sale of tangible capital assets	11,941	11,941	7,648
Proceeds on sale of tangible capital assets	600,439	600,439	148,972
Decrease in inventories	27,816	27,816	108,940
Decrease in prepaid expenses	566	566	184,284
	<u>(1,752,420)</u>	<u>(1,752,420)</u>	<u>(794,424)</u>
CHANGE IN NET DEBT	(839,301)	(73,573)	791,837
NET DEBT, BEGINNING OF YEAR	<u>(1,035,557)</u>	<u>(1,035,557)</u>	<u>(1,827,394)</u>
NET DEBT, END OF YEAR	<u><u>\$ (1,874,858)</u></u>	<u><u>\$ (1,109,130)</u></u>	<u><u>\$ (1,035,557)</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,678,847	\$ 1,586,261
Changes in non-cash items		
Amounts receivable	(222,316)	640,720
Inventories	27,816	108,940
Prepaid expenses	566	184,284
Accounts payable and accrued liabilities	(91,728)	22,831
Sick leave payable	6,655	-
Deferred revenue	(14,532)	(10,357)
Landfill closure and post closure liabilities	41	(2,246)
Loss on sale of tangible capital assets	11,941	7,648
Amortization	970,698	861,760
Net cash provided by operating transactions	<u>2,367,988</u>	<u>3,399,841</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	600,439	148,972
Cash used to acquire tangible capital assets	<u>(3,363,880)</u>	<u>(2,106,028)</u>
Net cash applied to capital transactions	<u>(2,763,441)</u>	<u>(1,957,056)</u>
INVESTING TRANSACTIONS		
	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	490,020	312,000
Long-term debt repayment	<u>(376,093)</u>	<u>(314,174)</u>
Net cash applied to financing transactions	<u>113,927</u>	<u>(2,174)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(281,526)	1,440,611
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,891,560</u>	<u>2,450,949</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,610,034</u>	<u>\$ 3,891,560</u>

The accompanying notes are an integral part of these consolidated financial statements.

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. Status of the Rural Municipality of Stanley

The incorporated Rural Municipality of Stanley (the "Municipality") is a municipal government that was created in 1890 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The Municipality owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and culture.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and reflect the following significant accounting policies:

a) Reporting Entity

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards, commissions and joint ventures are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-fund and inter-company balances and transactions have been eliminated. The government partnerships include:

5959544 Manitoba Ltd. (24.00%) (2016 - 24.00%)
M.S.T.W Planning District (30.39%) (2016 - 30.39%)
Morden Veterinary Services District (25.11%) (2016 - 25.11%)
Pembina Valley Water Cooperative Inc. (7.7%) (2016 - 7.7%)
Solid Waste Authority Management Project (10.35%) (2016 - 10.35%)
South Central Regional Library (15.05%) (2016 - 15.05%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Note 18 Trust Funds.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

Portfolio investments are accounted for at cost. The portfolio investments owned by the municipality within themselves have been eliminated upon consolidation.

e) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

g) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over its useful life. Assets under construction are not amortized until the asset is put into use.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	30 years
Buildings and Leasehold Improvements	
Buildings	25 to 40 years
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 to 15 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Bridges	40 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 years
Underground networks	50 years
Machinery and equipment	10 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

h) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

i) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement value.

j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the consolidated financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

k) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used. Actual results could differ from management's best estimates as additional information becomes available in the future.

Measurement uncertainty in these consolidated financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Amounts Receivable

	<u>2017</u>	<u>2016</u>
Taxes on roll (Schedule 10)	\$ 505,972	\$ 404,204
Government grants	113,084	26,846
Utility customers	236,291	216,674
Organizations and individuals	136,233	153,082
Other governments	<u>71,095</u>	<u>39,553</u>
	<u>\$ 1,062,675</u>	<u>\$ 840,359</u>

4. Inventories

	<u>2017</u>	<u>2016</u>
Culverts	\$ 116,728	\$ 118,920
Aggregate and embedded rock	1,829,990	1,868,278
Other supplies	<u>93,490</u>	<u>80,826</u>
	<u>\$ 2,040,208</u>	<u>\$ 2,068,024</u>

5. Bank Indebtedness

The Municipality has at its disposition a line of credit authorized to a maximum of \$2,000,000 due on demand. The line of credit bears interest at prime less .75% being 2.45% effective December 31, 2017, and is secured by a general security agreement and an assignment of certain receivables. The line of credit was unused at December 31, 2017.

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 246,768	\$ 421,211
Accrued liabilities	111,804	39,411
School levies	<u>336,079</u>	<u>325,757</u>
	<u>\$ 694,651</u>	<u>\$ 786,379</u>

7. Sick Leave Payable

The employees can accumulate a maximum of thirty six (36) sick days. As at December 31, 2017, the Municipality has a liability of \$25,435 (\$18,780 at December 31, 2016) for sick leave presented as a liability on the consolidated statement of financial position.

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

8. Landfill Closure and Post Closure Liabilities

The Municipality is currently operating a Class 1 landfill site in partnership with the City of Morden and the City of Winkler. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2017</u>	<u>2016</u>
Estimated closure and post closure costs over the next 115 years	\$ 9,228,288	\$ 9,228,288
Discount rate	5.25%	5.25%
Discounted costs	<u>\$ 27,027</u>	<u>\$ 25,679</u>
Expected year capacity will be reached	2131	2131
Capacity (in years)		
Used to date	21	20
Remaining	<u>114</u>	<u>115</u>
Total	135	135
Percent utilized	<u>15.56%</u>	14.81%
Liability based on percentage	<u>\$ 4,204</u>	<u>\$ 3,804</u>
Rural Municipality of Stanley's share (10.35%)	<u>\$ 435</u>	<u>\$ 394</u>

9. Long-term Debt

	<u>2017</u>	<u>2016</u>
<u>General Authority</u>		
Debenture, interest at 3.50%, payable at \$37,515 annually including interest, maturing December 2026	\$ 285,372	\$ 312,000
Debenture, interest at 4.73%, payable at \$23,648 annually including interest, maturing November 2025	154,524	170,125
Debenture, interest at 5.31%, payable at \$35,582 annually including interest, maturing June 2031	345,333	361,708
Commercial loan, interest at 4.25%, payable at \$15,431 monthly including interest, maturing January 2032	1,801,983	1,908,133
Debenture, interest at 3.75%, payable at \$33,606 annually including interest, maturing December 1, 2025	228,616	252,744
Debenture, interest at 3.89%, payable at \$32,861 annually including interest, maturing December 1, 2027	<u>268,000</u>	-
	<u>3,083,828</u>	<u>3,004,710</u>
<u>Government Partnerships</u>		
Loan, interest at prime rate of 3.00%, payable at \$1,134 monthly including principal and interest, maturing May 2021	44,908	57,049
Loan, interest at 5.43%, payable at \$2,633 monthly including principal and interest, maturing May 2020	284,949	300,609
Debenture, interest at prime plus .25% being 3.45% effective December 31, 2017, payable at \$226 monthly including principle and interest, maturing September, 2022.	8,271	10,687
Loan, interest at 5.22%, payable at \$6,380 including principal and interest, maturing June 2018	623,405	666,201
Loan, interest at prime plus .75% being 3.95% effective December 31, 2017, payable at \$1,322 monthly including principal and interest, maturing September 2037	<u>314,632</u>	<u>95,397</u>
	<u>1,276,165</u>	<u>1,129,943</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

9. Long-term Debt (Continued)

Utility Funds

Debenture, interest at 3.35%, payable at \$12,149 annually including interest, maturing December 2021

43,240 53,594

Debenture, interest at 4.73%, payable at \$70,944 annually including interest, maturing November 2025

463,573 510,376

Debenture, interest at 5.375%, payable at \$63,484 annually including interest, maturing December 2019

117,419 171,675

624,232 735,645

\$ 4,984,225 \$ 4,870,298

Principal payments required in each of the next five years are as follows:

2018	\$	428,275
2019		447,072
2020		635,819
2021		390,293
2022		388,900

10. Commitments

Pembina Valley Water Cooperative Inc. ("Cooperative") has entered into numerous contracts, with expiry dates as noted, with the following cooperative members: The Town of Carman (2018), the City of Winkler (2018), and City of Morden (2023). The contracts with the Town of Carman, the City of Winkler and City of Morden are volume based, identifying the amount of water that each Municipality must purchase from the Cooperative in any given year.

The City of Winkler and Rural Municipality of Stanley will enter into an agreement for joint use of the City of Winkler Wastewater Treatment Facility. The total cost of the project is estimated at \$48,600,000 and the Rural Municipality of Stanley will pay 21.6% of the net cost of the project. The project is dependent on Canada Manitoba Infrastructure funding representing 2/3 of the funding. The Rural Municipality of Stanley's estimated net cost is \$4,015,000, which is to be funded by reserves, utilities and debentures.

11. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$87,094 (2016 - \$87,918) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$251.7 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2016.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

12. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

13. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these consolidated financial statements have been approved by Council.

The reconciliation between the financial plan and the budget figures used in these consolidated financial statements is disclosed in Schedule 9 - Reconciliation of the Financial Plan to the Budget.

14. Compensation to Council

Compensation to members of Council for the year ended December 31, 2017 was as follows:

<u>Council Members</u>	<u>Position</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
P. Froese	Councillor	\$ 19,644	\$ 1,156	\$ 20,800
R. Giesbrecht	Councillor	15,590	2,404	17,994
D. Fehr	Councillor	15,515	1,561	17,076
M. Olafson	Reeve	24,485	3,422	27,907
D. Falk	Councillor	17,967	2,490	20,457
A. Loewen	Councillor	17,296	1,685	18,981
W. Penner	Councillor	18,363	1,479	19,842
		<u>\$ 128,860</u>	<u>\$ 14,197</u>	<u>\$ 143,057</u>

15. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAS.

For information purposes, the Municipality has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

No capital grants have been deferred and amortized in these consolidated financial statements.

Water Services

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Stanley	\$ 3,945,772	\$ -	\$ 148,476	\$ 3,797,296

16. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2017</u>	<u>2016</u>
General Operating Fund - Nominal surplus	\$ 1,369,883	\$ 1,369,883
Utility Operating Fund - Nominal surplus	371,326	371,326
Tangible capital assets net of related borrowings	17,639,898	16,235,664
Reserve funds	<u>3,818,761</u>	<u>3,818,368</u>
Accumulated surplus of Municipality - Unconsolidated	23,199,868	21,795,241
Accumulated surpluses of consolidated government partnerships	<u>2,478,376</u>	<u>2,204,156</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 25,678,244</u>	<u>\$ 23,999,397</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

17. Government Partnerships

The Municipality has various partnerships as listed in note 2(a) that are consolidated using the proportionate consolidation method. The condensed supplementary financial information of government partnerships, in aggregate, is as follows:

	<u>2017</u>	<u>2016</u>
<u>Financial Position</u>		
Assets	<u>\$ 4,015,502</u>	<u>\$ 3,658,482</u>
Liabilities	<u>\$ 1,537,126</u>	<u>\$ 1,454,326</u>
Accumulated surplus	<u>2,478,376</u>	<u>2,204,156</u>
Total liabilities and accumulated surplus	<u>\$ 4,015,502</u>	<u>\$ 3,658,482</u>
<u>Statement of Operations</u>		
Revenue	<u>\$ 1,024,115</u>	<u>\$ 900,697</u>
Expenses	<u>749,895</u>	<u>717,328</u>
Annual surplus	<u>\$ 274,220</u>	<u>\$ 183,369</u>

18. Trust Funds

The Rural Municipality of Stanley administers the following trust:

	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
Cheval Utility	<u>\$ 14,116</u>	<u>\$ 1,588</u>	<u>\$ 15,704</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2017

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2017	2016
Cost										
Opening costs	\$ 2,334,863	\$ 3,578,744	\$ 4,252,584	\$ 260,686	\$ -	\$ 14,901,833	\$ 15,317,384	\$ -	\$ 40,646,094	\$ 39,008,234
Additions during the year	1,309,531	-	1,082,806	83,743	55,338	-	832,462	-	3,363,880	2,106,028
Disposals and write downs	-	-	(633,693)	-	-	-	(270,910)	-	(904,603)	(468,168)
Closing costs	3,644,394	3,578,744	4,701,697	344,429	55,338	14,901,833	15,878,936	-	43,105,371	40,646,094
Accumulated Amortization										
Opening accum'd amortization	269,158	463,324	1,492,564	213,889	-	11,686,713	3,565,927	-	17,691,575	17,141,363
Amortization	63,858	81,010	290,122	44,523	-	137,071	354,114	-	970,698	861,760
Disposals and write downs	(73,643)	-	(216,357)	-	-	-	(2,223)	-	(292,223)	(311,548)
Closing accum'd amortization	259,373	544,334	1,566,329	258,412	-	11,823,784	3,917,818	-	18,370,050	17,691,575
Net Book Value of Tangible Capital Assets	\$ 3,385,021	\$ 3,034,410	\$ 3,135,368	\$ 86,017	\$ 55,338	\$ 3,078,049	\$ 11,961,118	\$ -	\$ 24,735,321	\$ 22,954,519

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2017

SCHEDULE 2

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Property taxes		
Municipal taxes levied (Schedule 11)	\$ 5,265,272	\$ 5,103,693
Taxes added	<u>178,977</u>	<u>112,589</u>
	<u>5,444,249</u>	<u>5,216,282</u>
Grants in lieu of taxation		
Provincial government	<u>54,377</u>	<u>47,543</u>
User fees		
Sales of service	663,259	637,830
Sales of goods	36,463	36,272
Rentals	1,000	50
Development charges	<u>160,000</u>	<u>224,000</u>
	<u>860,722</u>	<u>898,152</u>
Permits, licences and fines		
Permits	<u>14,083</u>	<u>18,542</u>
Investment income		
Cash and temporary investments	<u>106,311</u>	<u>103,478</u>
Other revenue		
Loss on sale of tangible capital assets	(11,941)	(7,648)
Penalties and interest	37,976	28,309
Miscellaneous	<u>62,861</u>	<u>35,807</u>
	<u>88,896</u>	<u>56,468</u>
Water and sewer		
Municipal utilities	1,210,529	1,018,687
Consolidated water co-operatives	<u>428,604</u>	<u>399,443</u>
	<u>1,639,133</u>	<u>1,418,130</u>
Grants - Province of Manitoba		
Municipal operating grants	468,493	457,412
Conditional grants	<u>259,355</u>	<u>329,758</u>
	<u>727,848</u>	<u>787,170</u>
Grants - other		
Federal government - Gas Tax funding	456,758	451,276
Federal government - Other	2,701	2,629
Other municipal governments	<u>88,013</u>	<u>122,754</u>
	<u>547,472</u>	<u>576,659</u>
Total revenue	<u>\$ 9,483,091</u>	<u>\$ 9,122,424</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2017

SCHEDULE 3

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
General government services		
Legislative	\$ 79,243	\$ 79,002
General administrative	652,914	628,295
Other	336,510	312,888
	<u>1,068,667</u>	<u>1,020,185</u>
Protective services		
Fire	472,704	558,531
Emergency measures	163,315	103,561
Other protection	42,958	38,909
	<u>678,977</u>	<u>701,001</u>
Transportation services		
Road transport		
Administration and engineering	61,980	42,151
Road and street maintenance	2,437,467	2,346,974
Bridge maintenance	84,755	84,494
Sidewalk and boulevard maintenance	18,389	54,418
Street lighting	64,685	61,364
Other	539,102	478,161
	<u>3,206,378</u>	<u>3,067,562</u>
Environmental health services		
Waste collection and disposal	-	-
Other	60,103	52,075
	<u>60,103</u>	<u>52,075</u>
Public health and welfare services		
Public health	100,000	100,000
Medical care	74,077	74,077
Social assistance	2,121	2,121
	<u>176,198</u>	<u>176,198</u>
Regional planning and development		
Planning and zoning	366,035	306,065
Other	-	-
	<u>366,035</u>	<u>306,065</u>
Resource conservation and industrial development		
Rural area weed control	19,682	87,992
Drainage of land	189,985	165,580
Veterinary services	22,581	22,331
Water resources and conservation	42,230	77,083
Regional development	-	-
Other	1,643	1,398
	<u>276,121</u>	<u>354,384</u>
Sub-totals forward	<u>\$ 5,832,479</u>	<u>\$ 5,677,470</u>

RURAL MUNICIPALITY OF STANLEY
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2017

SCHEDULE 3

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Sub-totals forward	\$ 5,832,479	\$ 5,677,470
Recreation and cultural services		
Community centers and halls	14,250	14,250
Parks and playgrounds	45,093	114,862
Other recreational facilities	20,238	7,340
Libraries	206,171	191,341
	<u>285,752</u>	<u>327,793</u>
Water and sewer services		
Municipal utilities (Schedule 8)	1,312,195	1,192,547
Consolidated water co-operatives	373,818	338,353
	<u>1,686,013</u>	<u>1,530,900</u>
Total expenses	<u>\$ 7,804,244</u>	<u>\$ 7,536,163</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2017

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ 5,084,441	\$ 4,886,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	54,377	47,543	-	-	-	-	-	-	-	-
User fees	323,754	328,960	243	112	196,546	260,461	121,045	116,671	-	-
Grants - other	2,701	2,629	-	-	456,758	451,276	-	-	-	-
Permits, licences and fines	14,083	18,542	-	-	-	-	-	-	-	-
Investment income	70,793	71,511	-	-	16,628	9,512	8,688	10,613	-	-
Other revenue	64,420	67,504	-	-	(86,721)	14,984	84,386	(20,105)	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	468,493	457,412	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	225,000	187,997	-	-	-	-	-	-	-
Total revenue	6,083,062	6,105,965	188,240	112	583,211	736,233	214,119	107,179	-	-
EXPENSES										
Personnel services	467,935	464,156	-	-	847,602	848,792	25,787	23,790	-	-
Contract services	288,548	275,005	536,606	613,517	953,421	1,029,450	2,438	2,906	2,121	2,121
Utilities	2,752	2,856	-	-	52,224	41,560	6,573	697	-	-
Maintenance materials and supplies	120,321	111,874	142,371	87,484	815,452	653,920	13,194	13,629	-	-
Grants and contributions	43,677	32,651	-	-	-	-	-	-	174,077	174,077
Amortization	88,556	87,362	-	-	485,631	408,902	8,781	8,231	-	-
Interest on long-term debt	79,026	83,444	-	-	27,254	28,784	-	-	-	-
Other	(22,148)	(37,163)	-	-	24,794	56,154	3,330	2,822	-	-
Total expenses	1,068,667	1,020,185	678,977	701,001	3,206,378	3,067,562	60,103	52,075	176,198	176,198
Surplus (Deficit)	\$ 5,014,395	\$ 5,085,780	\$ (490,737)	\$ (700,889)	\$ (2,623,167)	\$ (2,331,329)	\$ 154,016	\$ 55,104	\$ (176,198)	\$ (176,198)

* The general government category includes revenues and expenses that cannot be attributed to a particular sector.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2016

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,808	\$ 329,418	\$ 5,444,249	\$ 5,216,282
Grants in lieu of taxation	-	-	-	-	-	-	-	-	54,377	47,543
User fees	210,698	182,542	-	1,042	8,436	8,364	-	-	860,722	898,152
Grants - other	-	7,294	10,888	13,117	55,141	52,551	21,984	49,792	547,472	576,659
Permits, licences and fines	-	-	-	-	-	-	-	-	14,083	18,542
Investment income	4,234	2,577	-	-	206	112	5,762	9,153	106,311	103,478
Other revenue	23,658	11,490	-	-	1,262	1,781	1,891	(19,186)	88,896	56,468
Water and sewer	-	-	-	-	-	-	1,639,133	1,418,130	1,639,133	1,418,130
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	468,493	457,412
Prov of MB - Conditional Grants	-	-	-	-	54,920	54,966	16,438	49,792	259,355	329,758
Total revenue	238,590	203,903	10,888	14,159	119,965	117,774	2,045,016	1,837,099	9,483,091	9,122,424
EXPENSES										
Personnel services	297,414	248,365	515	502	88,117	80,626	334,698	281,557	2,062,068	1,947,788
Contract services	30,549	19,429	190,583	179,423	2,147	2,610	587,742	510,162	2,594,155	2,634,623
Utilities	969	1,041	9,169	8,699	-	-	33,983	28,817	105,670	83,670
Maintenance materials and supplies	13,610	165	19,702	87,992	96,389	162,423	226,882	218,535	1,447,921	1,336,022
Grants and contributions	-	-	51,888	73,080	65,994	63,152	-	-	335,636	342,960
Amortization	8,149	9,642	3,312	3,509	22,155	8,399	354,114	335,713	970,698	861,758
Interest on long-term debt	-	-	296	348	-	-	135,842	136,237	242,418	248,813
Other	15,344	27,423	656	831	10,950	10,583	12,752	19,879	45,678	80,529
Total expenses	366,035	306,065	276,121	354,384	285,752	327,793	1,686,013	1,530,900	7,804,244	7,536,163
Surplus (Deficit)	\$ (127,445)	\$ (102,162)	\$ (265,233)	\$ (340,225)	\$ (165,787)	\$ (210,019)	\$ 359,003	\$ 306,199	\$ 1,678,847	\$ 1,586,261

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Property taxes	\$ 5,444,249	\$ 5,216,282	\$ -	\$ -	\$ -	\$ -	\$ 5,444,249	\$ 5,216,282
Grants in lieu of taxation	54,377	47,543	-	-	-	-	54,377	47,543
User fees	524,406	598,998	-	-	336,316	299,154	860,722	898,152
Grants - other	459,459	453,905	-	-	88,013	122,754	547,472	576,659
Permits, licences and fines	14,083	18,542	-	-	-	-	14,083	18,542
Investment income	95,334	91,921	-	-	10,977	11,557	106,311	103,478
Other revenue	49	93,437	-	-	88,847	(36,969)	88,896	56,468
Water and sewer	1,210,529	1,018,687	-	-	428,604	399,443	1,639,133	1,418,130
Prov of MB - Unconditional Grants	468,493	457,412	-	-	-	-	468,493	457,412
Prov of MB - Conditional Grants	187,997	225,000	-	-	71,358	104,758	259,355	329,758
Total revenue	<u>8,458,976</u>	<u>8,221,727</u>	<u>-</u>	<u>-</u>	<u>1,024,115</u>	<u>900,697</u>	<u>9,483,091</u>	<u>9,122,424</u>
EXPENSES								
Personnel services	1,714,990	1,597,169	-	-	347,078	350,619	2,062,068	1,947,788
Contract services	2,559,901	2,614,397	-	-	34,254	20,226	2,594,155	2,634,623
Utilities	47,714	41,560	-	-	57,956	42,110	105,670	83,670
Maintenance materials and supplies	1,278,847	1,187,205	-	-	169,074	148,817	1,447,921	1,336,022
Grants and contributions	334,238	341,919	-	-	1,398	1,041	335,636	342,960
Amortization	856,900	758,768	-	-	113,798	102,990	970,698	861,758
Interest on long-term debt	187,569	193,943	-	-	54,849	54,870	242,418	248,813
Other	2,686	20,198	-	-	42,992	60,331	45,678	80,529
Total expenses	<u>6,982,845</u>	<u>6,755,159</u>	<u>-</u>	<u>-</u>	<u>821,399</u>	<u>781,004</u>	<u>7,804,244</u>	<u>7,536,163</u>
Surplus	<u>\$ 1,476,131</u>	<u>\$ 1,466,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,716</u>	<u>\$ 119,693</u>	<u>\$ 1,678,847</u>	<u>\$ 1,586,261</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2017

SCHEDULE 6

	2017						2016	
	General	Machinery Replacement	Gas Tax	Lagoon	Capital Lot Levy	Utility	Total	Total
REVENUE								
Interest earned	\$ 29,060	\$ 16,628	\$ 7,518	\$ 2,302	\$ -	\$ 5,611	\$ 61,119	\$ 36,957
Other income	-	-	-	-	51,136	-	51,136	82,550
Total revenue	29,060	16,628	7,518	2,302	51,136	5,611	112,255	119,507
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUE	29,060	16,628	7,518	2,302	51,136	5,611	112,255	119,507
TRANSFERS								
Transfers from (to) operating fund	78,673	568,100	456,758	-	-	-	1,103,531	1,182,116
Transfers from (to) utility fund	-	-	-	-	-	73,100	73,100	19,408
Acquisition of tangible capital assets	(107,023)	(741,970)	(382,000)	-	(57,500)	-	(1,288,493)	(868,494)
CHANGE IN RESERVE FUND BALANCES	710	(157,242)	82,276	2,302	(6,364)	78,711	393	452,537
FUND SURPLUS, BEGINNING OF YEAR	959,106	1,016,545	448,836	144,646	519,340	729,895	3,818,368	3,365,831
FUND SURPLUS, END OF YEAR	\$ 959,816	\$ 859,303	\$ 531,112	\$ 146,948	\$ 512,976	\$ 808,606	\$ 3,818,761	\$ 3,818,368

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
For the Year Ended December 31, 2017

SCHEDULE 7

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ -	\$ -
Amounts receivable	236,291	216,674
Portfolio investments	-	-
Due from other funds	-	-
	<u>236,291</u>	<u>216,674</u>
LIABILITIES		
Accounts payable and accrued liabilities	3,215	460
Long-term debt (Note 9)	624,232	735,645
Due to other funds	448,778	484,282
	<u>1,076,225</u>	<u>1,220,387</u>
NET DEBT	<u>(839,934)</u>	<u>(1,003,713)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	9,320,605	9,298,762
Inventories	-	-
Prepaid expenses	-	580
	<u>9,320,605</u>	<u>9,299,342</u>
FUND SURPLUS	<u>\$ 8,480,671</u>	<u>\$ 8,295,629</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2017

SCHEDULE 8

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Water			
Water fees	<u>\$ 940,000</u>	<u>\$ 1,011,548</u>	<u>\$ 919,572</u>
Property Taxes	<u>-</u>	<u>359,808</u>	<u>329,418</u>
Government Transfers			
Operating	-	-	-
Capital	-	-	-
sub-total - government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Connection charges, net	110,000	194,833	94,940
Penalties	5,000	4,148	4,175
Other income	1,500	-	-
Sub-total - Other	<u>116,500</u>	<u>198,981</u>	<u>99,115</u>
Total revenue	<u>1,056,500</u>	<u>1,570,337</u>	<u>1,348,105</u>
EXPENSES			
General			
Administration	102,708	101,087	94,681
Training costs	-	-	-
Billing and collection	6,500	6,289	3,817
Utilities (telephone, electricity, etc.)	-	-	-
Sub-total - General	<u>109,208</u>	<u>107,376</u>	<u>98,498</u>
Water General			
Purification and treatment	161,246	150,302	107,669
Water purchases	648,546	618,930	548,686
Transmission and distribution	87,500	91,823	102,160
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Sub-total - Water general	<u>897,292</u>	<u>861,055</u>	<u>758,515</u>
Water Amortization & Interest			
Amortization	262,475	262,475	253,819
Interest on long-term debt	81,289	81,289	81,715
Sub-total - Water amortization & interest	<u>343,764</u>	<u>343,764</u>	<u>335,534</u>
Total expenses	<u>1,350,264</u>	<u>1,312,195</u>	<u>1,192,547</u>
NET OPERATING (DEFICIT) SURPLUS	<u>(293,764)</u>	<u>258,142</u>	<u>155,558</u>
TRANSFERS			
Transfers from operating fund	-	-	-
Transfers to reserve funds	<u>(50,000)</u>	<u>(73,100)</u>	<u>(19,408)</u>
NET CHANGE IN UTILITY FUND BALANCE	<u>\$ (343,764)</u>	<u>185,042</u>	<u>136,150</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>8,295,629</u>	<u>8,159,479</u>
FUND SURPLUS, END OF YEAR		<u>\$ 8,480,671</u>	<u>\$ 8,295,629</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE							
Property taxes	\$ 5,201,065	\$ -	\$ -	\$ -	\$ 139,489	\$ -	\$ 5,340,554
Grants in lieu of taxation	193,866	-	-	-	(139,489)	-	54,377
User fees	273,900	-	-	-	-	336,316	610,216
Permits, licences and fines	14,000	-	-	-	-	-	14,000
Investment income	41,500	-	-	-	-	10,977	52,477
Other revenue	27,000	-	-	-	-	88,847	115,847
Water and sewer	-	1,056,500	-	-	-	428,604	1,485,104
Grants - Province of Manitoba	457,000	-	-	-	-	71,358	528,358
Grants - other	453,932	-	-	-	-	88,013	541,945
Transfers from LUDs	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-
Transfers from reserves	-	-	-	-	-	-	-
Total revenue	<u>6,662,263</u>	<u>1,056,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,024,115</u>	<u>8,742,878</u>
EXPENSES							
General government services	906,426	-	88,556	79,026	(2,857)	20,107	1,091,258
Protective services	629,000	-	-	-	-	-	629,000
Transportation services	2,799,219	-	485,631	27,254	(225,000)	-	3,087,104
Environmental health services	11,500	-	-	-	(4,510)	46,847	53,837
Public health and welfare services	191,199	-	-	-	-	-	191,199
Regional planning and development	245,335	-	-	-	-	171,900	417,235
Resource cons and industrial dev	92,777	-	-	-	222,312	14,565	329,654
Recreation and cultural services	156,021	-	20,238	-	(11,444)	141,575	306,390
Water and sewer services	-	1,006,500	262,475	81,289	(48,077)	421,895	1,724,082
Fiscal services:							
Transfer to capital	-	-	-	-	-	-	-
Debt charges	607,866	-	-	(607,866)	-	-	-
Deferred surplus/deficit	-	-	-	-	-	-	-
Transfer to reserves	1,020,992	50,000	-	-	(1,070,992)	-	-
Allowance for tax assets	1,928	-	-	-	(1,928)	-	-
Total expenses	<u>6,662,263</u>	<u>1,056,500</u>	<u>856,900</u>	<u>(420,297)</u>	<u>(1,142,496)</u>	<u>816,889</u>	<u>7,829,759</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (856,900)</u>	<u>\$ 420,297</u>	<u>\$ 1,142,496</u>	<u>\$ 207,226</u>	<u>\$ 913,119</u>

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2017

SCHEDULE 10

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 404,205	\$ 392,747
Add:		
Tax levy (Schedule 11)	13,953,160	13,603,472
Taxes added	178,977	112,589
Penalties or interest	37,976	28,208
Other accounts added	-	-
Taxes overpaid	-	-
Tax adjustments	-	-
Sub-total	<u>14,170,113</u>	<u>13,744,269</u>
Deduct:		
Cash collections - current	12,286,235	12,070,409
Cash collections - arrears	442,181	381,230
Writeoffs	37,933	706
Tax discounts	-	-
M.P.T.C. - cash advance	1,253,971	1,236,290
Other credits - M.P.T.C. adjustment	48,026	44,177
Sub-total	<u>14,068,346</u>	<u>13,732,812</u>
Balance, end of year	<u>\$ 505,972</u>	<u>\$ 404,204</u>

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2017

SCHEDULE 11

	2017		2016	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage				
sub-total - Debt charges			\$ 601,881	\$ 571,543
Special levies:				
Fire protection	488,773,780	1.147%	620,660	554,553
Reserves				
Machinery Replacement	489,257,060	1.149%	562,156	430,922
General municipal:				
At large	489,257,060	7.114%	<u>3,480,575</u>	<u>3,546,675</u>
Total municipal taxes (Schedule 2)			<u>5,265,272</u>	<u>5,103,693</u>
Education support levy	77,404,470	10.500%	812,747	813,558
Special levy:				
Prairie Rose SD	278,050	12.376%	3,441	3,215
Garden Valley SD	352,783,060	15.983%	5,638,532	5,561,491
Western SD	134,404,970	16.609%	2,232,332	2,120,698
Prairie Spirit SD	77,180	10.832%	836	817
sub-total - Special levies			<u>8,687,888</u>	<u>8,499,779</u>
Total education taxes			<u>8,687,888</u>	<u>8,499,779</u>
Total tax levy (Schedule 10)			<u>\$ 13,953,160</u>	<u>\$ 13,603,472</u>

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2017

SCHEDULE 12

	2017 Actual	2016 Actual
General government services		
Legislative	\$ 79,243	\$ 79,002
General administrative	652,914	628,295
Other	321,188	297,072
	<u>1,053,345</u>	<u>1,004,369</u>
Protective services		
Fire	472,704	558,531
Emergency measures	163,315	103,561
Other	42,958	38,909
	<u>678,977</u>	<u>701,001</u>
Transportation services		
Road transport		
Administration and engineering	61,980	42,151
Road and street maintenance	2,437,467	2,346,974
Bridge maintenance	84,755	84,494
Sidewalk and boulevard maintenance	18,389	54,418
Street lighting	64,685	61,364
Other	539,102	478,161
	<u>3,206,378</u>	<u>3,067,562</u>
Environmental health services		
Other	13,256	10,606
	<u>13,256</u>	<u>10,606</u>
Public health and welfare services		
Public health	100,000	100,000
Medical care	74,077	74,077
Social assistance	2,121	2,121
	<u>176,198</u>	<u>176,198</u>
Regional planning and development		
Planning and zoning	194,135	114,438
	<u>194,135</u>	<u>114,438</u>
Resource conservation and industrial development		
Rural area weed control	19,682	87,992
Drainage of land	189,985	165,580
Veterinary services	10,704	10,494
Water resources and conservation	42,230	77,083
Regional development	-	-
Other	1,643	1,398
	<u>264,244</u>	<u>342,547</u>
Recreation and cultural services		
Community centers and halls	14,250	14,250
Parks and playgrounds	45,093	114,862
Other recreational facilities	20,238	7,340
Museums	-	-
Libraries	76,040	73,115
	<u>155,621</u>	<u>209,567</u>
Total expenses	<u>\$ 5,742,154</u>	<u>\$ 5,626,288</u>

RURAL MUNICIPALITY OF STANLEY
 RECONCILIATION OF ANNUAL SURPLUS
 December 31, 2017

SCHEDULE 13
 (Unaudited)

	2017			2016
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ -
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	1,103,531	172,817	1,276,348	1,223,861
Eliminate revenue - Transfers from reserves	(1,288,494)	(99,716)	(1,388,210)	(890,831)
Increase revenue - Reserve funds interest and capital levies	112,255	-	112,255	119,507
Increase revenue - Net surplus of consolidated entities	202,716	-	202,716	119,693
Eliminate revenue - Elimination of consolidated revenues and expenses	71,504	-	71,504	63,676
Increase revenue - Internal funds used to finance tangible capital assets	(55,338)	(51,218)	(106,556)	121,327
Decrease revenue - Debenture pending for tangible capital assets	-	-	-	(103,000)
Increase revenue - Repayment of internal funds by debenture issued	-	103,000	103,000	51,500
Increase expense - Amortization of tangible capital assets	(594,424)	(262,475)	(856,899)	(758,768)
(Increase) decrease expense - Principal portion of debenture debt, net of debt proceeds	(111,094)	111,413	319	(70,571)
Eliminate expense - Acquisitions of tangible capital assets	2,397,157	284,321	2,681,478	1,843,855
Decrease revenue - Net book value of disposed tangible capital assets	(417,108)	-	(417,108)	(133,988)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,420,705	\$ 258,142	\$ 1,678,847	\$ 1,586,261