

RURAL MUNICIPALITY OF STANLEY

**Consolidated Financial Statements
For the Year Ended December 31, 2015**

RURAL MUNICIPALITY OF STANLEY

Consolidated Financial Statements

For the Year Ended December 31, 2015

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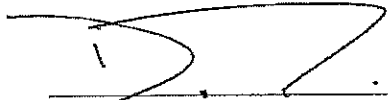
STATEMENT OF RESPONSIBILITY

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

August 11, 2016



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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, 2015, 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, 2015 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

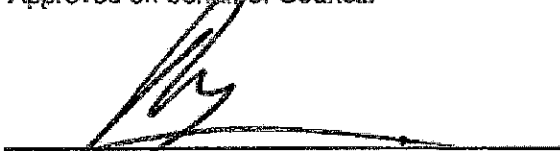
Winnipeg, Manitoba
August 11, 2016

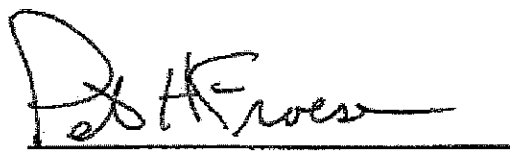
RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,450,949	\$ 2,167,492
Amounts receivable (Note 3)	<u>1,481,079</u>	<u>2,111,876</u>
	<u>3,932,028</u>	<u>4,279,368</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	763,548	1,021,299
Sick leave payable (Note 7)	18,780	18,780
Deferred revenue	101,982	188,065
Landfill closure and post closure liabilities (Note 8)	2,640	2,376
Long-term debt (Note 9)	<u>4,872,472</u>	<u>4,922,775</u>
	<u>5,759,422</u>	<u>6,153,295</u>
NET DEBT	<u>(1,827,394)</u>	<u>(1,873,927)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	21,866,871	20,132,215
Inventories (Note 4)	2,176,964	2,109,554
Prepaid expenses	<u>196,695</u>	<u>196,795</u>
	<u>24,240,530</u>	<u>22,438,564</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 22,413,136</u>	<u>\$ 20,564,637</u>

Commitments (Note 10)

Approved on behalf of Council:


 Mayor


 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, 2015

	<u>2015 Budget (Note 13)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
REVENUE			
Property taxes	\$ 5,065,554	\$ 5,094,106	\$ 4,990,479
Grants in lieu of taxation	55,543	55,543	57,370
User fees	538,593	776,823	685,250
Permits, licences and fines	10,000	21,633	15,390
Investment income	62,429	97,242	99,890
Other revenue	49,729	91,420	45,383
Water and sewer	1,264,466	1,371,185	1,751,673
Grants - Province of Manitoba	528,276	1,686,794	1,819,561
Grants - other	513,495	563,636	1,184,442
Total revenue (Schedules 2, 4 and 5)	<u>8,088,085</u>	<u>9,758,382</u>	<u>10,649,438</u>
EXPENSES			
General government services	1,092,553	1,119,340	1,151,899
Protective services	561,618	1,075,190	1,746,555
Transportation services	3,187,738	3,073,284	2,858,616
Environmental health services	65,814	65,811	70,915
Public health and welfare services	176,198	176,198	176,198
Regional planning and development	246,609	250,970	305,155
Resource conservation and industrial development	333,061	432,574	489,395
Recreation and cultural services	260,612	255,713	260,503
Water and sewer services	1,424,613	1,460,803	1,487,842
Total expenses (Schedules 3, 4 and 5)	<u>7,348,816</u>	<u>7,909,883</u>	<u>8,547,078</u>
ANNUAL SURPLUS	<u>\$ 739,269</u>	1,848,499	2,102,360
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>20,564,637</u>	<u>18,462,277</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 16)		<u>\$ 22,413,136</u>	<u>\$ 20,564,637</u>

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, 2015

	<u>2015 Budget (Note 13)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
ANNUAL SURPLUS	\$ 739,269	\$ 1,848,499	\$ 2,102,360
Acquisition of tangible capital assets	(2,925,794)	(2,925,794)	(1,620,080)
Amortization of tangible capital assets	764,282	764,282	736,947
Loss on sale of tangible capital assets	41,857	41,857	7,688
Proceeds on sale of tangible capital assets	384,999	384,999	86,490
Increase in inventories	(67,410)	(67,410)	(95,484)
Decrease (increase) in prepaid expenses	100	100	(14,767)
	<u>(1,801,966)</u>	<u>(1,801,966)</u>	<u>(899,206)</u>
CHANGE IN NET DEBT	(1,062,697)	46,533	1,203,154
NET DEBT, BEGINNING OF YEAR	<u>(1,873,927)</u>	<u>(1,873,927)</u>	<u>(3,077,081)</u>
NET DEBT, END OF YEAR	<u>\$ (2,936,624)</u>	<u>\$ (1,827,394)</u>	<u>\$ (1,873,927)</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, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,848,499	\$ 2,102,360
Changes in non-cash items		
Amounts receivable	630,797	(576,306)
Inventories	(67,410)	(95,484)
Prepaid expenses	100	(14,767)
Accounts payable and accrued liabilities	(257,751)	(32,012)
Sick leave payable	-	-
Deferred revenue	(86,083)	(571,940)
Landfill closure and post closure liabilities	264	244
Loss on sale of tangible capital assets	41,857	7,688
Amortization	764,282	736,947
Net cash provided by operating transactions	<u>2,874,555</u>	<u>1,556,730</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	384,999	86,490
Cash used to acquire tangible capital assets	<u>(2,925,794)</u>	<u>(1,620,080)</u>
Net cash applied to capital transactions	<u>(2,540,795)</u>	<u>(1,533,590)</u>
INVESTING TRANSACTIONS	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Long-term debt repayment	<u>(50,303)</u>	<u>(488,374)</u>
Net cash applied to financing transactions	<u>(50,303)</u>	<u>(488,374)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	283,457	(465,234)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,167,492</u>	<u>2,632,726</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,450,949</u></u>	<u><u>\$ 2,167,492</u></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, 2015

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 venture 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%) (2014 - 24.00%)
M.S.T.W Planning District (30.39%) (2014 - 30.39%)
Morden Veterinary Services District (25.11%) (2014 - 25.11%)
Pembina Valley Water Cooperative Inc. (7.7%) (2014 - 7.7%)
Solid Waste Authority Management Project (10.35%) (2014 - 10.35%)
South Central Regional Library (15.05%) (2014 - 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 Schedule 7 - Schedule of 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, 2015

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, 2015

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>2015</u>	<u>2014</u>
Taxes on roll (Schedule 11)	\$ 392,749	\$ 421,278
Government grants	612,432	1,307,772
Utility customers	215,932	194,918
Organizations and individuals	159,799	77,432
Other governments	100,167	110,476
	<u>\$ 1,481,079</u>	<u>\$ 2,111,876</u>

4. Inventories

	<u>2015</u>	<u>2014</u>
Culverts	\$ 110,496	\$ 110,496
Aggregate and embedded rock	2,024,696	1,960,306
Other supplies	41,772	38,752
	<u>\$ 2,176,964</u>	<u>\$ 2,109,554</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 2.25% effective December 31, 2015, and is secured by a general security agreement and an assignment of certain receivables. The unused line of credit at December 31, 2015 was \$2,000,000 (2014 - \$2,000,000).

6. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 436,838	\$ 745,176
Accrued liabilities	66,569	-
School levies (Schedule 13)	260,141	276,123
	<u>\$ 763,548</u>	<u>\$ 1,021,299</u>

7. Sick Leave Payable

The employees can accumulate a maximum of thirty six (36) sick days. As at December 31, 2015, the Municipality has a liability of \$18,780 (\$18,780 at December 31, 2014) 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, 2015

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>2015</u>	<u>2014</u>
Estimated closure and post closure costs over the next 58 years	\$ 2,200,000	\$ 2,200,000
Discount rate	5.25%	5.25%
Discounted costs	<u>\$ 93,320</u>	<u>\$ 88,666</u>
Expected year capacity will be reached	2073	2073
Capacity (in years)		
Used to date	17	16
Remaining	60	61
Total	<u>77</u>	<u>77</u>
Percent utilized	<u>22.08%</u>	20.78%
Liability based on percentage	<u>\$ 25,508</u>	<u>\$ 22,961</u>
Rural Municipality of Stanley's share (10.35%)	<u>\$ 2,640</u>	<u>\$ 2,376</u>

9. Long-term Debt

	<u>2015</u>	<u>2014</u>
<u>General Authority</u>		
Debenture, interest at 4.73%, payable at \$23,648 annually including interest, maturing November 2025	\$ 185,022	\$ 199,246
Debenture, interest at 5.31%, payable at \$35,582 annually including interest, maturing November 2031	377,257	392,023
Commercial loan, interest at 4.25%, payable at \$15,431 monthly including interest, maturing January 2032	2,009,865	2,107,380
Debenture, interest at 3.75%, payable at \$33,606 annually including interest, maturing December 1, 2025	276,000	-
	<u>2,848,144</u>	<u>2,698,649</u>
<u>Government Partnerships</u>		
Loan, interest at prime rate of 3.00% payable at \$1,134 monthly including principal and interest, maturing June 2021	68,934	80,418
Loan, interest at 5.43%, payable at \$2,633 monthly including principal and interest, maturing May 2020	315,444	329,497
Loan, interest at 5.10%, payable at \$6,343 monthly including principal and interest, maturing April 2016	25,108	97,951
Loan, interest at 5.22%, payable at \$6,380 including principal and interest, maturing June 2018	706,824	745,386
Loan, interest at prime plus .25%, payable at \$226 monthly including principal and interest, maturing September 2022	13,045	15,318
Loan, interest at prime plus 1.75%. Interest only payable until the earlier of December 31, 2016 and Stephenfield water treatment plant completion after which time, payable at principle plus interest	42,887	-
	<u>1,172,242</u>	<u>1,268,570</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Utility Funds

Debenture, interest at 3.35%, payable at \$12,149 annually including interest, maturing December 2021	63,612	73,305
Debenture, interest at 4.73%, payable at \$70,944 annually including interest, maturing November 2025	555,066	597,737
Debenture, interest at 5.375%, payable at \$68,508 annually including interest, maturing December 2019	<u>233,408</u>	<u>284,514</u>
	<u>852,086</u>	<u>955,556</u>
	<u>\$ 4,872,472</u>	<u>\$ 4,922,775</u>

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

2016	\$ 553,568
2017	560,671
2018	1,142,752
2019	493,018
2020	659,065

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.

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 \$77,618 (2014 - \$77,460) 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, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 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, 2014.

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, 2015

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 10 - Reconciliation of the Financial Plan to the Budget.

14. Compensation to Council

Compensation to members of Council for the year ended December 31, 2015 was as follows:

<u>Council Members</u>	<u>Position</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
P. Froese	Councillor	\$ 19,498	\$ 1,426	\$ 20,924
R. Giesbrecht	Councillor	16,145	1,831	17,976
D. Fehr	Councillor	15,285	1,466	16,751
M. Olafson	Reeve	22,919	4,109	27,028
D. Falk	Councillor	16,685	1,646	18,331
A. Loewen	Councillor	18,905	1,345	20,250
W. Penner	Councillor	19,405	2,350	21,755
		<u>\$ 128,842</u>	<u>\$ 14,173</u>	<u>\$ 143,015</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	\$ 4,242,724	\$ -	\$ 148,476	\$ 4,094,248

16. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2015</u>	<u>2014</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	15,285,309	13,545,114
Reserve funds	<u>3,365,831</u>	<u>3,462,493</u>
Accumulated surplus of Municipality - Unconsolidated	20,392,349	18,748,816
Accumulated surpluses of consolidated entities	<u>2,020,787</u>	<u>1,815,821</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 22,413,136</u>	<u>\$ 20,564,637</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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>2015</u>	<u>2014</u>
<u>Financial Position</u>		
Assets	\$ 3,408,768	\$ 3,386,661
Liabilities	\$ 1,387,979	\$ 1,570,840
Accumulated surplus	<u>2,020,789</u>	<u>1,815,821</u>
Total liabilities and accumulated surplus	<u>\$ 3,408,768</u>	<u>\$ 3,386,661</u>
<u>Statement of Operations</u>		
Revenue	\$ 894,407	\$ 880,368
Expenses	<u>751,323</u>	<u>797,696</u>
Annual surplus	<u>\$ 143,084</u>	<u>\$ 82,672</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2015

SCHEDULE 1

Cost	General Capital Assets					Infrastructure			Totals
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2015	
Opening costs	\$ 979,822	\$ 3,575,299	\$ 3,756,904	\$ 225,059	\$ 13,504,754	\$ 14,117,582	\$ 566,464	\$ 36,725,884	\$ 35,408,188
Additions during the year	327,505	3,445	940,995	20,680	1,397,079	802,554	-	3,492,258	1,620,080
Disposals and write downs	-	-	(638,756)	-	-	(4,688)	(566,464)	(1,209,908)	(302,384)
Closing costs	1,307,327	3,576,744	4,059,143	245,739	14,901,833	14,915,448	-	39,008,234	36,725,884
Accumulated Amortization									
Opening accum'd amortization	217,192	300,923	1,504,421	156,308	11,462,895	2,951,930	-	16,593,669	16,064,928
Amortization	21,558	81,330	232,562	27,503	99,374	301,955	-	764,282	736,947
Disposals and write downs	-	-	(211,900)	-	-	(4,688)	-	(216,588)	(208,206)
Closing accum'd amortization	238,750	382,253	1,525,083	183,811	11,562,269	3,249,197	-	17,141,363	16,593,669
Net Book Value of Tangible Capital Assets	\$ 1,068,577	\$ 3,196,491	\$ 2,534,060	\$ 61,928	\$ 3,339,564	\$ 11,666,251	\$ -	\$ 21,866,871	\$ 20,132,215

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2015

SCHEDULE 2

	2015 Actual	2014 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 4,955,524	\$ 4,785,054
Taxes added	138,582	205,425
	<u>5,094,106</u>	<u>4,990,479</u>
Grants in lieu of taxation		
Provincial government	55,543	57,370
User fees		
Sales of service	588,209	631,865
Sales of goods	52,614	53,385
Development charges	136,000	-
	<u>776,823</u>	<u>685,250</u>
Permits, licences and fines		
Permits	21,633	15,390
Investment income		
Cash and temporary investments	97,242	99,890
Other revenue		
Loss on sale of tangible capital assets	(41,857)	(7,688)
Penalties and interest	28,528	34,742
Miscellaneous	104,749	18,329
	<u>91,420</u>	<u>45,383</u>
Water and sewer		
Municipal utilities	979,969	1,366,896
Consolidated water co-operatives	391,216	384,777
	<u>1,371,185</u>	<u>1,751,673</u>
Grants - Province of Manitoba		
General assistance payment	331,384	331,384
Municipal program grants	126,028	126,028
Conditional grants	1,229,382	1,362,149
	<u>1,686,794</u>	<u>1,819,561</u>
Grants - other		
Federal government - Gas Tax funding	479,786	1,117,530
Federal government - Other	2,795	2,822
Other local governments	81,055	64,090
	<u>563,636</u>	<u>1,184,442</u>
Total revenue	<u>\$ 9,758,382</u>	<u>\$ 10,649,438</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2015

SCHEDULE 3

	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
General government services		
Legislative	\$ 74,883	\$ 77,104
General administrative	694,269	669,131
Other	350,188	405,664
	<u>1,119,340</u>	<u>1,151,899</u>
Protective services		
Fire	504,347	503,873
Emergency measures	534,770	1,213,516
Other protection	36,073	29,166
	<u>1,075,190</u>	<u>1,746,555</u>
Transportation services		
Road transport		
Administration and engineering	44,370	43,713
Road and street maintenance	2,402,755	2,276,784
Bridge maintenance	126,334	112,500
Sidewalk and boulevard maintenance	22,757	20,404
Street lighting	58,439	41,562
Other	418,629	363,653
	<u>3,073,284</u>	<u>2,858,616</u>
Environmental health services		
Waste collection and disposal	-	-
Other	65,811	70,915
	<u>65,811</u>	<u>70,915</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	250,970	305,155
Other	-	-
	<u>250,970</u>	<u>305,155</u>
Resource conservation and industrial development		
Rural area weed control	91,669	83,833
Drainage of land	172,990	307,357
Veterinary services	23,250	23,178
Water resources and conservation	134,750	65,280
Regional development	5,000	5,000
Other	4,915	4,747
	<u>432,574</u>	<u>489,395</u>
Sub-totals forward	<u>\$ 6,193,367</u>	<u>\$ 6,798,733</u>

RURAL MUNICIPALITY OF STANLEY
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2015

SCHEDULE 3

	2015 Actual	2014 Actual
Sub-totals forward	\$ 6,193,367	\$ 6,798,733
Recreation and cultural services		
Community centers and halls	14,250	14,250
Parks and playgrounds	51,601	53,646
Other recreational facilities	6,130	5,023
Libraries	183,732	187,584
	<u>255,713</u>	<u>260,503</u>
Water and sewer services		
Municipal utilities (Schedule 9)	1,160,963	1,185,731
Consolidated water co-operatives	299,840	302,111
	<u>1,460,803</u>	<u>1,487,842</u>
Total expenses	<u>\$ 7,909,883</u>	<u>\$ 8,547,078</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2015

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ 4,799,611	\$ 4,708,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	55,543	57,370	-	-	-	-	-	-	-	-
User fees	243,510	287,283	504	682	190,332	59,603	119,177	118,287	-	-
Grants - other	2,795	2,822	-	-	479,786	1,117,530	-	-	-	-
Permits, licences and fines	21,633	15,390	-	-	-	-	-	-	-	-
Investment income	60,349	60,839	-	-	14,880	17,734	8,034	6,151	-	-
Other revenue	119,639	39,730	-	-	(41,857)	(7,688)	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	457,411	457,411	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	521,893	144,825	636,214	1,162,522	-	-	-	-	-	-
Total revenue	6,282,384	5,774,150	636,718	1,163,204	643,141	1,187,179	127,211	124,438	-	-
EXPENSES										
Personnel services	498,083	429,674	-	-	912,699	809,171	22,231	20,431	-	-
Contract services	280,185	341,111	558,484	539,175	942,888	821,672	1,291	1,400	2,121	2,121
Utilities	3,187	32,774	-	-	43,178	40,655	899	657	-	-
Maintenance materials and supplies	115,504	99,510	516,706	1,207,380	760,129	811,467	28,678	34,746	-	-
Grants and contributions	52,560	63,141	-	-	-	-	-	-	174,077	174,077
Amortization	77,802	77,882	-	-	360,797	309,822	7,492	9,461	-	-
Interest on long term debt	87,661	94,583	-	-	30,241	31,628	-	-	-	-
Other	4,358	13,224	-	-	23,352	34,201	5,220	4,220	-	-
Total expenses	1,119,340	1,151,899	1,075,190	1,746,555	3,073,284	2,858,616	65,811	70,915	176,198	176,198
Surplus (Deficit)	\$ 5,163,044	\$ 4,622,251	\$ (438,472)	\$ (583,351)	\$ (2,430,143)	\$ (1,671,437)	\$ 61,400	\$ 53,523	\$ (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, 2015

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2015	2014	2015	2014	2015	2014	2015	2014	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,495	\$ 281,999	\$ 5,094,106
Grants in lieu of taxation	-	-	-	-	-	-	-	-	55,543
User fees	211,021	209,846	1,086	1,131	11,193	8,418	-	-	776,823
Grants - other	-	-	13,131	12,053	51,608	52,037	16,316	-	563,636
Permits, licences and fines	-	-	-	-	-	-	-	-	21,633
Investment income	3,147	3,042	-	-	153	228	10,679	11,896	97,242
Other revenue	10,448	10,278	-	-	-	-	3,190	3,063	91,420
Water and sewer	-	-	-	-	-	-	1,371,185	1,751,673	1,371,185
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	457,411
Prov of MB - Conditional Grants	-	-	-	-	54,960	54,803	16,316	-	1,229,383
Total revenue	224,616	223,166	14,217	13,184	117,914	115,486	1,712,181	2,048,631	9,758,382
EXPENSES									
Personnel services	163,398	165,160	5,502	5,477	76,801	76,355	264,268	228,198	1,942,982
Contract services	49,704	111,563	259,363	325,765	2,561	2,788	536,656	510,506	2,633,253
Utilities	1,127	1,325	9,095	9,810	-	-	27,854	28,151	113,372
Maintenance materials and supplies	-	-	91,673	83,833	97,406	103,135	174,896	227,366	1,784,992
Grants and contributions	-	-	61,716	59,131	60,961	60,958	-	-	349,314
Amortization	8,930	3,276	3,729	3,978	7,406	6,765	301,952	325,765	768,108
Interest on long term debt	-	-	429	531	-	-	138,848	150,264	257,179
Other	27,811	23,831	1,067	870	10,578	10,502	16,329	17,592	88,715
Total expenses	250,970	305,155	432,574	489,395	255,713	260,503	1,460,803	1,487,842	8,547,078
Surplus (Deficit)	\$ (26,354)	\$ (81,989)	\$ (418,357)	\$ (476,211)	\$ (137,799)	\$ (145,017)	\$ 251,378	\$ 560,789	\$ 2,102,360

SCHEDULE 5

**RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2015**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE								
Property taxes	\$ 5,094,106	\$ 4,990,479	\$ -	\$ -	\$ -	\$ -	\$ 5,094,106	\$ 4,990,479
Grants in lieu of taxation	55,543	57,370	-	-	-	-	55,543	57,370
User fees	440,230	320,901	-	-	336,593	364,349	776,823	685,250
Grants - other	482,581	1,120,352	-	-	81,055	64,090	563,636	1,184,442
Permits, licences and fines	21,633	15,390	-	-	-	-	21,633	15,390
Investment income	87,313	91,332	-	-	9,929	8,558	97,242	99,890
Other revenue	87,082	41,592	-	-	4,338	3,791	91,420	45,383
Water and sewer	979,969	1,366,896	-	-	391,216	384,777	1,371,185	1,751,673
Prov of MB - Unconditional Grants	457,411	457,411	-	-	-	-	457,411	457,411
Prov of MB - Conditional Grants	1,158,107	1,307,347	-	-	71,276	54,803	1,229,383	1,362,150
Total revenue	8,863,975	9,769,070	-	-	894,407	880,368	9,758,382	10,649,438
EXPENSES								
Personnel services	1,592,915	1,392,136	-	-	350,067	342,330	1,942,982	1,734,466
Contract services	2,611,729	2,626,946	-	-	21,524	29,155	2,633,253	2,656,101
Utilities	43,178	40,655	-	-	42,162	72,717	85,340	113,372
Maintenance materials and supplies	1,670,840	2,441,765	-	-	114,152	125,674	1,784,992	2,567,439
Grants and contributions	348,690	356,684	-	-	624	621	349,314	357,305
Amortization	668,252	636,011	-	-	99,856	100,938	768,108	736,949
Interest on long term debt	195,902	208,838	-	-	61,277	68,168	257,179	277,006
Other	27,054	46,347	-	-	61,661	58,093	88,715	104,440
Total expenses	7,158,560	7,749,382	-	-	751,323	797,696	7,909,883	8,547,078
Surplus (Deficit)	\$ 1,705,415	\$ 2,019,688	\$ -	\$ -	\$ 143,084	\$ 82,672	\$ 1,848,499	\$ 2,102,360

SCHEDULE 6

**RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2015**

	2015					2014	
	General	Machinery Replacement	Gas Tax	Lagoon	Capital Lot Levy	Utility	Total
REVENUE							
Interest earned	\$ 14,649	\$ 14,880	\$ 2,906	\$ 1,477	\$ -	\$ 10,607	\$ 44,519
Other income	-	-	-	-	74,990	-	74,990
Total revenue	14,649	14,880	2,906	1,477	74,990	10,607	119,509
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUE	14,649	14,880	2,906	1,477	74,990	10,607	119,509
TRANSFERS							
Transfers from (to) operating fund	84,805	497,800	479,786	19,178	(8,815)	-	1,072,754
Transfers from (to) utility fund	-	-	(62,610)	-	-	57,854	(4,756)
Acquisition of tangible capital assets	(34,102)	(542,493)	(690,454)	-	(17,120)	-	(1,284,169)
CHANGE IN RESERVE FUND BALANCES	65,352	(29,813)	(270,372)	20,655	49,055	68,461	(96,662)
FUND SURPLUS, BEGINNING OF YEAR	954,712	768,474	613,196	99,058	387,735	639,318	3,462,493
FUND SURPLUS, END OF YEAR	\$ 1,020,064	\$ 738,661	\$ 342,824	\$ 119,713	\$ 436,790	\$ 707,779	\$ 3,365,831
							\$ 3,462,493

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF TRUST FUNDS - CHEVAL UTILITY
 For the Year Ended December 31, 2015

SCHEDULE 7

	Total	
	2015	2014
ASSETS		
Due from Municipality	\$ 13,809	\$ 12,227
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	13,809	12,227
	<u>\$ 13,809</u>	<u>\$ 12,227</u>
REVENUE		
Contributions and donations	\$ 5,000	\$ 5,000
Investment income	132	114
	<u>5,132</u>	<u>5,114</u>
EXPENSES		
Other	3,550	5,116
	<u>3,550</u>	<u>5,116</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	1,582	(2)
FUND BALANCE, BEGINNING OF YEAR	12,227	12,229
FUND BALANCE, END OF YEAR	<u>\$ 13,809</u>	<u>\$ 12,227</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
For the Year Ended December 31, 2015

SCHEDULE 8

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents	\$ -	\$ -
Amounts receivable	215,932	194,918
Portfolio investments	-	-
Due from other funds	-	-
	<u>215,932</u>	<u>194,918</u>
LIABILITIES		
Accounts payable and accrued liabilities	3,563	-
Long-term debt (Note 9)	852,086	955,556
Due to other funds	550,263	610,698
	<u>1,405,912</u>	<u>1,566,254</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(1,189,980)</u>	<u>(1,371,336)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	9,348,879	9,411,978
Inventories	-	-
Prepaid expenses	580	580
	<u>9,349,459</u>	<u>9,412,558</u>
FUND SURPLUS	<u>\$ 8,159,479</u>	<u>\$ 8,041,222</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2015

SCHEDULE 9

	<u>Budget</u>	<u>2015</u>	<u>2014</u>
REVENUE			
Water			
Water fees	\$ 795,000	\$ 857,078	\$ 782,855
Property Taxes	-	294,495	281,999
Government transfers			
Operating	-	-	232,293
Capital	-	-	283,231
sub-total- government transfers	-	-	515,524
Other			
Connection charges, net	72,750	110,521	61,437
Penalties	3,500	3,947	3,014
Other income	2,000	8,423	4,066
Sub-total - Other	78,250	122,891	68,517
Total revenue	<u>873,250</u>	<u>1,274,464</u>	<u>1,648,895</u>
EXPENSES			
General			
Administration	71,000	68,919	66,982
Training costs	-	-	-
Billing and collection	10,000	8,723	8,093
Utilities (telephone, electricity, etc.)	-	-	-
Sub-total - General	<u>81,000</u>	<u>77,642</u>	<u>75,075</u>
Water General			
Purification and treatment	119,000	131,951	155,481
Water purchases	535,250	577,548	548,570
Transmission and distribution	88,000	72,298	80,694
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Sub-total - Water general	<u>742,250</u>	<u>781,797</u>	<u>784,745</u>
Water Amortization & Interest			
Amortization	223,523	223,523	243,284
Interest on long-term debt	78,001	78,001	82,627
Sub-total - Water amortization & interest	<u>301,524</u>	<u>301,524</u>	<u>325,911</u>
Total expenses	<u>1,124,774</u>	<u>1,160,963</u>	<u>1,185,731</u>
NET OPERATING (DEFICIT) SURPLUS	(251,524)	113,501	463,164
TRANSFERS			
Transfers from operating fund	-	-	-
Transfers to reserve funds	(50,000)	4,756	277,933
NET CHANGE IN UTILITY FUND BALANCE	<u>\$ (301,524)</u>	118,257	741,097
FUND SURPLUS, BEGINNING OF YEAR		<u>8,041,222</u>	<u>7,300,125</u>
FUND SURPLUS, END OF YEAR		<u>\$ 8,159,479</u>	<u>\$ 8,041,222</u>

SCHEDULE 10

**RURAL MUNICIPALITY OF STANLEY
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2015**

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE							
Property taxes	\$ 4,933,916	\$ -	\$ -	\$ -	\$ 131,638	\$ -	\$ 5,065,554
Grants in lieu of taxation	187,181	-	-	-	(131,638)	-	55,543
User fees	202,000	-	-	-	-	336,593	538,593
Permits, licences and fines	10,000	-	-	-	-	-	10,000
Investment income	52,500	-	-	-	-	9,929	62,429
Other revenue	45,391	-	-	-	-	4,338	49,729
Water and sewer	-	873,250	-	-	-	391,216	1,264,466
Grants - Province of Manitoba	457,000	-	-	-	-	71,276	528,276
Grants - other	432,440	-	-	-	-	81,055	513,495
Transfers from LUDs	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-
Transfers from reserves	-	-	-	-	-	-	-
Total revenue	<u>6,320,428</u>	<u>873,250</u>	-	-	-	<u>894,407</u>	<u>8,088,085</u>
EXPENSES							
General government services	910,986	-	77,802	87,661	(2,526)	18,630	1,092,553
Protective services	561,618	-	-	-	-	-	561,618
Transportation services	2,996,700	-	360,797	30,241	(200,000)	-	3,187,738
Environmental health services	21,500	-	-	-	-	44,314	65,814
Public health and welfare services	176,198	-	-	-	-	-	176,198
Regional planning and development	41,000	-	-	-	-	205,609	246,609
Resource cons and industrial dev	120,305	-	-	-	197,365	15,391	333,061
Recreation and cultural services	141,776	-	6,130	-	(10,689)	123,395	260,612
Water and sewer services	-	823,250	223,523	78,000	(44,144)	343,984	1,424,613
Fiscal services:							
Transfer to capital	7,375	-	(7,375)	-	-	-	-
Debt charges	538,442	-	-	(538,442)	-	-	-
Deferred surplus / deficit	-	-	-	-	-	-	-
Transfer to reserves	802,640	50,000	-	-	(852,640)	-	-
Allowance for tax assets	1,888	-	-	-	(1,888)	-	-
Total expenses	<u>6,320,428</u>	<u>873,250</u>	<u>660,877</u>	<u>(342,540)</u>	<u>(914,522)</u>	<u>751,323</u>	<u>7,348,816</u>
Surplus	\$ -	\$ -	\$ (660,877)	\$ 342,540	\$ 914,522	\$ 143,084	\$ 739,269

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2015

SCHEDULE 11

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 421,278	\$ 511,215
Add:		
Tax levy (Schedule 12)	12,957,117	12,540,341
Taxes added	138,582	205,425
Penalties or interest	28,528	34,742
Other accounts added	-	-
Taxes overpaid	-	-
Tax Adjustments	-	-
Sub-total	<u>13,124,227</u>	<u>12,780,508</u>
Deduct:		
Cash collections - current	11,820,617	11,199,442
Cash collections - arrears	49,499	418,366
Writeoffs	7,146	4,668
Tax discounts	-	-
M.P.T.C. - cash advance	1,228,649	1,184,377
Other credits - M.P.T.C. adjustment	46,845	63,592
Sub-total	<u>13,152,756</u>	<u>12,870,445</u>
Balance, end of year	<u>\$ 392,749</u>	<u>\$ 421,278</u>

RURAL MUNICIPALITY OF STANLEY
 ANALYSIS OF TAX LEVY
 For the Year Ended December 31, 2015

SCHEDULE 12

	2015		2014	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage				
sub-total- Debt charges			\$ 535,693	\$ 199,303
Special levies:				
Fire protection	401,849,550	1.110%	499,849	499,486
Reserves				
Machinery Replacement	402,297,020	0.941%	378,561	-
General municipal:				
At large	402,297,020	8.803%	<u>3,541,421</u>	<u>4,086,265</u>
Total municipal taxes (Schedule 2)			<u>4,955,524</u>	<u>4,785,054</u>
Education support levy	70,936,490	11.611%	823,644	787,728
Special levy:				
Prairie Rose SD	203,470	14.000%	2,849	2,632
Garden Valley SD	291,349,680	18.049%	5,258,570	5,126,024
Western SD	109,851,810	17.438%	1,915,596	1,837,991
Prairie Spirit SD	64,540	14.472%	934	912
sub-total- Special levies			<u>8,001,593</u>	<u>7,755,287</u>
Total education taxes			<u>8,001,593</u>	<u>7,755,287</u>
Total tax levy (Schedule 11)			<u>\$ 12,957,117</u>	<u>\$ 12,540,341</u>

SCHEDULE 13

**RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF SCHOOL ACCOUNTS
For the Year Ended December 31, 2015**

	2015			2014
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 29,236	\$ 869,438	\$ (870,852)	\$ 29,236
Special levies				
Prairie Rose	-	2,848	(2,848)	-
Garden Valley	181,948	5,326,722	(5,338,215)	181,948
Western	64,938	1,933,258	(1,936,332)	64,939
Prairie Spirit	-	934	(934)	-
Sub-total	246,886	7,263,762	(7,278,329)	246,887
Total	\$ 276,122	\$ 8,133,200	\$ (8,149,181)	\$ 276,123

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2015

	2015 Actual	2014 Actual
General government services		
Legislative	\$ 74,883	\$ 77,104
General administrative	694,269	669,131
Other	335,972	356,608
	<u>1,105,124</u>	<u>1,102,843</u>
Protective services		
Fire	504,347	503,873
Emergency measures	534,770	1,213,516
Other	36,073	29,166
	<u>1,075,190</u>	<u>1,746,555</u>
Transportation services		
Road transport		
Administration and engineering	44,370	43,713
Road and street maintenance	2,402,755	2,276,784
Bridge maintenance	126,334	112,500
Sidewalk and boulevard maintenance	22,757	20,404
Street lighting	58,439	41,562
Other	418,629	363,653
	<u>3,073,284</u>	<u>2,858,616</u>
Environmental health services		
Other	21,497	20,020
	<u>21,497</u>	<u>20,020</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	45,361	100,192
	<u>45,361</u>	<u>100,192</u>
Resource conservation and industrial development		
Rural area weed control	91,669	83,833
Drainage of land	172,990	307,357
Veterinary services	10,494	9,125
Water resources and conservation	134,750	65,280
Regional development	5,000	5,000
Other	4,915	4,747
	<u>419,818</u>	<u>475,342</u>
Recreation and cultural services		
Community centers and halls	14,250	14,250
Parks and playgrounds	51,601	53,646
Other recreational facilities	6,130	5,023
Museums	-	-
Libraries	71,026	71,026
	<u>143,007</u>	<u>143,945</u>
Total expenses	<u>\$ 6,059,479</u>	<u>\$ 6,623,711</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF DEBENTURES PENDING
December 31, 2015

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 17-15 Rural water distribution system		Utility operating	\$ 51,500	\$ 51,500
			<u>\$ 51,500</u>	<u>\$ 51,500</u>

RURAL MUNICIPALITY OF STANLEY
 RECONCILIATION OF ANNUAL SURPLUS
 December 31, 2015

SCHEDULE 16
 (Unaudited)

	2015		2014	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ 163,254
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	1,081,569	57,854	1,139,423	1,742,145
Eliminate revenue - Transfers from reserves	(1,292,985)	(62,609)	(1,355,594)	(1,226,589)
Increase revenue - Reserve funds interest and capital levies	119,509	-	119,509	125,284
Increase revenue - Net surplus of consolidated entities	143,084	-	143,084	82,672
Eliminate revenue - Elimination of consolidated revenues and expenses	61,882	-	61,882	60,060
Increase revenue - Internal funds used to finance tangible capital assets	-	(52,111)	(52,111)	(24,675)
Decrease revenue - Debenture pending for tangible capital assets	-	(51,500)	(51,500)	(181,500)
Increase revenue - Repayment of internal funds by debenture issued	-	181,500	181,500	121,500
Increase expense - Amortization of tangible capital assets	(444,731)	(223,526)	(668,257)	(636,009)
(Increase) decrease expense - Principal portion of debenture debt, net of debt proceeds	(178,485)	103,470	(75,015)	365,314
Eliminate expense - Acquisitions of tangible capital assets	2,672,012	160,423	2,832,435	1,605,082
Decrease revenue - Net book value of disposed tangible capital assets	(426,857)	-	(426,857)	(94,178)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,734,998	\$ 113,501	\$ 1,848,499	\$ 2,102,360