

RURAL MUNICIPALITY OF STANLEY

**Consolidated Financial Statements
For the Year Ended December 31, 2016**

RURAL MUNICIPALITY OF STANLEY

Consolidated Financial Statements

For the Year Ended December 31, 2016

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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

November 2, 2017



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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, 2016, 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, 2016 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
November 2, 2017

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 3,891,560	\$ 2,450,949
Amounts receivable (Note 3)	<u>840,359</u>	<u>1,481,079</u>
	<u>4,731,919</u>	<u>3,932,028</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	786,379	763,548
Sick leave payable (Note 7)	18,780	18,780
Deferred revenue	91,625	101,982
Landfill closure and post closure liabilities (Note 8)	394	2,640
Long-term debt (Note 9)	<u>4,870,298</u>	<u>4,872,472</u>
	<u>5,767,476</u>	<u>5,759,422</u>
NET DEBT	<u>(1,035,557)</u>	<u>(1,827,394)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	22,954,519	21,866,871
Inventories (Note 4)	2,068,024	2,176,964
Prepaid expenses	<u>12,411</u>	<u>196,695</u>
	<u>25,034,954</u>	<u>24,240,530</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 23,999,397</u>	<u>\$ 22,413,136</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, 2016

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 5,203,693	\$ 5,216,282	\$ 5,094,106
Grants in lieu of taxation	47,543	47,543	55,543
User fees	574,616	898,152	776,823
Permits, licences and fines	14,000	18,542	21,633
Investment income	59,557	103,478	97,242
Other revenue	(6,969)	56,468	91,420
Water and sewer	1,377,193	1,418,130	1,371,185
Grants - Province of Manitoba	561,758	787,170	1,686,794
Grants - other	576,686	576,659	563,636
Total revenue (Schedules 2, 4 and 5)	<u>8,408,077</u>	<u>9,122,424</u>	<u>9,758,382</u>
EXPENSES			
General government services	1,110,237	1,020,185	1,119,340
Protective services	619,201	701,001	1,075,190
Transportation services	3,102,136	3,067,562	3,073,284
Environmental health services	63,019	52,075	65,811
Public health and welfare services	176,198	176,198	176,198
Regional planning and development	337,772	306,065	250,970
Resource conservation and industrial development	384,404	354,384	432,574
Recreation and cultural services	273,181	327,793	255,713
Water and sewer services	1,601,637	1,530,900	1,460,803
Total expenses (Schedules 3, 4 and 5)	<u>7,667,785</u>	<u>7,536,163</u>	<u>7,909,883</u>
ANNUAL SURPLUS	<u>\$ 740,292</u>	1,586,261	1,848,499
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>22,413,136</u>	<u>20,564,637</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 16)		<u><u>\$ 23,999,397</u></u>	<u><u>\$ 22,413,136</u></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, 2016

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS	\$ 740,292	\$ 1,586,261	\$ 1,848,499
Acquisition of tangible capital assets	(2,106,028)	(2,106,028)	(2,925,794)
Amortization of tangible capital assets	861,760	861,760	764,282
Loss on sale of tangible capital assets	7,648	7,648	41,857
Proceeds on sale of tangible capital assets	148,972	148,972	384,999
Decrease (increase) in inventories	108,940	108,940	(67,410)
Decrease in prepaid expenses	184,284	184,284	100
	<u>(794,424)</u>	<u>(794,424)</u>	<u>(1,801,966)</u>
CHANGE IN NET DEBT	(54,132)	791,837	46,533
NET DEBT, BEGINNING OF YEAR	(1,827,394)	(1,827,394)	(1,873,927)
NET DEBT, END OF YEAR	<u>\$ (1,881,526)</u>	<u>\$ (1,035,557)</u>	<u>\$ (1,827,394)</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, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,586,261	\$ 1,848,499
Changes in non-cash items		
Amounts receivable	640,720	630,797
Inventories	108,940	(67,410)
Prepaid expenses	184,284	100
Accounts payable and accrued liabilities	22,831	(257,751)
Sick leave payable	-	-
Deferred revenue	(10,357)	(86,083)
Landfill closure and post closure liabilities	(2,246)	264
Loss on sale of tangible capital assets	7,648	41,857
Amortization	861,760	764,282
Net cash provided by operating transactions	<u>3,399,841</u>	<u>2,874,555</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	148,972	384,999
Cash used to acquire tangible capital assets	<u>(2,106,028)</u>	<u>(2,925,794)</u>
Net cash applied to capital transactions	<u>(1,957,056)</u>	<u>(2,540,795)</u>
INVESTING TRANSACTIONS	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Long-term debt repayment	<u>(2,174)</u>	<u>(50,303)</u>
Net cash applied to financing transactions	<u>(2,174)</u>	<u>(50,303)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,440,611	283,457
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,450,949</u>	<u>2,167,492</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 3,891,560</u></u>	<u><u>\$ 2,450,949</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, 2016

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%) (2015 - 24.00%)
M.S.T.W Planning District (30.39%) (2015 - 30.39%)
Morden Veterinary Services District (25.11%) (2015 - 25.11%)
Pembina Valley Water Cooperative Inc. (7.7%) (2015 - 7.7%)
Solid Waste Authority Management Project (10.35%) (2015 - 10.35%)
South Central Regional Library (15.05%) (2015 - 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, 2016

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, 2016

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>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 404,204	\$ 392,749
Government grants	26,846	612,432
Utility customers	216,674	215,932
Organizations and individuals	153,082	159,799
Other governments	39,553	100,167
	<u>\$ 840,359</u>	<u>\$ 1,481,079</u>

4. Inventories

	<u>2016</u>	<u>2015</u>
Culverts	\$ 118,920	\$ 110,496
Aggregate and embedded rock	1,868,278	2,024,696
Other supplies	80,826	41,772
	<u>\$ 2,068,024</u>	<u>\$ 2,176,964</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 1.95% effective December 31, 2016, and is secured by a general security agreement and an assignment of certain receivables. The line of credit was unused at December 31, 2016.

6. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 421,211	\$ 436,838
Accrued liabilities	39,411	66,569
School levies (Schedule 13)	325,757	260,141
	<u>\$ 786,379</u>	<u>\$ 763,548</u>

7. Sick Leave Payable

The employees can accumulate a maximum of thirty six (36) sick days. As at December 31, 2016, the Municipality has a liability of \$18,780 (\$18,780 at December 31, 2015) 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, 2016

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>2016</u>	<u>2015</u>
Estimated closure and post closure costs over the next 115 years	\$ 9,228,288	\$ 2,200,000
Discount rate	5.25%	5.25%
Discounted costs	<u>\$ 25,679</u>	<u>\$ 93,320</u>
Expected year capacity will be reached	2131	2073
Capacity (in years)		
Used to date	20	17
Remaining	115	60
Total	<u>135</u>	<u>77</u>
Percent utilized	<u>14.81%</u>	<u>22.08%</u>
Liability based on percentage	<u>\$ 3,804</u>	<u>\$ 25,508</u>
Rural Municipality of Stanley's share (10.35%)	<u>\$ 394</u>	<u>\$ 2,640</u>

9. Long-term Debt

	<u>2016</u>	<u>2015</u>
<u>General Authority</u>		
Debenture, interest at 3.50%, payable at \$37,515 annually including interest, maturing December, 2026	\$ 312,000	-
Debenture, interest at 4.73%, payable at \$23,648 annually including interest, maturing November 2025	170,125	185,022
Debenture, interest at 5.31%, payable at \$35,582 annually including interest, maturing June 2031	361,708	377,257
Commercial loan, interest at 4.25%, payable at \$15,431 monthly including interest, maturing January 2032	1,908,133	2,009,865
Debenture, interest at 3.75%, payable at \$33,606 annually including interest, maturing December 1, 2025	<u>252,744</u>	<u>276,000</u>
	<u>3,004,710</u>	<u>2,848,144</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	57,049	68,934
Loan, interest at 5.43%, payable at \$2,633 monthly including principal and interest, maturing May 2020	300,609	315,444
Loan, interest at 5.10%, payable at \$6,343 monthly including principal and interest, repaid during the year	-	25,108
Loan, interest at 5.22%, payable at \$6,380 including principal and interest, maturing June 2018	666,201	706,824
Loan, interest at prime plus .25%, payable at \$226 monthly including principal and interest, maturing September 2022	10,687	13,045
Loan, interest at prime plus 1.75%. Interest only payable until the earlier of June 30, 2017 and Stephenfield water treatment plant completion after which time, payable at principle plus interest	95,397	42,887
	<u>1,129,943</u>	<u>1,172,242</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Utility Funds

Debenture, interest at 3.35%, payable at \$12,149 annually including interest, maturing December 2021	53,594	63,612
Debenture, interest at 4.73%, payable at \$70,944 annually including interest, maturing November 2025	510,376	555,066
Debenture, interest at 5.375%, payable at \$63,484 annually including interest, maturing December 2019	171,675	233,408
	<u>735,645</u>	<u>852,086</u>
	<u>\$ 4,870,298</u>	<u>\$ 4,872,472</u>

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

2017	\$ 375,652
2018	973,841
2019	365,722
2020	550,965
2021	300,474

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, City of Morden and Rural Municipality of Stanley will enter into an agreement for joint use of the Winkler Wastewater Treatment Facility. The Rural Municipality of Stanley is committed to contribute 21.6% of a maximum 1/3 share of the funds as the Municipality's portion with total costs estimated at \$46,700,000.

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 \$87,918 (2015 - \$77,618) 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, 2015 indicated the plan was 96.1% 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, 2015.

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, 2016

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, 2016 was as follows:

<u>Council Members</u>	<u>Position</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
P. Froese	Councillor	\$ 20,807	1,463	\$ 22,270
R. Giesbrecht	Councillor	15,587	1,542	\$ 17,129
D. Fehr	Councillor	17,028	1,683	\$ 18,711
M. Olafson	Reeve	26,227	3,649	\$ 29,876
D. Falk	Councillor	17,028	1,656	\$ 18,684
A. Loewen	Councillor	17,597	706	\$ 18,303
W. Penner	Councillor	18,929	2,017	\$ 20,946
		<u>\$ 133,203</u>	<u>\$ 12,716</u>	<u>\$ 145,919</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	<u>\$ 4,094,248</u>	<u>\$ -</u>	<u>\$ 148,476</u>	<u>\$ 3,945,772</u>

16. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2016</u>	<u>2015</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	16,235,664	15,285,309
Reserve funds	<u>3,818,368</u>	<u>3,365,831</u>
Accumulated surplus of Municipality - Unconsolidated	21,795,241	20,392,349
Accumulated surpluses of consolidated government partnerships	<u>2,204,156</u>	<u>2,020,787</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 23,999,397</u>	<u>\$ 22,413,136</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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>2016</u>	<u>2015</u>
<u>Financial Position</u>		
Assets	<u>\$ 3,658,482</u>	<u>\$ 3,408,768</u>
Liabilities	<u>\$ 1,454,326</u>	<u>\$ 1,387,981</u>
Accumulated surplus	<u>2,204,156</u>	<u>2,020,787</u>
Total liabilities and accumulated surplus	<u>\$ 3,658,482</u>	<u>\$ 3,408,768</u>
<u>Statement of Operations</u>		
Revenue	<u>\$ 900,697</u>	<u>\$ 894,407</u>
Expenses	<u>650,983</u>	<u>751,323</u>
Annual surplus	<u>\$ 249,714</u>	<u>\$ 143,084</u>

SCHEDULE 1

**RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2016**

	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	2016	2015
Cost									
Opening costs	\$ 1,307,327	\$ 3,578,744	\$ 4,059,143	\$ 245,739	\$ 14,901,833	\$ 14,915,448	\$ -	\$ 39,008,234	\$ 36,725,884
Additions during the year	1,027,536	-	619,994	14,947	-	443,551	-	2,106,028	3,492,258
Disposals and write downs	-	-	(426,553)	-	-	(41,615)	-	(468,168)	(1,209,908)
Closing costs	2,334,863	3,578,744	4,252,584	260,686	14,901,833	15,317,384	-	40,646,094	39,008,234
Accumulated Amortization									
Opening accum'd amortization	238,750	382,253	1,525,083	183,811	11,562,269	3,249,197	-	17,141,363	16,593,669
Amortization	30,408	81,071	260,046	30,078	124,444	335,713	-	861,760	764,282
Disposals and write downs	-	-	(292,565)	-	-	(18,983)	-	(311,548)	(216,588)
Closing accum'd amortization	269,158	463,324	1,492,564	213,889	11,686,713	3,565,927	-	17,691,575	17,141,363
Net Book Value of Tangible Capital Assets	\$ 2,065,705	\$ 3,115,420	\$ 2,760,020	\$ 46,797	\$ 3,215,120	\$ 11,751,457	\$ -	\$ 22,954,519	\$ 21,866,871

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2016

SCHEDULE 2

	2016 Actual	2015 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 5,103,693	\$ 4,955,524
Taxes added	112,589	138,582
	<u>5,216,282</u>	<u>5,094,106</u>
Grants in lieu of taxation		
Provincial government	<u>47,543</u>	<u>55,543</u>
User fees		
Sales of service	637,830	588,209
Sales of goods	36,272	52,614
Rentals	50	-
Development charges	224,000	136,000
	<u>898,152</u>	<u>776,823</u>
Permits, licences and fines		
Permits	<u>18,542</u>	<u>21,633</u>
Investment income		
Cash and temporary investments	<u>103,478</u>	<u>97,242</u>
Other revenue		
Loss on sale of tangible capital assets	(7,648)	(41,857)
Penalties and interest	28,309	28,528
Miscellaneous	35,807	104,749
	<u>56,468</u>	<u>91,420</u>
Water and sewer		
Municipal utilities	1,018,687	979,969
Consolidated water co-operatives	399,443	391,216
	<u>1,418,130</u>	<u>1,371,185</u>
Grants - Province of Manitoba		
General assistance payment	331,384	331,384
Municipal program grants	126,028	126,028
Conditional grants	329,758	1,229,382
	<u>787,170</u>	<u>1,686,794</u>
Grants - other		
Federal government - Gas Tax funding	451,276	479,786
Federal government - Other	2,629	2,795
Other local governments	122,754	81,055
	<u>576,659</u>	<u>563,636</u>
Total revenue	<u>\$ 9,122,424</u>	<u>\$ 9,758,382</u>

RURAL MUNICIPALITY OF STANLEY
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
General government services		
Legislative	\$ 79,002	\$ 74,883
General administrative	628,295	694,269
Other	312,888	350,188
	<u>1,020,185</u>	<u>1,119,340</u>
Protective services		
Fire	558,531	504,347
Emergency measures	103,561	534,770
Other protection	38,909	36,073
	<u>701,001</u>	<u>1,075,190</u>
Transportation services		
Road transport		
Administration and engineering	42,151	44,370
Road and street maintenance	2,346,974	2,402,755
Bridge maintenance	84,494	126,334
Sidewalk and boulevard maintenance	54,418	22,757
Street lighting	61,364	58,439
Other	478,161	418,629
	<u>3,067,562</u>	<u>3,073,284</u>
Environmental health services		
Waste collection and disposal	-	-
Other	52,075	65,811
	<u>52,075</u>	<u>65,811</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	306,065	250,970
Other	-	-
	<u>306,065</u>	<u>250,970</u>
Resource conservation and industrial development		
Rural area weed control	87,992	91,669
Drainage of land	165,580	172,990
Veterinary services	22,331	23,250
Water resources and conservation	77,083	134,750
Regional development	-	5,000
Other	1,398	4,915
	<u>354,384</u>	<u>432,574</u>
Sub-totals forward	<u>\$ 5,677,470</u>	<u>\$ 6,193,367</u>

RURAL MUNICIPALITY OF STANLEY
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
Sub-totals forward	\$ 5,677,470	\$ 6,193,367
Recreation and cultural services		
Community centers and halls	14,250	14,250
Parks and playgrounds	114,862	51,601
Other recreational facilities	7,340	6,130
Libraries	191,341	183,732
	<u>327,793</u>	<u>255,713</u>
Water and sewer services		
Municipal utilities (Schedule 9)	1,192,547	1,160,963
Consolidated water co-operatives	338,353	299,840
	<u>1,530,900</u>	<u>1,460,803</u>
Total expenses	<u>\$ 7,536,163</u>	<u>\$ 7,909,883</u>

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

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ 4,886,864	\$ 4,799,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	47,543	55,543	-	-	-	-	-	-	-	-
User fees	328,960	243,510	112	504	260,461	190,332	116,671	119,177	-	-
Grants - other	2,629	2,795	-	-	451,276	479,786	-	-	-	-
Permits, licences and fines	18,542	21,633	-	-	-	-	-	-	-	-
Investment income	71,511	60,349	-	-	9,512	14,880	10,613	8,034	-	-
Other revenue	67,504	119,639	-	-	14,984	(41,857)	(20,105)	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	457,412	457,411	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	225,000	521,893	-	636,214	-	-	-	-	-	-
Total revenue	6,105,965	6,282,384	112	636,718	736,233	643,141	107,179	127,211	-	-
EXPENSES										
Personnel services	464,156	498,083	-	-	848,792	912,699	23,790	22,231	-	-
Contract services	275,005	280,185	613,517	558,484	1,029,450	942,888	2,906	1,291	2,121	
Utilities	2,856	3,187	-	-	41,560	43,178	697	899	-	-
Maintenance materials and supplies	111,874	115,504	87,484	516,706	653,920	760,129	13,629	28,678	-	-
Grants and contributions	32,651	52,560	-	-	-	-	-	-	174,077	-
Amortization	87,362	77,802	-	-	408,902	360,797	8,231	7,492	-	-
Interest on long-term debt	83,444	87,661	-	-	28,784	30,241	-	-	-	-
Other	(37,163)	4,358	-	-	56,154	23,352	2,822	5,220	-	-
Total expenses	1,020,185	1,119,340	701,001	1,075,190	3,067,562	3,073,284	52,075	65,811	176,198	176,198
Surplus (Deficit)	\$ 5,085,780	\$ 5,163,044	\$ (700,889)	\$ (438,472)	\$ (2,331,329)	\$ (2,430,143)	\$ 55,104	\$ 61,400	\$ (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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,418	\$ 294,495	\$ 5,216,282	\$ 5,094,106
Grants in lieu of taxation	-	-	-	-	-	-	-	-	47,543	55,543
User fees	182,542	211,021	1,042	1,086	8,364	11,193	-	16,316	898,152	793,139
Grants - other	7,294	-	13,117	13,131	52,551	51,608	49,792	-	576,659	547,320
Permits, licences and fines	-	-	-	-	-	-	-	-	18,542	21,633
Investment income	2,577	3,147	-	-	112	153	9,153	10,679	103,478	97,242
Other revenue	11,490	10,448	-	-	1,781	-	(19,186)	3,190	56,468	91,420
Water and sewer	-	-	-	-	-	-	1,418,130	1,371,165	1,418,130	1,371,185
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	457,412	457,411
Prov of MB - Conditional Grants	-	-	-	-	54,966	54,960	49,792	16,316	329,758	1,229,383
Total revenue	203,903	224,616	14,159	14,217	117,774	117,914	1,837,099	1,712,181	9,122,424	9,758,382
EXPENSES										
Personnel services	248,365	163,398	502	5,502	80,626	76,801	281,557	264,268	1,947,788	1,942,982
Contract services	19,429	49,704	179,423	259,363	2,610	2,561	510,162	536,656	2,634,623	2,633,253
Utilities	1,041	1,127	8,699	9,095	-	-	28,817	27,854	83,670	85,340
Maintenance materials and supplies	165	-	87,992	91,673	162,423	97,406	218,535	174,896	1,336,022	1,784,992
Grants and contributions	-	-	73,080	61,716	63,152	60,961	-	-	342,960	349,314
Amortization	9,642	8,930	3,509	3,729	8,399	7,406	335,713	301,952	861,758	768,108
Interest on long-term debt	-	-	348	429	-	-	136,237	138,848	248,813	257,179
Other	27,423	27,811	831	1,067	10,583	10,578	19,879	16,329	80,529	88,715
Total expenses	306,065	250,970	354,384	432,574	327,793	255,713	1,530,900	1,460,803	7,536,163	7,909,883
Surplus (Deficit)	\$ (102,162)	\$ (26,354)	\$ (340,225)	\$ (418,357)	\$ (210,019)	\$ (137,799)	\$ 306,199	\$ 251,378	\$ 1,586,261	\$ 1,848,499

SCHEDULE 5

RURAL MUNICIPALITY OF STANLEY

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 5,216,282	\$ 5,094,106	\$ -	\$ -	\$ -	\$ -	\$ 5,216,282	\$ 5,094,106
Grants in lieu of taxation	47,543	55,543	-	-	-	-	47,543	55,543
User fees	598,998	440,230	-	-	299,154	336,593	898,152	776,823
Grants - other	453,905	482,581	-	-	122,754	81,055	576,659	563,636
Permits, licences and fines	18,542	21,633	-	-	-	-	18,542	21,633
Investment income	91,921	87,313	-	-	11,557	9,929	103,478	97,242
Other revenue	93,437	87,082	-	-	(36,969)	4,338	56,468	91,420
Water and sewer	1,018,687	979,969	-	-	399,443	391,216	1,418,130	1,371,185
Prov of MB - Unconditional Grants	457,412	457,411	-	-	-	-	457,412	457,411
Prov of MB - Conditional Grants	225,000	1,158,107	-	-	104,758	71,276	329,758	1,229,383
Total revenue	8,221,727	8,863,975	-	-	900,697	894,407	9,122,424	9,758,382
EXPENSES								
Personnel services	1,597,169	1,592,915	-	-	350,619	350,067	1,947,788	1,942,982
Contract services	2,614,397	2,611,729	-	-	20,226	21,524	2,634,623	2,633,253
Utilities	41,560	43,178	-	-	42,110	42,162	83,670	85,340
Maintenance materials and supplies	1,187,205	1,670,840	-	-	148,817	114,152	1,336,022	1,784,992
Grants and contributions	341,919	349,034	-	-	1,041	280	342,960	349,314
Amortization	758,768	668,252	-	-	102,990	99,856	861,758	768,108
Interest on long-term debt	193,943	195,902	-	-	54,870	61,277	248,813	257,179
Other	20,198	27,054	-	-	60,331	61,661	80,529	88,715
Total expenses	6,755,159	7,158,904	-	-	781,004	750,979	7,536,163	7,909,883
Surplus (Deficit)	\$ 1,466,568	\$ 1,705,071	\$ -	\$ -	\$ 119,693	\$ 143,428	\$ 1,586,261	\$ 1,848,499

SCHEDULE 6

**RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2016**

	2016					2015	
	General	Machinery Replacement	Gas Tax	Lagoon	Capital Lot Levy	Utility	Total
REVENUE							
Interest earned	\$ 11,810	\$ 9,512	\$ 4,736	\$ 1,787	\$ -	\$ 9,112	\$ 36,957
Other income	-	-	-	-	82,550	-	82,550
Total revenue	11,810	9,512	4,736	1,787	82,550	9,112	119,507
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUE	11,810	9,512	4,736	1,787	82,550	9,112	119,507
TRANSFERS							
Transfers from (to) operating fund	-	714,098	451,276	23,146	-	(6,404)	1,182,116
Transfers from (to) utility fund	-	-	-	-	-	19,408	19,408
Acquisition of tangible capital assets	(72,768)	(445,726)	(350,000)	-	-	-	(868,494)
CHANGE IN RESERVE FUND BALANCES	(60,958)	277,884	106,012	24,933	82,550	22,116	452,537
FUND SURPLUS, BEGINNING OF YEAR	1,020,064	738,661	342,824	119,713	436,790	707,779	3,365,831
FUND SURPLUS, END OF YEAR	\$ 959,106	\$ 1,016,545	\$ 448,836	\$ 144,646	\$ 519,340	\$ 729,895	\$ 3,818,368
							\$ 3,365,831

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF TRUST FUNDS - CHEVAL UTILITY
 For the Year Ended December 31, 2016

SCHEDULE 7

	Total	
	2016	2015
ASSETS		
Due from Municipality	\$ 14,116	\$ 13,809
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	14,116	13,809
	\$ 14,116	\$ 13,809
REVENUE		
Contributions and donations	\$ 5,000	\$ 5,000
Investment income	178	132
	5,178	5,132
EXPENSES		
Other	4,871	3,550
	4,871	3,550
EXCESS OF REVENUE OVER EXPENSES	307	1,582
FUND BALANCE, BEGINNING OF YEAR	13,809	12,227
FUND BALANCE, END OF YEAR	\$ 14,116	\$ 13,809

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 For the Year Ended December 31, 2016

SCHEDULE 8

	2016	2015
FINANCIAL ASSETS		
Cash and cash equivalents	\$ -	\$ -
Amounts receivable	216,674	215,932
Portfolio investments	-	-
Due from other funds	-	-
	<u>216,674</u>	<u>215,932</u>
LIABILITIES		
Accounts payable and accrued liabilities	460	3,563
Long-term debt (Note 9)	735,645	852,086
Due to other funds	484,282	550,263
	<u>1,220,387</u>	<u>1,405,912</u>
NET DEBT	<u>(1,003,713)</u>	<u>(1,189,980)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	9,298,762	9,348,879
Inventories	-	-
Prepaid expenses	580	580
	<u>9,299,342</u>	<u>9,349,459</u>
FUND SURPLUS	<u>\$ 8,295,629</u>	<u>\$ 8,159,479</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

SCHEDULE 9

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
REVENUE			
Water			
Water fees	\$ 900,000	\$ 919,572	\$ 857,078
Property Taxes	-	329,418	294,495
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total - government transfers	-	-	-
Other			
Connection charges, net	72,750	95,091	110,521
Penalties	3,500	4,175	3,947
Other income	1,500	(151)	8,423
Sub-total - Other	77,750	99,115	122,891
Total revenue	977,750	1,348,105	1,274,464
EXPENSES			
General			
Administration	88,105	94,681	68,919
Training costs	-	-	-
Billing and collection	10,000	3,817	8,723
Utilities (telephone, electricity, etc.)	-	-	-
Sub-total - General	98,105	98,498	77,642
Water General			
Purification and treatment	107,500	107,669	131,951
Water purchases	634,645	548,686	577,548
Transmission and distribution	87,500	102,160	72,298
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Sub-total - Water general	829,645	758,515	781,797
Water Amortization & Interest			
Amortization	253,819	253,819	223,523
Interest on long-term debt	81,715	81,715	78,001
Sub-total - Water amortization & interest	335,534	335,534	301,524
Total expenses	1,263,284	1,192,547	1,160,963
NET OPERATING (DEFICIT) SURPLUS	(285,534)	155,558	113,501
TRANSFERS			
Transfers from operating fund	-	-	-
Transfers to reserve funds	(50,000)	(19,408)	4,756
NET CHANGE IN UTILITY FUND BALANCE	\$ (335,534)	136,150	118,257
FUND SURPLUS, BEGINNING OF YEAR		8,159,479	8,041,222
FUND SURPLUS, END OF YEAR		\$ 8,295,629	\$ 8,159,479

SCHEDULE 10

RURAL MUNICIPALITY OF STANLEY
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE							
Property taxes	\$ 5,081,244	\$ -	\$ -	\$ -	\$ 122,449	\$ -	\$ 5,203,693
Grants in lieu of taxation	169,992	-	-	-	(122,449)	-	47,543
User fees	275,462	-	-	-	-	299,154	574,616
Permits, licences and fines	14,000	-	-	-	-	-	14,000
Investment income	48,000	-	-	-	-	11,557	59,557
Other revenue	30,000	-	-	-	-	(36,969)	(6,969)
Water and sewer	-	977,750	-	-	-	399,443	1,377,193
Grants - Province of Manitoba	457,000	-	-	-	-	104,758	561,758
Grants - other	453,932	-	-	-	-	122,754	576,686
Transfers from LUDs	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-
Transfers from reserves	-	-	-	-	-	-	-
Total revenue	<u>6,529,630</u>	<u>977,750</u>	-	-	-	<u>900,697</u>	<u>8,408,077</u>
EXPENSES							
General government services	920,305	-	87,362	83,444	(1,403)	20,529	1,110,237
Protective services	619,201	-	-	-	-	-	619,201
Transportation services	2,974,450	-	408,902	28,784	(310,000)	-	3,102,136
Environmental health services	21,550	-	-	-	-	41,469	63,019
Public health and welfare services	176,198	-	-	-	-	-	176,198
Regional planning and development	144,800	-	1,345	-	-	191,627	337,772
Resource cons and industrial dev	62,567	-	-	-	307,365	14,472	384,404
Recreation and cultural services	147,615	-	7,340	-	(11,004)	129,230	273,181
Water and sewer services	-	927,750	253,819	81,715	(45,324)	383,677	1,601,637
Fiscal services:							
Transfer to capital	-	-	-	-	-	-	-
Debt charges	573,601	-	-	(573,601)	-	-	-
Deferred surplus / deficit	-	-	-	-	-	-	-
Transfer to reserves	886,033	50,000	-	-	(936,033)	-	-
Allowance for tax assets	3,310	-	-	-	(3,310)	-	-
Total expenses	<u>6,529,630</u>	<u>977,750</u>	<u>758,768</u>	<u>(379,658)</u>	<u>(999,709)</u>	<u>781,004</u>	<u>7,667,785</u>
Surplus	\$ -	\$ -	\$ (758,768)	\$ 379,658	\$ 999,709	\$ 119,693	\$ 740,292

**RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2016**

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 392,747	\$ 421,278
Add:		
Tax levy (Schedule 12)	13,603,472	12,957,117
Taxes added	112,589	138,582
Penalties or interest	28,208	28,528
Other accounts added	-	-
Taxes overpaid	-	-
Tax Adjustments	-	-
Sub-total	<u>13,744,269</u>	<u>13,124,227</u>
Deduct:		
Cash collections - current	12,070,409	11,820,617
Cash collections - arrears	381,230	49,499
Writeoffs	706	7,146
Tax discounts	-	-
M.P.T.C. - cash advance	1,236,290	1,228,649
Other credits - M.P.T.C. adjustment	44,177	46,845
Sub-total	<u>13,732,812</u>	<u>13,152,756</u>
Balance, end of year	<u>\$ 404,204</u>	<u>\$ 392,749</u>

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2016

SCHEDULE 12

	2016		2015	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage				
sub-total - Debt charges			\$ 571,543	\$ 535,693
Special levies:				
Fire protection	481,532,920	1.041%	554,553	499,849
Reserves				
Machinery Replacement	482,016,200	0.894%	430,922	378,561
General municipal:				
At large	482,016,200	7.358%	<u>3,546,675</u>	<u>3,541,421</u>
Total municipal taxes (Schedule 2)			<u>5,103,693</u>	<u>4,955,524</u>
Education support levy	77,481,730	10.500%	813,558	823,644
Special levy:				
Prairie Rose SD	278,050	11.563%	3,215	2,849
Garden Valley SD	347,810,590	15.990%	5,561,491	5,258,570
Western SD	132,568,510	15.997%	2,120,698	1,915,596
Prairie Spirit SD	77,180	10.580%	817	934
sub-total - Special levies			<u>8,499,779</u>	<u>8,001,593</u>
Total education taxes			<u>8,499,779</u>	<u>8,001,593</u>
Total tax levy (Schedule 11)			<u>\$ 13,603,472</u>	<u>\$ 12,957,117</u>

SCHEDULE 13

**RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF SCHOOL ACCOUNTS
For the Year Ended December 31, 2016**

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 27,822	\$ 861,453	\$ (837,588)	\$ 27,822
Special levies				
Prairie Rose	-	3,215	(3,215)	-
Garden Valley	170,455	5,630,623	(5,604,069)	170,455
Western	61,864	2,126,124	(2,110,927)	61,864
Prairie Spirit	-	816	(816)	-
Sub-total	232,319	7,760,778	(7,719,027)	232,319
Total	\$ 260,141	\$ 8,622,231	\$ (8,556,615)	\$ 260,141

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	2016 Actual	2015 Actual
General government services		
Legislative	\$ 79,002	\$ 74,883
General administrative	628,295	694,269
Other	297,072	335,972
	<u>1,004,369</u>	<u>1,105,124</u>
Protective services		
Fire	558,531	504,347
Emergency measures	103,561	534,770
Other	38,909	36,073
	<u>701,001</u>	<u>1,075,190</u>
Transportation services		
Road transport		
Administration and engineering	42,151	44,370
Road and street maintenance	2,346,974	2,402,755
Bridge maintenance	84,494	126,334
Sidewalk and boulevard maintenance	54,418	22,757
Street lighting	61,364	58,439
Other	478,161	418,629
	<u>3,067,562</u>	<u>3,073,284</u>
Environmental health services		
Other	10,606	21,497
	<u>10,606</u>	<u>21,497</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	114,438	45,361
	<u>114,438</u>	<u>45,361</u>
Resource conservation and industrial development		
Rural area weed control	87,992	91,669
Drainage of land	165,580	172,990
Veterinary services	10,494	10,494
Water resources and conservation	77,083	134,750
Regional development	-	5,000
Other	1,398	4,915
	<u>342,547</u>	<u>419,818</u>
Recreation and cultural services		
Community centers and halls	14,250	14,250
Parks and playgrounds	114,862	51,601
Other recreational facilities	7,340	6,130
Museums	-	-
Libraries	73,115	71,026
	<u>209,567</u>	<u>143,007</u>
Total expenses	<u>\$ 5,626,288</u>	<u>\$ 6,059,479</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF DEBENTURES PENDING
December 31, 2016

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 11-16 Rural water distribution system		Utility operating	\$ 103,000	\$ 103,000
			<u>\$ 103,000</u>	<u>\$ 103,000</u>

SCHEDULE 16
(Unaudited)

RURAL MUNICIPALITY OF STANLEY
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2016

	2016		2015	
	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	1,188,520	35,341	1,223,861	1,139,423
Eliminate revenue - Transfers from reserves	(874,898)	(15,933)	(890,831)	(1,355,594)
Increase revenue - Reserve funds interest and capital levies	119,507	-	119,507	119,509
Increase revenue - Net surplus of consolidated entities	119,693	-	119,693	143,084
Eliminate revenue - Elimination of consolidated revenues and expenses	63,676	-	63,676	61,882
Increase revenue - Internal funds used to finance tangible capital assets	-	121,327	121,327	(52,111)
Decrease revenue - Debenture pending for tangible capital assets	-	(103,000)	(103,000)	(51,500)
Increase revenue - Repayment of internal funds by debenture issued	-	51,500	51,500	181,500
Increase expense - Amortization of tangible capital assets	(504,949)	(253,819)	(758,768)	(668,257)
(Increase) decrease expense - Principal portion of debenture debt, net of debt proceeds	(187,012)	116,441	(70,571)	(75,015)
Eliminate expense - Acquisitions of tangible capital assets	1,640,154	203,701	1,843,855	2,832,435
Decrease revenue - Net book value of disposed tangible capital assets	(133,988)	-	(133,988)	(426,857)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,430,703	\$ 155,558	\$ 1,586,261	\$ 1,848,499