

RURAL MUNICIPALITY OF STANLEY

**Consolidated Financial Statements
For the Year Ended December 31, 2013**

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Consolidated Financial Statements For the Year Ended December 31, 2013

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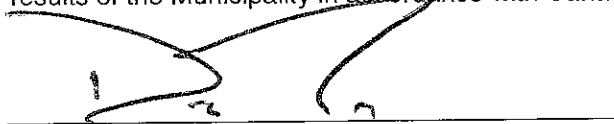
STATEMENT OF RESPONSIBILITY

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 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 Independent 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

October 16, 2014



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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, 2013, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 qualified audit opinion.

Basis for Qualified Opinion

The Municipality has inventories held for consumption of \$1,915,129 at December 31, 2012. We were unable to determine whether the predecessor auditor observed the inventories at December 31, 2012 or was able to audit the balance by alternative means. Because we were appointed auditor in 2014, we were unable to observe the inventories at the beginning of the year and were unable to audit \$777,937 of those inventories by alternative means. Since opening inventories enter into the determination of the results of operations and cash flows, we were unable to determine whether adjustments to transportation services expenses, annual surplus, opening net debt and cash provided from operations might be necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of The Rural Municipality of Stanley as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

The consolidated financial statements of the Rural Municipality of Stanley for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on these consolidated financial statements on December 30, 2013.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba

October 16, 2014

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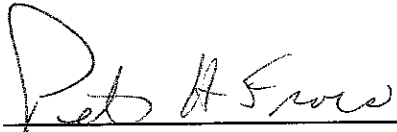
RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2013

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 2,632,726	\$ (665,418)
Amounts receivable (Note 4)	<u>1,535,570</u>	<u>1,880,863</u>
	<u>4,168,296</u>	<u>1,215,445</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,053,311	717,363
Sick leave payable (Note 8)	18,780	18,780
Deferred revenue (Note 9)	760,005	86,913
Landfill closure and post closure liabilities (Note 10)	2,132	1,907
Long-term debt (Note 11)	<u>5,411,149</u>	<u>3,293,248</u>
	<u>7,245,377</u>	<u>4,118,211</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(3,077,081)</u>	<u>(2,902,766)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	19,343,260	19,336,164
Inventories (Note 5)	2,014,070	1,915,129
Prepaid expenses	<u>182,028</u>	<u>11,069</u>
	<u>21,539,358</u>	<u>21,262,362</u>
ACCUMULATED SURPLUS	<u>\$ 18,462,277</u>	<u>\$ 18,359,596</u>
Commitment (Note 12)		

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, 2013

	<u>2013 Budget (Note 16)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
REVENUE			
Property taxes	\$ 4,911,436	\$ 4,980,693	\$ 4,797,629
Grants in lieu of taxation	55,674	55,674	54,671
User fees	415,026	630,152	483,845
Permits, licences and fines	10,000	12,850	33,582
Investment income	66,192	106,682	63,555
Other revenue	42,987	(4,710)	25,911
Water and sewer	1,152,586	998,851	1,271,620
Grants - Province of Manitoba	512,630	619,530	697,488
Grants - other	528,785	297,034	463,348
	<u>7,695,316</u>	<u>7,696,756</u>	<u>7,891,649</u>
EXPENSES			
General government services	947,879	941,540	761,342
Protective services	599,587	748,361	621,149
Transportation services	3,101,234	2,734,800	2,479,807
Environmental health services	145,463	136,426	58,638
Public health and welfare services	170,761	170,761	67,121
Regional planning and development	272,002	269,498	221,451
Resource conservation and industrial development	427,113	459,293	458,248
Recreation and cultural services	261,638	259,248	243,601
Water and sewer services	1,435,336	1,379,485	1,396,246
	<u>7,361,013</u>	<u>7,099,412</u>	<u>6,307,603</u>
Total expenses (Schedules 3, 4 and 5)	<u>7,361,013</u>	<u>7,099,412</u>	<u>6,307,603</u>
ANNUAL SURPLUS	<u>\$ 334,303</u>	597,344	1,584,046
ACCUMULATED SURPLUS, BEGINNING OF YEAR		18,359,596	16,775,550
ADOPTION OF GOVERNMENT TRANSFERS			
Reclassification of unspent Gas Tax contributions to deferred revenue (Note 9)		<u>(494,663)</u>	-
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 18,462,277</u>	<u>\$ 18,359,596</u>

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

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Year Ended December 31, 2013

	<u>2013 Budget (Note 16)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
ANNUAL SURPLUS	\$ 334,303	\$ 597,344	\$ 1,584,046
Acquisition of tangible capital assets	(939,317)	(939,317)	(3,525,523)
Amortization of tangible capital assets	721,354	721,354	595,375
Other non-cash expense	-	-	-
Loss on sale of tangible capital assets	100,393	100,393	86,689
Proceeds on sale of tangible capital assets	110,474	110,474	512,531
Increase in inventories	(98,941)	(98,941)	(393,917)
Increase in prepaid expense	(170,959)	(170,959)	(725)
	<u>(276,996)</u>	<u>(276,996)</u>	<u>(2,725,570)</u>
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	57,307	320,348	(1,141,524)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	3,975,499	(2,902,766)	(1,761,242)
ADOPTION OF GOVERNMENT TRANSFERS			
Reclassification of unspent Gas Tax contributions to deferred revenue (Note 9)	-	(494,663)	-
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u>\$ 4,032,806</u>	<u>\$ (3,077,081)</u>	<u>\$ (2,902,766)</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, 2013

	<u>2013</u>	<u>2012</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 597,344	\$ 1,584,046
Changes in non-cash items:		
Amounts receivable	345,293	(467,888)
Inventories	(98,941)	(393,917)
Prepays expenses	(170,959)	(725)
Accounts payable and accrued liabilities	335,948	(385,822)
Sick leave payable	-	2,400
Deferred revenue	178,429	(25,266)
Landfill closure and post closure liabilities	225	208
Loss on sale of tangible capital assets	100,393	86,689
Amortization	721,354	595,375
Net cash provided by operating transactions	<u>2,009,086</u>	<u>995,100</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	110,474	512,531
Cash used to acquire tangible capital assets	<u>(939,317)</u>	<u>(3,525,523)</u>
Net cash applied to capital transactions	<u>(828,843)</u>	<u>(3,012,992)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Purchase of portfolio investments	<u>-</u>	<u>-</u>
Net cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	2,607,000	-
Long-term debt repayment	<u>(489,099)</u>	<u>(213,421)</u>
Net cash applied to financing transactions	<u>2,117,901</u>	<u>(213,421)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,298,144	(2,231,313)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>(665,418)</u>	<u>1,565,895</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,632,726</u></u>	<u><u>\$ (665,418)</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, 2013

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%) (2012 - 24.00%)
M.S.T.W Planning District (30.39%) (2012 - 30.39%)
Morden Veterinary Services District (25.11%) (2012 - 25.11%)
Pembina Valley Water Cooperative Inc. (7.7%) (2012 - 7.7%)
Solid Waste Authority Management Project (10.35%) (2012 - 10.35%)
South Central Regional Library (15.05%) (2012 - 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, 2013

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, 2013

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. Cash and Cash Equivalents

	<u>2013</u>	<u>2012</u>
Cash and bank	\$ 2,606,089	\$ (691,875)
Cash equivalents	26,637	26,457
	<u>\$ 2,632,726</u>	<u>\$ (665,418)</u>

4. Amounts Receivable

	<u>2013</u>	<u>2012</u>
Taxes on roll (Schedule 11)	\$ 511,215	\$ 424,993
Government grants	437,851	868,763
Utility customers	163,216	356,345
Organizations and individuals	359,660	140,963
Other governments	63,628	102,569
	<u>1,535,570</u>	<u>1,893,633</u>
Less allowances for doubtful amounts	-	(12,770)
	<u>\$ 1,535,570</u>	<u>\$ 1,880,863</u>

Amounts receivable are valued at their net realizable value.

5. Inventories

	<u>2013</u>	<u>2012</u>
Chemicals	\$ -	\$ 6,081
Culverts	87,918	86,750
Aggregate and embedded rock	1,891,446	1,795,789
Other supplies	34,706	26,509
	<u>\$ 2,014,070</u>	<u>\$ 1,915,129</u>

6. 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, 2013, and is secured by a general security agreement and an assignment of certain receivables. The unused line of credit at December 31, 2013 is \$2,000,000 (2012 - \$966,917).

7. Accounts Payable and Accrued Liabilities

	<u>2013</u>	<u>2012</u>
Accounts payable	\$ 628,624	407,974
School levies (Schedule 13)	424,687	309,389
	<u>\$ 1,053,311</u>	<u>\$ 717,363</u>

8. Sick Leave Payable

The employees can accumulate a maximum of thirty six (36) sick days. As at December 31, 2013, the Municipality has a liability of \$18,780 (\$18,780 at December 31, 2012) 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, 2013

9. Deferred Revenue

Deferred revenue is comprised of the following:

	<u>2013</u>	<u>2012</u>
Gas tax contributions	\$ 645,689	\$ -
Other	114,316	86,913
	<u>\$ 760,005</u>	<u>\$ 86,913</u>

On January 1, 2013, the Municipality adopted provisions of PS3410 Government Transfers which resulted in a reclassification of balances previously presented as Gas Tax reserves which met the criteria of a liability to deferred revenue. Transactions related to Gas Tax funding during the year are as follows:

	<u>2013</u>	<u>2012</u>
Gas Tax balance, beginning of year	\$ -	\$ -
Reclassified from reserve (Schedule 6) at January 1, 2013	494,663	-
Funding received during the year	347,505	-
Recognized as revenue during the year	<u>(196,479)</u>	<u>-</u>
Gas Tax balance, end of year	<u>\$ 645,689</u>	<u>\$ -</u>

10. Landfill Closure and Post Closure Liabilities

The Municipality is currently operating a Class 1 landfill site in 2013, 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>2013</u>	<u>2012</u>
Estimated closure and post closure costs over the next 61 years (2012 - 62 years)	\$ 2,200,000	\$ 2,200,000
Discount rate	5.25%	5.25%
Discounted costs	<u>\$ 187,809</u>	<u>\$ 180,541</u>
Expected year capacity will be reached	2073	2073
Capacity (cubic metres)		
Used to date	767,435	713,896
Remaining	6,228,217	6,281,756
Total	<u>6,995,652</u>	<u>6,995,652</u>
Percent utilized	<u>10.97%</u>	<u>10.20%</u>
Liability based on percentage	<u>\$ 20,603</u>	<u>\$ 18,424</u>
Rural Municipality of Stanley's share (10.35%)	<u>\$ 2,132</u>	<u>\$ 1,907</u>

11. Long-term Debt

	<u>2013</u>	<u>2012</u>
<u>General Authority</u>		
Debenture, interest at 4.73%, payable at \$23,648 annually including interest, maturing November 2025	\$ 212,827	\$ 225,795
Debenture, interest at 5.31%, payable at \$35,582 annually including interest, maturing November 2031	406,044	419,357
Loan, interest at 4.25%, payable at \$15,431 monthly including interest, maturing January 2032	<u>2,335,888</u>	<u>-</u>
	<u>2,954,759</u>	<u>645,152</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

Government Partnerships

Loan, interest at prime rate of 3.00% payable at \$1,134 monthly including principal and interest, maturing June 2021	91,430	102,118
Loan, interest at 5.43%, payable at \$2,633 monthly including principal and interest, maturing May 2020	342,809	355,418
Loan, interest at 5.10%, payable at \$6,343 monthly including principal and interest, maturing April 2016	167,217	233,080
Loan, interest at prime rate of 3.00%, payable at \$616 monthly including principal and interest, maturing April 2014	2,681	7,654
Loan, interest at 5.22%, interest only payable until April 2014 after which time payable at \$6,380 including principal and interest, maturing June 2018	770,000	770,000
Loan, interest at prime plus .25% of 3.25%, payable at \$226 monthly including principal and interest, maturing September 2022.	17,493	19,600
	<u>1,391,630</u>	<u>1,487,870</u>

Utility Funds

Debenture, interest at 3.35%, payable at \$12,149 annually including interest, maturing December 2021	82,684	91,759
Debenture, interest at 4.73%, payable at \$70,944 annually including interest, maturing November 2025	638,481	677,384
Debenture, interest at 5.375%, payable at \$68,508 annually including interest, maturing December 2019	343,595	391,083
	<u>1,064,760</u>	<u>1,160,226</u>
	<u>\$ 5,411,149</u>	<u>\$ 3,293,248</u>

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

2014	\$ 342,251
2015	365,660
2016	331,792
2017	321,208
2018	906,515
Thereafter	3,143,723
Total	<u>\$ 5,411,149</u>

12. Commitment

The Municipality has committed to contribute \$500,000 to the construction of Tabor Home over a period of 5 years commencing in 2013. An amount of \$100,000 has been recognized as an expense in 2013 and accounts payable and accrued liabilities at December 31, 2013.

The Municipality has committed to contribute \$120,000 to the construction of the supportive housing component of the H.F. Wiebe Active Living Centre over a period of 5 years commencing in 2013. An amount of \$24,000 has been recognized as an expense and paid in 2013.

Pembina Valley Water Cooperative Inc. ("Cooperative") has entered into numerous contracts, with expiry dates, 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.

13. 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.

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

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 \$71,398 (2012 - \$51,487) 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, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 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, 2012.

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.

14. 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.

15. 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.

16. Compensation to Council

Compensation to members of Council for the year ended December 31, 2013 was as follows:

<u>Council Members</u>	<u>Position</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
A. Petkau	Reeve	\$ 21,017	\$ 2,438	\$ 23,455
P. Froese	Councillor	18,330	1,901	20,231
R. Giesbrecht	Councillor	15,327	2,075	17,402
P. Klassen	Councillor	14,989	1,723	16,712
D. Fehr	Councillor	9,887	1,103	10,990
K. Schellenberg	Councillor	10,313	643	10,956
L. Titchkosky	Councillor	16,055	3,406	19,461
		<u>\$ 105,918</u>	<u>\$ 13,289</u>	<u>\$ 119,207</u>

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

17. 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

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Stanley	\$ 4,218,681	\$ -	\$ 129,594	\$ 4,089,087

18. Accumulated Surplus

Accumulated surplus consists of the following:

	2013	2012
General Operating Fund - Nominal surplus	\$ 1,369,883	\$ 1,464,190
Utility Operating Fund - Nominal surplus	208,072	382,913
Tangible capital assets net of related borrowings	12,389,580	12,146,279
Reserve funds	2,821,653	2,702,446
Accumulated surplus of Municipality unconsolidated	16,789,188	16,695,828
Accumulated surpluses of consolidated entities	1,673,089	1,663,768
Accumulated surplus per Consolidated Statement of Financial Position	\$ 18,462,277	\$ 18,359,596

19. Government Partnerships

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

	2013	2012
<u>Financial Position</u>		
Total Assets	\$ 3,322,100	\$ 3,469,636
Total Liabilities	\$ 1,649,011	\$ 1,805,867
Accumulated surplus	1,673,089	1,663,769
Total liabilities and accumulated surplus	\$ 3,322,100	\$ 3,469,636
<u>Statement of Operations</u>		
Revenue	\$ 902,408	\$ 781,818
Expenses	901,611	747,274
Annual surplus	\$ 797	\$ 34,544

20. Comparative Amounts

Certain comparative amounts have been restated to conform to the current year's financial statement presentation.

Prior year amounts have been restated in note 18 to reflect B/L 22-11 debenture pending relating to the construction of the new municipal office in the amount of \$2,500,000. As a consequence, General Operating Fund - Nominal surplus has increased by \$2,500,000 and tangible capital assets net of related borrowings has decreased by \$2,500,000.

Portfolio investments and related long-term debt in the amount of \$621,777 have been eliminated since the Municipality intends to realize the assets and the liabilities simultaneously.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2013

SCHEDULE 1

	General Capital Assets							Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2013	2012		
Cost												
Opening costs	\$ 898,757	\$ 724,373	\$ 3,585,059	\$ 222,909	\$ 2,682,230	\$ 12,897,335	\$ 13,730,924	\$ -	\$ 34,741,587	\$ 32,022,715		
Additions during the year	6,638	2,842,364	377,002	19,992	160,134	201,552	160,200	13,799	3,781,681	4,201,596		
Disposals and write downs	-	-	(270,482)	-	(2,842,364)	-	(2,234)	-	(3,115,080)	(1,482,724)		
Closing costs	905,395	3,566,737	3,691,579	242,901	-	13,098,887	13,888,890	13,799	35,408,188	34,741,587		
Accumulated Amortization												
Opening accum'd amortization	182,222	138,393	1,263,976	194,736	-	11,324,665	2,301,431	-	15,405,423	15,017,479		
Amortization	16,838	81,256	209,867	22,857	-	63,568	326,968	-	721,354	595,375		
Disposals and write downs	-	-	(59,616)	-	-	-	(2,233)	-	(61,849)	(207,431)		
Closing accum'd amortization	199,060	219,649	1,414,227	217,593	-	11,388,233	2,626,166	-	16,064,928	15,405,423		
Net Book Value of Tangible Capital Assets	\$ 706,335	\$ 3,347,088	\$ 2,277,352	\$ 25,308	\$ -	\$ 1,710,654	\$ 11,262,724	\$ 13,799	\$ 19,343,260	\$ 19,336,164		

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2013

SCHEDULE 2

	2013	2012
	Actual	Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 4,761,436	\$ 4,580,787
Taxes added	219,257	216,842
	<u>4,980,693</u>	<u>4,797,629</u>
Grants in lieu of taxation		
Federal government	-	8,498
Provincial government	55,674	2,669
Provincial government enterprises	-	43,504
	<u>55,674</u>	<u>54,671</u>
User fees		
Sales of service	569,970	439,858
Sales of goods	60,032	40,181
Rentals	150	3,806
	<u>630,152</u>	<u>483,845</u>
Permits, licences and fines		
Permits	12,850	33,582
	<u>12,850</u>	<u>33,582</u>
Investment income		
Cash and temporary investments	106,682	63,555
	<u>106,682</u>	<u>63,555</u>
Other revenue		
Gain on sale of tangible capital assets	(100,393)	(86,689)
Penalties and interest	38,164	32,886
Miscellaneous	57,519	79,714
	<u>(4,710)</u>	<u>25,911</u>
Water and sewer		
Municipal utilities (Schedule 9)	656,765	891,711
Consolidated water co-operatives	342,086	379,909
	<u>998,851</u>	<u>1,271,620</u>
Grants - Province of Manitoba		
General assistance payment	331,384	332,393
VLT revenues	126,028	129,250
Conditional grants	162,118	235,845
	<u>619,530</u>	<u>697,488</u>
Grants - other		
Federal government - Gas Tax funding	196,480	347,505
Federal government - Other	2,623	45,058
Other local governments	97,931	70,785
	<u>297,034</u>	<u>463,348</u>
Total revenue	<u>\$ 7,696,756</u>	<u>\$ 7,891,649</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2013

SCHEDULE 3

	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
General government services		
Legislative	\$ 66,975	\$ 64,801
General administrative	567,719	479,853
Other	306,846	216,688
	<u>941,540</u>	<u>761,342</u>
Protective services		
Fire	553,602	576,950
Emergency measures	165,538	15,682
Other protection	29,221	28,517
	<u>748,361</u>	<u>621,149</u>
Transportation services		
Road transport		
Administration and engineering	41,654	44,916
Road and street maintenance	2,204,543	2,098,479
Bridge maintenance	57,287	39,925
Sidewalk and boulevard maintenance	10,158	-
Street lighting	58,624	43,877
Other	362,534	252,610
	<u>2,734,800</u>	<u>2,479,807</u>
Environmental health services		
Waste collection and disposal	-	42,528
Other	136,426	16,110
	<u>136,426</u>	<u>58,638</u>
Public health and welfare services		
Public health	100,000	-
Medical care	68,640	65,000
Social assistance	2,121	2,121
	<u>170,761</u>	<u>67,121</u>
Regional planning and development		
Planning and zoning	269,498	218,225
Other	-	3,226
	<u>269,498</u>	<u>221,451</u>
Resource conservation and industrial development		
Rural area weed control	98,833	83,244
Drainage of land	223,856	218,310
Veterinary services	21,645	21,896
Water resources and conservation	61,094	95,887
Regional development	5,000	33,000
Other	48,865	5,911
	<u>459,293</u>	<u>458,248</u>
Sub-totals forward	<u>\$ 5,460,679</u>	<u>\$ 4,667,756</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2013

SCHEDULE 3

	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Sub-totals forward	\$ 5,460,679	\$ 4,667,756
Recreation and cultural services		
Administration	-	-
Community centers and halls	15,000	17,250
Skating and curling rinks	-	-
Parks and playgrounds	50,360	44,742
Other recreational facilities	12,581	7,478
Museums	-	8,356
Libraries	181,307	165,775
	<u>259,248</u>	<u>243,601</u>
Water and sewer services		
Municipal utilities (Schedule 9)	1,038,723	1,043,754
Consolidated water co-operatives	340,762	352,492
	<u>1,379,485</u>	<u>1,396,246</u>
Total expenses	<u>\$ 7,099,412</u>	<u>\$ 6,307,603</u>

**RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2013**

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE										
Property taxes	\$ 4,676,856	\$ 4,488,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	55,674	54,671	-	-	-	-	-	-	-	-
User fees	259,867	88,334	999	746	63,993	101,446	97,659	99,731	-	-
Grants - other	199,103	392,563	-	-	-	-	-	-	-	-
Permits, licences and fines	12,850	33,582	-	-	-	-	-	-	-	-
Investment income	65,337	49,994	-	-	21,400	-	4,429	2,425	-	-
Other revenue	81,896	111,077	-	-	(100,393)	(86,202)	-	393	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	457,411	461,643	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	107,288	182,425	-	-	-	-	-	-	-	-
Total revenue	5,916,282	5,862,917	999	746	(15,000)	15,244	102,088	102,549	-	-
EXPENSES										
Personnel services	416,575	336,237	-	-	793,937	773,976	18,879	17,118	-	-
Contract services	269,577	267,620	603,924	621,149	821,721	801,147	71,884	18,527	2,121	2,121
Utilities	29,282	-	-	-	38,351	43,877	634	546	-	-
Maintenance materials and supplies	84,795	100,355	144,437	-	714,803	575,700	27,981	7,346	-	-
Grants and contributions	43,168	28,046	-	-	-	-	-	-	168,640	65,000
Amortization	82,317	18,445	-	-	280,059	241,029	13,883	13,975	-	-
Interest on long term debt	-	-	-	-	54,175	44,078	-	-	-	-
Other	15,826	10,639	-	-	31,754	-	3,165	1,126	-	-
Total expenses	941,540	761,342	748,361	621,149	2,734,800	2,479,807	136,426	58,638	170,761	67,121
Surplus (Deficit)	\$ 4,974,742	\$ 5,101,575	\$ (747,362)	\$ (620,403)	\$ (2,749,800)	\$ (2,464,563)	\$ (34,338)	\$ 43,911	\$ (170,761)	\$ (67,121)

* 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, 2013**

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,837	\$ 309,001	\$ 4,980,693	\$ 4,797,629
Grants in lieu of taxation	-	-	-	-	-	-	-	-	55,674	54,671
User fees	197,036	184,519	1,178	-	9,420	9,069	-	-	630,152	483,845
Grants - other	35,541	17,205	10,713	5,942	51,677	47,638	-	-	297,034	463,348
Permits, licences and fines	-	-	-	-	-	-	-	-	12,850	33,582
Investment income	3,156	3,785	-	-	214	-	12,146	7,351	106,682	63,555
Other revenue	12,258	643	-	-	-	-	1,529	-	(4,710)	25,911
Water and sewer	-	-	-	-	-	-	998,851	1,271,620	998,851	1,271,620
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	457,411	461,643
Prov of MB - Conditional Grants	-	-	-	4,771	54,831	48,649	-	-	162,119	235,845
Total revenue	247,991	206,152	11,891	10,713	116,142	105,356	1,316,363	1,587,972	7,696,756	7,891,649
EXPENSES										
Personnel services	170,300	104,842	5,490	33,515	75,358	74,077	187,934	184,911	1,668,473	1,524,676
Contract services	74,316	94,175	284,748	274,141	2,624	11,461	492,633	496,283	2,623,548	2,586,624
Utilities	904	3,541	8,736	4,078	-	1,080	25,966	26,496	103,873	79,618
Maintenance materials and supplies	-	10,828	98,833	28	100,632	28,473	167,533	208,223	1,339,014	930,953
Grants and contributions	-	-	55,776	136,641	60,800	118,378	-	385	328,384	348,450
Amortization	4,339	5,512	4,259	4,582	9,527	9,637	326,969	302,194	721,353	595,374
Interest on long term debt	-	-	600	4,538	-	-	163,608	175,622	218,383	224,238
Other	19,639	2,553	851	725	10,307	495	14,842	2,132	96,384	17,670
Total expenses	269,498	221,451	459,293	458,248	259,248	243,601	1,379,485	1,396,246	7,099,412	6,307,603
Surplus (Deficit)	\$ (21,507)	\$ (15,299)	\$ (447,402)	\$ (447,535)	\$ (143,106)	\$ (138,245)	\$ (63,122)	\$ 191,726	\$ 597,344	\$ 1,584,046

RURAL MUNICIPALITY OF STANLEY

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2013

	Core Government		Controlled Entities		Government Partnerships		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE								
Property taxes	\$ 4,980,693	\$ 4,797,629	\$ -	\$ -	\$ -	\$ -	\$ 4,980,693	\$ 4,797,629
Grants in lieu of taxation	55,674	54,671	-	-	-	-	55,674	54,671
User fees	269,626	213,395	-	-	360,526	270,450	630,152	483,845
Grants - other	199,103	392,563	-	-	97,931	70,785	297,034	463,348
Permits, licences and fines	12,850	33,582	-	-	-	-	12,850	33,582
Investment income	99,490	57,338	-	-	7,192	6,217	106,682	63,555
Other revenue	(7,697)	24,874	-	-	2,987	1,037	(4,710)	25,911
Water and sewer	619,909	891,711	-	-	378,942	379,909	998,851	1,271,620
Prov of MB - Unconditional Grants	457,412	461,643	-	-	-	-	457,412	461,643
Prov of MB - Conditional Grants	107,288	182,425	-	-	54,830	53,420	162,118	235,845
Total revenue	6,794,348	7,109,831	-	-	902,408	781,818	7,696,756	7,891,649
EXPENSES								
Personnel services	1,326,562	1,250,814	-	-	341,911	273,862	1,668,473	1,524,676
Contract services	2,498,925	2,465,788	-	-	124,623	120,836	2,623,548	2,586,624
Utilities	38,351	43,877	-	-	65,522	35,741	103,873	79,618
Maintenance materials and supplies	1,235,053	812,291	-	-	103,961	118,662	1,339,014	930,953
Grants and contributions	295,222	348,450	-	-	33,162	-	328,384	348,450
Amortization	615,169	487,908	-	-	106,184	107,466	721,353	595,374
Interest on long term debt	143,937	140,564	-	-	74,446	83,674	218,383	224,238
Other	44,582	10,637	-	-	51,802	7,033	96,384	17,670
Total expenses	6,197,801	5,560,329	-	-	901,611	747,274	7,099,412	6,307,603
Surplus	\$ 596,547	\$ 1,549,502	\$ -	\$ -	\$ 797	\$ 34,544	\$ 597,344	\$ 1,584,046

RURAL MUNICIPALITY OF STANLEY

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2013

	2013							2012	
	General	Machinery Replacement	Gas Tax	Lagoon	Capital Lot Levy	Utility	Total	Total	Total
REVENUE									
Interest earned	\$ 6,583	\$ 21,400	-	702	\$ 88,113	\$ 12,051	\$ 40,736	\$ 41,609	
Other income	-	-	-	-	-	-	88,113	88,113	204,900
Total revenue	6,583	21,400	-	702	88,113	12,051	128,849	246,509	
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUE	6,583	21,400	-	702	88,113	12,051	128,849	246,509	
TRANSFERS									
Debt repayments	-	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	172,500	434,928	-	(48,057)	-	-	559,371	897,632	
Transfers from (to) utility fund	-	-	-	-	-	191,795	191,795	97,756	
Acquisition of tangible capital assets	(70,985)	(195,160)	-	-	-	-	(266,145)	(1,385,898)	
CHANGE IN RESERVE FUND BALANCES	108,098	261,168	-	(47,355)	88,113	203,846	613,870	(144,001)	
FUND SURPLUS, BEGINNING OF YEAR	1,061,412	338,261	494,663	124,094	315,682	368,334	2,702,446	2,846,447	
ADOPTION OF GOVERNMENT TRANSFERS									
Reclassification of unspent Gas Tax contributions to deferred revenue (Note 9)	-	-	(494,663)	-	-	-	(494,663)	-	
FUND SURPLUS, END OF YEAR	\$ 1,169,510	\$ 599,429	\$ -	\$ 76,739	\$ 403,795	\$ 572,180	\$ 2,821,653	\$ 2,702,446	

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF TRUST FUNDS - CHEVAL UTILITY
 For the Year Ended December 31, 2013

SCHEDULE 7

	Total	
	2013	2012
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Due from Municipality	12,229	10,459
	<u>\$ 12,229</u>	<u>\$ 10,459</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	12,229	10,459
	<u>\$ 12,229</u>	<u>\$ 10,459</u>
REVENUE		
Contributions and donations	\$ 5,001	\$ 5,002
Investment income	59	36
	<u>5,060</u>	<u>5,038</u>
EXPENSES		
Other	3,290	3,728
	<u>3,290</u>	<u>3,728</u>
EXCESS OF REVENUE OVER EXPENSES		
	1,770	1,310
FUND BALANCE, BEGINNING OF YEAR		
	10,459	9,149
FUND BALANCE, END OF YEAR		
	<u>\$ 12,229</u>	<u>\$ 10,459</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
For the Year Ended December 31, 2013

SCHEDULE 8

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ -	\$ -
Amounts receivable	163,215	356,345
Portfolio investments	-	-
Due from other funds	-	-
	<u>163,215</u>	<u>356,345</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	-
Long-term debt (Note 11)	1,064,760	1,160,227
Due to other funds	685,175	593,139
	<u>1,749,935</u>	<u>1,753,366</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(1,586,720)</u>	<u>(1,397,021)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	8,886,265	8,966,483
Inventories	-	-
Prepaid expenses	580	579
	<u>8,886,845</u>	<u>8,967,062</u>
FUND SURPLUS	<u>\$ 7,300,125</u>	<u>\$ 7,570,041</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2013

SCHEDULE 9

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
REVENUE			
Water			
Water fees	<u>\$ 765,000</u>	<u>\$ 725,555</u>	<u>\$ 740,681</u>
Property Taxes	<u>-</u>	<u>303,837</u>	<u>309,001</u>
Other			
Hydrant rentals	-	-	-
Connection charges, net	41,000	(74,007)	142,464
Installation Service	-	-	-
Penalties	3,500	3,474	4,066
Contributed tangible capital assets	-	-	-
Provincial / Federal grants	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,000	1,743	4,500
Sub-total - Other	<u>45,500</u>	<u>(68,790)</u>	<u>151,030</u>
Total revenue	<u>\$ 810,500</u>	<u>\$ 960,602</u>	<u>\$ 1,200,712</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATION
For the Year Ended December 31, 2013

SCHEDULE 9

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
EXPENSES			
General			
Administration	\$ 60,000	\$ 57,486	\$ 55,573
Training costs	-	-	-
Billing and collection	7,100	6,731	6,239
Utilities (telephone, electricity, etc.)	-	-	-
Sub-total - General	<u>67,100</u>	<u>64,217</u>	<u>61,812</u>
Water General			
Purification and treatment	96,500	86,688	88,675
Water purchases	502,000	481,182	482,475
Transmission and distribution	94,000	71,662	93,351
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Sub-total - Water general	<u>692,500</u>	<u>639,532</u>	<u>664,501</u>
Water Amortization & Interest			
Amortization	245,212	245,212	220,954
Interest on long-term debt	89,762	89,762	96,486
Sub-total - Water amortization & interest	<u>334,974</u>	<u>334,974</u>	<u>317,440</u>
Total expenses	<u>1,094,574</u>	<u>1,038,723</u>	<u>1,043,753</u>
NET OPERATING (DEFICIT) SURPLUS	(284,074)	(78,121)	156,959
TRANSFERS			
Transfers from operating fund	-	-	232,300
Transfers to reserve funds	(50,900)	(191,795)	(97,756)
NET CHANGE IN UTILITY FUND BALANCE	<u>\$ (334,974)</u>	(269,916)	291,503
FUND SURPLUS, BEGINNING OF YEAR		<u>7,570,041</u>	<u>7,278,538</u>
FUND SURPLUS, END OF YEAR		<u>\$ 7,300,125</u>	<u>\$ 7,570,041</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2013

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE							
Property taxes	\$ 4,783,913	\$ -	\$ -	\$ -	\$ 127,523	\$ -	\$ 4,911,436
Grants in lieu of taxation	183,197	-	-	-	(127,523)	-	55,674
User fees	54,500	-	-	-	-	360,526	415,026
Permits, licences and fines	10,000	-	-	-	-	-	10,000
Investment income	59,000	-	-	-	-	7,192	66,192
Other revenue	40,000	-	-	-	-	2,987	42,987
Water and sewer	-	810,500	-	-	(36,856)	378,942	1,152,586
Grants - Province of Manitoba	457,800	-	-	-	-	54,830	512,630
Grants - other	430,854	-	-	-	-	97,931	528,785
Transfers from LUDs	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	(219,000)	-	-
Transfers from reserves	219,000	-	-	-	-	-	-
Total revenue	6,238,264	810,500	-	-	(255,856)	902,408	7,695,316
EXPENSES							
General government services	772,483	-	82,317	-	14,466	78,613	947,879
Protective services	599,587	-	-	-	-	-	599,587
Transportation services	3,017,000	-	280,059	54,175	(250,000)	-	3,101,234
Environmental health services	99,600	-	-	-	-	45,863	145,463
Public health and welfare services	170,761	-	-	-	-	-	170,761
Regional planning and development	5,000	-	-	-	-	267,002	272,002
Resource cons and industrial dev	163,403	-	-	-	248,008	15,702	427,113
Recreation and cultural services	143,776	-	7,581	-	(10,689)	120,970	261,638
Water and sewer services	-	759,600	245,212	89,762	-	340,762	1,435,336
Fiscal services:							
Transfer to capital	11,200	-	-	-	(11,200)	-	-
Debt charges	551,055	-	-	(551,055)	-	-	-
Deferred surplus / deficit	-	-	-	-	-	-	-
Transfer to reserves	689,933	50,900	-	-	(740,833)	-	-
Allowance for tax assets	14,466	-	-	-	(14,466)	-	-
Total expenses	6,238,264	810,500	615,169	(407,118)	(764,714)	868,912	7,361,013
Surplus	\$ -	\$ -	\$ (615,169)	\$ 407,118	\$ 508,858	\$ 33,496	\$ 334,303

**RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2013**

SCHEDULE 11

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 424,993	\$ 375,899
Add:		
Tax levy (Schedule 12)	12,087,891	11,492,185
Taxes added	219,257	216,842
Penalties or interest	38,164	32,886
Other accounts added	-	22,002
Taxes overpaid	-	4,110
Tax Adjustments	-	-
Sub-total	<u>12,345,312</u>	<u>11,768,025</u>
Deduct:		
Cash collections - current	10,768,356	10,218,451
Cash collections - arrears	302,684	284,827
Writeoffs	17,488	10,601
Tax discounts	-	-
M.P.T.C. - cash advance	1,170,562	1,205,052
Other credits - M.P.T.C. adjustment	-	-
Sub-total	<u>12,259,090</u>	<u>11,718,931</u>
Balance, end of year	<u><u>\$ 511,215</u></u>	<u><u>\$ 424,993</u></u>

RURAL MUNICIPALITY OF STANLEY
 ANALYSIS OF TAX LEVY
 For the Year Ended December 31, 2013

SCHEDULE 12

	2013		2012	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage				
sub-total- Debt charges			\$ 223,649	\$ 228,815
Special levies:				
Fire protection	387,981,060	1.445%	560,633	571,942
General municipal:				
At large	341,650,540	11.641%	<u>3,977,154</u>	<u>3,780,030</u>
Total municipal taxes (Schedule 2)			<u>4,761,436</u>	<u>4,580,787</u>
Education support levy	59,538,750	11.830%	704,343	656,059
Special levy:				
Prairie Rose SD	167,320	14.467%	2,421	2,293
Garden Valley SD	249,956,020	19.811%	4,951,879	4,646,041
Western SD	90,641,500	18.390%	1,666,897	1,606,128
Prairie Spirit SD	57,600	15.886%	915	877
sub-total- Special levies			<u>7,326,455</u>	<u>6,911,398</u>
Total education taxes			<u>7,326,455</u>	<u>6,911,398</u>
Total tax levy (Schedule 11)			<u>\$ 12,087,891</u>	<u>\$ 11,492,185</u>

RURAL MUNICIPALITY OF STANLEY

SCHEDULE 13

ANALYSIS OF SCHOOL ACCOUNTS
For the Year Ended December 31, 2013

	2013				2012
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 30,694	\$ 747,495	\$ (735,582)	\$ 42,607	\$ 30,694
Special levies					
Prairie Rose	-	2,422	(2,422)	-	-
Garden Valley	207,357	5,021,223	(4,942,370)	286,210	207,357
Western	71,338	1,681,924	(1,657,392)	95,870	71,338
Prairie Spirit	-	915	(915)	-	-
Sub-total	<u>278,695</u>	<u>6,706,484</u>	<u>(6,603,099)</u>	<u>382,080</u>	<u>278,695</u>
Total	<u>\$ 309,389</u>	<u>\$ 7,453,979</u>	<u>\$ (7,338,681)</u>	<u>\$ 424,687</u>	<u>\$ 309,389</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2013

	2013 Actual	2012 Actual
General government services		
Legislative	\$ 66,975	\$ 64,801
General administrative	567,719	479,853
Other	228,233	216,688
	<u>862,927</u>	<u>761,342</u>
Protective services		
Fire	553,602	576,950
Emergency measures	165,538	15,682
Other	29,221	28,517
	<u>748,361</u>	<u>621,149</u>
Transportation services		
Road transport		
Administration and engineering	41,654	44,916
Road and street maintenance	2,204,543	2,098,479
Bridge maintenance	57,287	39,924
Sidewalk and boulevard maintenance	10,158	-
Street lighting	58,624	43,877
Other	362,534	252,610
	<u>2,734,800</u>	<u>2,479,806</u>
Environmental health services		
Other	90,563	16,110
	<u>90,563</u>	<u>16,110</u>
Public health and welfare services		
Public health	100,000	-
Medical care	68,640	65,000
Social assistance	2,121	2,121
	<u>170,761</u>	<u>67,121</u>
Regional planning and development		
Planning and zoning	2,496	2,509
	<u>2,496</u>	<u>2,509</u>
Resource conservation and industrial development		
Rural area weed control	98,833	83,244
Drainage of land	223,856	218,310
Veterinary services	7,935	7,935
Water resources and conservation	61,094	95,887
Regional development	5,000	33,000
Other	48,865	5,910
	<u>445,583</u>	<u>444,286</u>
Recreation and cultural services		
Community centers and halls	15,000	17,250
Parks and playgrounds	50,360	44,742
Other recreational facilities	12,581	7,478
Museums	-	8,356
Libraries	71,026	56,539
	<u>148,967</u>	<u>134,365</u>
Total expenses	<u>\$ 5,204,458</u>	<u>\$ 4,526,688</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF DEBENTURES PENDING
December 31, 2013

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 22-13 Rural water distribution system		Utility operating	\$ 121,500	\$ 121,500
			<u>\$ 121,500</u>	<u>\$ 121,500</u>

RURAL MUNICIPALITY OF STANLEY
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2013

SCHEDULE 16
 (Unaudited)

	2013		2012	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (94,307)	\$ (174,841)	\$ (269,148)	\$ 1,511,471
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - transfers to reserves	707,428	191,795	899,223	995,388
Eliminate revenue - transfers from reserves	(414,202)	-	(414,202)	(1,385,898)
Increase revenue - reserve funds interest and capital levies	128,849	-	128,849	246,509
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	797	-	797	44,659
Eliminate revenue - elimination of consolidated revenues and expenses	8,524	-	8,524	-
Increase revenue - internal funds used to finance tangible capital assets	2,649	24,975	27,624	-
Decrease revenue - debenture pending for tangible capital assets	-	(121,500)	(121,500)	-
Increase revenue - repayment of internal funds by debenture issued	2,500,000	-	2,500,000	-
Increase expense - amortization of tangible capital assets	(369,958)	(245,212)	(615,170)	(487,908)
Decrease expense - principal portion of debenture debt, net of debt proceeds	(2,335,888)	95,466	(2,240,422)	270,340
Eliminate expense - acquisitions of tangible capital assets	751,368	151,196	902,564	302,796
Decrease revenue - proceeds exceeding gain (loss) on disposal of tangible capital assets	(209,795)	-	(209,795)	86,689
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 675,465</u>	<u>\$ (78,121)</u>	<u>\$ 597,344</u>	<u>\$ 1,584,046</u>