

RURAL MUNICIPALITY OF WHITEMOUTH

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

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Whitemouth and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of 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 external auditors 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 auditors, 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.

Colleen Johnson

Colleen Johnson

Chief Administrative Officer

June 29, 2017



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INDEPENDENT AUDITOR'S REPORT

To the Reeve and members of Council of the
RURAL MUNICIPALITY OF WHITEMOUTH

We have audited the accompanying consolidated financial statements of Rural Municipality of Whitemouth, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of operations, consolidated statement of change in net financial assets and consolidated statement of 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 Rural Municipality of Whitemouth as at December 31, 2016, and the results of its operations, net financial assets, 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
June 28, 2017

RURAL MUNICIPALITY OF WHITEMOUTH

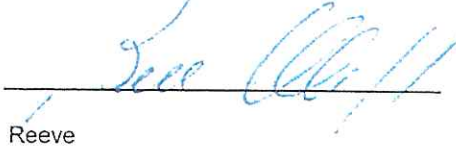
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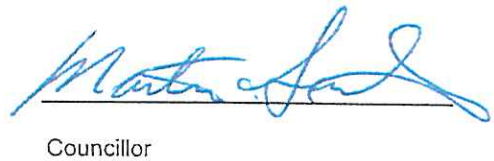
RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 2,064,847	\$ 1,666,780
Amounts receivable (Note 3)	594,098	421,197
Portfolio investments (Note 4)	<u>3,664</u>	<u>3,225</u>
	<u>2,662,609</u>	<u>2,091,202</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	338,690	851,473
Deferred revenue (Note 9)	65,000	847
Landfill closure and post closure liabilities (Note 7)	42,149	42,057
Long-term debt (Note 8)	<u>1,019,599</u>	<u>193,198</u>
	<u>1,465,438</u>	<u>1,087,575</u>
NET FINANCIAL ASSETS	<u>1,197,171</u>	<u>1,003,627</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,229,829	12,207,481
Inventories (Note 5)	8,167	8,167
Prepaid expenses	<u>19,597</u>	<u>19,547</u>
	<u>12,257,593</u>	<u>12,235,195</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 13,454,764</u>	<u>\$ 13,238,822</u>

Approved on behalf of Council:



Reeve



Councillor

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

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2016**

	<u>2016 Budget (Note 12)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 1,397,069	\$ 1,390,082	\$ 1,247,709
Grants in lieu of taxation	139,277	138,733	125,876
User fees	110,780	115,118	99,017
Grants - Province of Manitoba	498,931	620,794	1,319,589
Grants - other	112,090	116,070	113,906
Permits, licences and fines	11,710	1,370	1,221
Investment income	2,581	13,310	11,431
Other revenue	5,674	48,327	273,932
Water and sewer	359,700	340,192	1,147,956
	<u>2,637,812</u>	<u>2,783,996</u>	<u>4,340,637</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	456,337	440,158	381,197
Protective services	122,451	199,434	125,709
Transportation services	809,949	889,115	772,956
Environmental health services	196,313	190,405	178,774
Public health and welfare services	46,538	34,822	34,537
Regional planning and development	42,017	25,950	47,068
Resource conservation and industrial development	52,500	44,802	64,361
Recreation and cultural services	82,291	77,647	45,336
Water and sewer services	600,890	665,721	627,698
	<u>2,409,286</u>	<u>2,568,054</u>	<u>2,277,636</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS (DEFICIT)	<u>\$ 228,526</u>	215,942	2,063,001
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>13,238,822</u>	<u>11,175,821</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$13,454,764</u>	<u>\$ 13,238,822</u>

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

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2016

	<u>2016 Budget (Note 12)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS	\$ 228,526	\$ 215,942	\$ 2,063,001
Acquisition of tangible capital assets	(436,241)	(436,241)	(2,696,995)
Amortization of tangible capital assets	413,810	413,810	378,750
Gain on sale of tangible capital assets	-	83	20,088
Proceeds on sale of tangible capital assets	-	-	6,766
(Increase) decrease in prepaid expense	-	(50)	42
	<u>(22,431)</u>	<u>(22,398)</u>	<u>(2,291,349)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 206,095</u>	193,544	(228,348)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,003,627</u>	<u>1,231,975</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 1,197,171</u>	<u>\$ 1,003,627</u>

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

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2016**

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 215,942	\$ 2,063,001
Changes in non-cash items:		
Amounts receivable	(172,901)	(155,748)
Prepays	(50)	42
Accounts payable and accrued liabilities	(512,783)	563,419
Landfill closure and post closure liabilities	92	84
Deferred revenue	64,153	(610,091)
Other assets	(439)	(1,875)
Loss on sale of tangible capital asset	83	20,088
Amortization	413,810	378,750
	<u>7,907</u>	<u>2,257,670</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	6,766
Cash used to acquire tangible capital assets	(436,241)	(2,696,995)
	<u>(436,241)</u>	<u>(2,690,229)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	875,000	-
Debt repayment	(48,599)	(46,332)
	<u>826,401</u>	<u>(46,332)</u>
INCREASE (DECREASE) IN CASH	398,067	(478,891)
CASH, BEGINNING OF YEAR	1,666,780	2,145,671
CASH, END OF YEAR	<u>\$ 2,064,847</u>	<u>\$ 1,666,780</u>

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

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

1. Status of the Rural Municipality of Whitemouth

The incorporated Rural Municipality of Whitemouth (the "Municipality") is a municipal government that was created on December 31, 1905 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as fire, public works, urban planning, parks and recreation, library and other general government operations. The Municipality owns three utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Public 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, and commissions are accounted on a proportionate consolidation basis whereby the Municipality's prorata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-entity balances and transactions have been eliminated. The government partnerships include:

Whitemouth River Recreation Commission (consolidated - 50%) (2015 consolidated - 50%)
Whitemouth-Reynolds Planning District (consolidated - 45%) (2015 consolidated - 45%)
Whitemouth-Reynolds North Whiteshell Waste Management Facility (consolidated - 34.46%)
(2015 consolidated - 34.46%)

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) 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.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

2. Significant Accounting Policies (continued)

d) Tangible Capital Assets

Tangible capital assets are recorded at cost 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.

General Tangible Capital Assets

Land	Indefinite
Land improvements	30 years
Buildings and leasehold improvements	
Buildings	25 years
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 to 20 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 to 10 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Sewer	
Land	Indefinite
Land improvements	30 years
Underground networks	50 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.

e) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

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

f) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the 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.

g) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the 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.

**RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016**

2. Significant Accounting Policies (continued)

h) Employee Future Benefits

The Municipality pays the employer portion of a multi-employer defined benefit pension plan handled by the Municipal Employees' Pension Plan (MEPP) for its employees. Under this plan, specific fixed amounts are contributed by the Municipality each period for services rendered by the employees matching employee contributions.

For those defined benefit obligations that accumulate but do not vest such as sick pay, the benefit costs are recognized and recorded only in the period when the employee is sick given that the liability for sick pay benefits has been determined to be insignificant at year end.

3. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 173,148	\$ 197,922
Government grants	324,228	43,629
Utility customers	63,838	76,436
Organizations and individuals	32,884	103,210
Other governments	-	-
	<u>594,098</u>	<u>421,197</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 594,098</u>	<u>\$ 421,197</u>

4. Portfolio Investments

	<u>2016</u>	<u>2015</u>
Credit Union GICs	<u>\$ 3,664</u>	<u>\$ 3,225</u>

The aggregate market value of the marketable securities at December 31, 2016 is \$3,664 (2015 - \$3,225). Portfolio investments earned \$317 in investment income during the year (2015 - \$300).

5. Inventories

Inventories for use:

	<u>2016</u>	<u>2015</u>
Culverts	<u>\$ 8,167</u>	<u>\$ 8,167</u>

6. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 184,036	\$ 213,134
School levies (Schedule 13)	154,654	638,339
	<u>\$ 338,690</u>	<u>\$ 851,473</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

7. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 1 landfill site in 2012. 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 50 years	\$ 54,350	\$ 54,350
Discount rate	7.00%	7.00%
Discounted costs	<u>\$ 6,236</u>	<u>\$ 5,828</u>
Expected year capacity will be reached	2048	2048
Capacity (disclose in tonnes, volume, acreage, or years)		
Used to date	19	18
Remaining	<u>32</u>	<u>33</u>
Total	51	51
Percentage utilized	<u>37.25%</u>	35.29%
Liability based on percentage	<u>\$ 2,323</u>	<u>\$ 2,057</u>
RM of Whitemouth percentage of operations	34.46%	34.46%
RM of Whitemouth liability based on percentage of partnership	<u>\$ 801</u>	<u>\$ 709</u>

b) Closed Landfill Site

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. Post closure care for the closed landfill site(s) is estimated to be required until 2050. Estimated post closure costs over the next 35 years is estimated to be \$114,000 (2015 - \$108,000). The Municipality uses a discount rate of 4.74% (2015 - 4.74%) to arrive at its post closure liability of \$41,348 (2015 - \$41,348).

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

8. Long-term Debt

Utility Funds:	2016	2015
Debenture for Firehall, interest at 6.0%, payable at \$76,286 annually including interest, maturing December 31, 2036	\$ 875,000	
Debenture for Whitemouth Sewer Utility, interest at 5.0%, payable at \$10,278 annually including interest, maturing December 31, 2017	8,338	17,728
Debenture for Seven Sisters Utility, interest at 5.0%, payable at \$3,214 annually including interest, maturing December 31, 2017	2,932	5,853
Debenture for Seven Sisters Utility, interest at 5.0%, payable at \$9,164 annually including interest, maturing December 31, 2017	7,291	15,670
Debenture for Seven Sisters Utility, interest at 5.0%, payable at \$19,919 annually including interest, maturing December 31, 2017	15,848	34,059
Debenture for Water Treatment Plan, interest at 5.375%, payable at \$5,710 annually including interest, maturing December 31, 2025	39,910	43,287
Debenture for Extra WTP Connections, interest at 5.125%, payable at \$1,427 annually including interest, maturing December 31, 2020	5,046	6,157
Debenture for Water Utility, interest at 4.05%, payable at \$8,063 annually including interest, maturing December 31, 2026	65,234	70,444
	\$ 1,019,599	\$ 193,198

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

2017	68,350
2018	35,839
2019	37,848
2020	39,961
2021	40,778

9. Deferred Revenue

Grants were received from the Province of Manitoba which were to be spent on capital projects. The grant was deferred and recognized as revenue as follows:

Deferred grant revenue balance, beginning of year	\$ -	\$ 605,438
Funding received during the year	285,000	-
Recognized as revenue during the year	(238,000)	(605,438)
Deferred grant revenue balance, end of year	\$ 47,000	\$ -
Deferred grant revenue (from above)	\$ 47,000	\$ -
Deferred other revenue	18,000	847
Total deferred revenue	\$ 65,000	\$ 847

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

10. 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 Chartered 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 requires 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 \$29,938 (2015 - \$36,539) 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.

11. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion 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.

12. 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 financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

13. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2016:

- a) Compensation paid to members of council amounted to \$75,205 in aggregate.
b) There were no members of council receiving compensation in excess of \$50,000 individually.

<u>Council Members</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Bill Dowbyhuz	\$ 19,191	\$ 3,361	\$ 22,552
Councillor - Roy Nichol	12,135	1,806	13,941
Councillor - Martin Saxler	10,615	3,081	13,696
Councillor - Lori Bachman	10,007	84	10,091
Councillor - Manny Sikkenga	12,449	2,476	14,925
	<u>\$ 64,397</u>	<u>\$ 10,808</u>	<u>\$ 75,205</u>

- c) No officers received compensation in excess of \$50,000:

14. 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 PSAB.

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 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>
Water Utility	<u>\$ 3,671,344</u>	<u>\$ -</u>	<u>\$ 79,812</u>	<u>\$ 3,591,532</u>

Sewer 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>
Whitemouth Sewer	\$ 108,355	\$ -	\$ 3,947	\$ 104,408
Seven Sisters Sewer	494,856	-	11,782	483,074
	<u>\$ 603,211</u>	<u>\$ -</u>	<u>\$ 15,729</u>	<u>\$ 587,482</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

15. Segmented Information

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments are as follows:

General Government

This relates to the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of fire protection, building inspection, emergency operations and animal control services. The fire department is comprised of paid on-call volunteers who provide fire suppression services, fire prevention programs, training and education. The fire department also responds to motor vehicle accidents. The building inspector inspects residential buildings for compliance with the Manitoba Building Code. Emergency operations include the emergency services coordinator as well as the emergency operations centres when required.

Transportation Services

Transportation services is responsible for snow clearing, cleaning streets in urban areas, grading gravel roads, and applying dust abatement to gravel roads. The department maintains boulevards and parks in the urban areas. The department is also responsible for maintaining and improving drainage along municipal roads as well as paying for utility costs for street lights in urban and rural areas.

Environmental Health Services

The Municipality operates a landfill for waste disposal.

Public Health and Welfare Services

The Municipality pays the Province of Manitoba an annual levy to administer social assistance to their residents. It also supports cemeteries, seniors housing and a handivan.

Regional Planning and Development

The Municipality is responsible for final decisions on subdivision applications and for its Zoning By-Laws. It supports the Whitemouth-Reynolds Planning District.

Resource Conservation and Industrial Development

The Municipality supports the Community Development Corporation, which is responsible for encouraging development within the Municipality. It also supports the Whitemouth-Reynolds Weed Control District which is responsible for controlling weeds in the Municipality.

Recreation and Cultural Services

The Municipality provides services in order to improve the health and development of its citizens. Community centres, parks, a library, and the Whitemouth River Recreation Commission are supported by the Municipality for recreational purposes.

Water and Sewer Services

This department maintains the water and sewer utilities in the Municipality, processing and cleaning sewage and ensuring the water and sewer systems meet all provincial standards.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The revenues and expenses and controlled organizations that are directly attributable to a particular segment are allocated to that segment.

16. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 194,785	\$ 184,017
Utility operating fund - Nominal surplus	(11,274)	(47,403)
TCA net of related borrowings	11,955,036	11,893,157
Reserve funds	1,144,453	1,033,311
Accumulated surplus of municipality unconsolidated	<u>13,283,000</u>	<u>13,063,082</u>
Accumulated surpluses of consolidated entities	<u>171,764</u>	<u>175,740</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 13,454,764</u>	<u>\$ 13,238,822</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

17. Government Partnerships

The Municipality has entered into partnership agreements for municipal services as disclosed in Note 2a. The condensed supplementary financial information of all government partnerships, in aggregate, is as follows:

	<u>2016</u>	<u>2015</u>
Financial Position		
Total assets	\$ 201,832	\$ 191,877
Total liabilities	\$ 30,068	\$ 16,137
Accumulated surplus	<u>171,764</u>	<u>175,740</u>
	<u>\$ 201,832</u>	<u>\$ 191,877</u>
Results of Operations		
Revenue	\$ 127,391	\$ 123,198
Expenses	<u>131,367</u>	<u>95,957</u>
Annual surplus	<u>\$ (3,976)</u>	<u>\$ 27,241</u>

SCHEDULE 1

RURAL MUNICIPALITY OF WHITEMOUTH
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 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	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Asset Under Construction	2015	2014	
Cost											
Opening costs	\$ 532,909	\$ 330,045	\$ 1,668,594	\$ 29,283	\$ 39,756	\$ 6,848,145	\$ 9,888,892	\$ 801,455	\$ 20,139,079	\$ 17,565,167	
Additions during the year	6,847	16,272	41,778	-	11,040	360,304	801,455	-	1,237,696	2,882,026	
Disposals and write downs	-	-	(3,745)	-	-	-	(1,659)	(801,455)	(806,859)	(308,114)	
Closing costs	539,756	346,317	1,706,627	29,283	50,796	7,208,449	10,688,688	-	20,569,916	20,139,079	
Accumulated Amortization											
Opening accum'd amortization	189,517	231,058	1,367,054	22,590	-	4,276,528	1,844,851	-	7,931,598	7,649,077	
Amortization	3,055	11,061	73,431	3,234	-	85,019	238,010	-	413,810	378,750	
Disposals and write downs	-	-	(3,745)	-	-	-	(1,576)	-	(5,321)	(96,229)	
Closing accum'd amortization	192,572	242,119	1,436,740	25,824	-	4,361,547	2,081,285	-	8,340,087	7,931,598	
Net Book Value of tangible capital assets	\$ 347,184	\$ 104,198	\$ 269,887	\$ 3,459	\$ 50,796	\$ 2,846,902	\$ 8,607,403	\$ -	\$ 12,229,829	\$ 12,207,481	

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2016

SCHEDULE 2

	2016 Actual	2015 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,360,110	\$ 1,208,335
Taxes added	10,075	21,132
Penalties and interest	19,897	18,242
	<u>1,390,082</u>	<u>1,247,709</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	103,246	90,954
Provincial government	5,240	4,740
Provincial government enterprises	30,247	30,182
Other local governments	-	-
Non-government organizations	-	-
	<u>138,733</u>	<u>125,876</u>
User fees:		
Parking meters	-	-
Sales of service	99,555	86,062
Sales of goods	3,278	686
Rentals	12,285	11,980
Development charges	-	289
Facility use fees	-	-
	<u>115,118</u>	<u>99,017</u>
Grants - Province of Manitoba:		
General assistance payment	61,391	61,391
General support grant	-	-
VLT revenues	27,421	27,421
Conditional grants	495,138	1,193,933
Unconditional grants	36,844	36,844
	<u>620,794</u>	<u>1,319,589</u>
Grants - other:		
Federal government - gas tax funding	83,602	79,621
Federal government - other	-	-
Other local governments	32,468	34,285
	<u>116,070</u>	<u>113,906</u>
Permits, licences and fines:		
Permits	1,210	1,126
Licences	160	95
Aggregate mining and transportation fees	-	-
Fines	-	-
	<u>1,370</u>	<u>1,221</u>
Investment income:		
Cash and temporary investments	13,310	11,431
Marketable securities	-	-
Municipal debentures	-	-
Other: short-term deposits	-	-
	<u>13,310</u>	<u>11,431</u>
Other revenue:		
Loss on sale of tangible capital assets	-	(19,923)
Gain on sale of real estate held for sale	16,038	4,085
Penalties and interest	-	-
Miscellaneous (subdivision contributions from developers)	32,289	289,770
	<u>48,327</u>	<u>273,932</u>
Water and sewer	<u>340,192</u>	<u>1,147,956</u>
Total revenue	<u>\$ 2,783,996</u>	<u>\$ 4,340,637</u>

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 76,107	\$ 71,147
General administrative	211,585	166,031
Other	152,466	144,019
	<u>440,158</u>	<u>381,197</u>
Protective services:		
Police	- ##	-
Fire	75,219	83,697
Emergency measures	9,345	8,690
Other protection	114,870	33,322
	<u>199,434</u>	<u>125,709</u>
Transportation services:		
Road transport		
Administration and engineering	7,307	1,541
Engineering	-	-
Road and street maintenance	620,151	577,980
Bridge maintenance	91,027	40,033
Sidewalk and boulevard maintenance	19,550	25,228
Street lighting	18,131	17,597
Other	132,949	110,577
Air transport	-	-
Public transit	-	-
	<u>889,115</u>	<u>772,956</u>
Environmental health services:		
Waste collection and disposal	190,025	178,487
Recycling	-	-
Other	380	287
	<u>190,405</u>	<u>178,774</u>
Public health and welfare services:		
Public health	32,197	32,011
Medical care	-	-
Hospital care	-	-
Social assistance	2,625	2,526
	<u>34,822</u>	<u>34,537</u>
Regional planning and development:		
Planning and zoning	25,950	43,556
Urban renewal	-	3,512
Beautification and land rehabilitation	-	-
Natural resources	-	-
Urban area weed control	-	-
Other	-	-
	<u>25,950</u>	<u>47,068</u>
Sub-totals forward	<u>\$ 1,779,884</u>	<u>\$ 1,540,241</u>

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016**

SCHEDULE 3

Sub-totals forward	<u>\$ 1,779,884</u>	<u>\$ 1,540,241</u>
Resource conservation and industrial development:		
Rural area weed control	40	957
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	37,392	53,277
Industrial development	-	-
Tourism	7,370	10,127
Other	-	-
	<u>44,802</u>	<u>64,361</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	44,391	19,861
Swimming pools and beaches	1,856	3,152
Golf courses	-	-
Skating rinks	-	-
Parks and playgrounds	-	64
Other recreational facilities	25,374	11,106
Museums	3,351	6,710
Libraries	2,675	2,779
Other cultural facilities	-	1,664
	<u>77,647</u>	<u>45,336</u>
Water and sewer services (Schedule 9)	<u>665,721</u>	<u>627,698</u>
Total expenses	<u><u>\$ 2,568,054</u></u>	<u><u>\$ 2,277,636</u></u>

SCHEDULE 4

**RURAL MUNICIPALITY OF WHITEMOUTH
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	\$ 1,332,306	\$ 1,189,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	138,733	125,876	-	-	-	-	-	-	-	-
User fees	24,041	24,507	10,969	9,743	9,713	10,447	54,890	38,923	13,035	14,974
Prov of MB - Unconditional Grants	36,844	36,844	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	526,812	102,812	-	-	2,326	1,134,122	30,590	30,590	17,831	9,722
Grants - other	83,602	79,621	-	-	-	-	22,712	22,281	-	-
Permits, licences and fines	1,210	1,126	160	95	-	-	-	-	-	-
Investment income	2,933	1,116	3,523	2,085	3,882	4,344	815	735	-	-
Other revenue	48,327	260,466	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	2,194,808	1,822,301	14,652	11,923	15,921	1,148,913	109,007	92,529	30,866	24,696
EXPENSES										
Personnel services	289,683	235,771	46,023	53,321	257,573	200,443	82,304	80,387	15,364	13,123
Contract services	141,878	153,784	23,223	31,394	75,436	143,902	33,601	24,839	7,407	3,819
Utilities	6,461	5,315	12,181	12,401	26,640	27,905	6,074	6,215	257	993
Maintenance materials and supplies	22,785	17,172	105,221	12,262	396,517	290,129	528	375	3,391	5,298
Grants and contributions	7,205	3,000	-	-	-	-	53,892	53,622	2,625	2,526
Amortization	10,037	9,943	12,786	16,331	132,949	110,577	13,914	13,253	5,778	6,278
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	(37,891)	(43,788)	-	-	-	-	92	83	-	2,500
Total expenses	440,158	381,197	199,434	125,709	889,115	772,956	190,405	178,774	34,822	34,537
Surplus (Deficit)	\$ 1,754,650	\$ 1,441,104	\$ (184,782)	\$ (113,786)	\$ (873,194)	\$ 375,957	\$ (81,398)	\$ (86,245)	\$ (3,956)	\$ (9,841)

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

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

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2016	2015	2016	2015	2016	2015	2016	2015	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,776	\$ 57,776	\$ 1,390,082
Grants in lieu of taxation	-	-	-	-	-	-	-	-	138,733
User fees	-	289	-	-	2,470	135	-	-	115,118
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	36,844
Prov of MB - Conditional Grants	-	-	-	-	6,391	5,500	-	-	583,950
Grants - other	2,025	4,050	-	-	7,731	7,954	-	-	1,282,745
Permits, licences and fines	-	-	-	-	-	-	-	-	116,070
Investment income	143	173	-	-	509	505	1,505	2,472	1,370
Other revenue	-	-	-	-	-	13,466	-	-	13,310
Water and sewer	-	-	-	-	-	-	340,192	1,147,956	48,327
Total revenue	2,168	4,512	-	-	17,101	27,560	399,473	1,208,204	2,783,996
EXPENSES									
Personnel services	1,378	1,502	-	-	13,084	5,138	132,369	154,439	837,778
Contract services	2,579	17,005	24,797	25,252	29,617	34,375	166,012	128,683	504,550
Utilities	-	-	-	-	180	455	43,148	37,855	94,941
Maintenance materials and supplies	229	223	1,205	-	8,100	779	77,002	73,246	614,978
Grants and contributions	20,109	21,818	18,800	39,109	17,925	3,606	-	-	120,556
Amortization	8	11	-	-	330	330	238,010	222,030	413,812
Interest on long-term debt	-	-	-	-	-	-	9,180	11,445	9,180
Bad debt	-	-	-	-	7,500	-	-	-	7,500
Other	1,647	6,509	-	-	911	653	-	-	(35,241)
Total expenses	25,950	47,068	44,802	64,361	77,647	45,336	665,721	627,698	2,568,054
Surplus (Deficit)	\$ (23,782)	\$ (42,556)	\$ (44,802)	\$ (64,361)	\$ (60,546)	\$ (17,776)	\$ (266,248)	\$ 580,506	\$ 215,942
									\$ 2,063,001

SCHEDULE 5

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2016**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 1,390,082	\$ 1,247,709	\$ -	\$ -	\$ -	\$ -	\$ 1,390,082	\$ 1,247,709
Grants in lieu of taxation	138,733	125,876	-	-	-	-	138,733	125,876
User fees	57,758	60,164	-	-	57,360	38,853	115,118	99,017
Prov of MB - Unconditional Grants	36,844	36,844	-	-	-	-	36,844	36,844
Prov of MB - Conditional Grants	546,969	1,246,655	-	-	36,981	36,090	583,950	1,282,745
Grants - other	83,602	79,621	-	-	32,468	34,285	116,070	113,906
Permits, licences and fines	1,370	1,221	-	-	-	-	1,370	1,221
Investment income	12,726	10,927	-	-	584	504	13,310	11,431
Other revenue	48,327	260,466	-	-	-	13,466	48,327	273,932
Water and sewer	340,192	1,147,956	-	-	-	-	340,192	1,147,956
Total revenue	2,656,603	4,217,439	-	-	127,393	123,198	2,783,996	4,340,637
EXPENSES								
Personnel services	743,850	659,682	-	-	93,928	84,442	837,778	744,124
Contract services	468,454	537,232	-	-	36,096	25,821	504,550	563,053
Utilities	89,048	84,801	-	-	5,893	6,338	94,941	91,139
Maintenance materials and supplies	606,120	398,107	-	-	8,858	1,377	614,978	399,484
Grants and contributions	158,365	163,030	-	-	(37,809)	(39,349)	120,556	123,681
Amortization	399,560	365,159	-	-	14,252	13,594	413,812	378,753
Interest on long-term debt	9,180	11,445	-	-	-	-	9,180	11,445
Other	(37,888)	(37,776)	-	-	10,147	3,733	(27,741)	(34,043)
Total expenses	2,436,689	2,181,680	-	-	131,365	95,956	2,568,054	2,277,636
Surplus (Deficit)	\$ 219,914	\$ 2,035,759	\$ -	\$ -	\$ (3,972)	\$ 27,242	\$ 215,942	\$ 2,063,001

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

SCHEDULE 6

	2015													
	Handi-Van	Machinery	Bridge	Gas Tax	Fire Department	Fire Equipment	Healthcare Improvement	Infrastructure Improvement	Recreation	Elizabeth Crescent Reserve	Sewer	Seven Sisters Water	Sewer	Total
REVENUE														
Interest earned	\$ 455	\$ 1,568	\$ 468	\$ 1,570	\$ 3,523	\$ 436	\$ 374	\$ 955	\$ 509	\$ -	\$ 93	\$ 1,039	\$ 373	\$ 11,363
Other revenue														
Total revenue	455	1,568	468	1,570	3,523	436	374	955	509	-	93	1,039	373	11,363
EXPENSES														
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET REVENUES	455	1,568	468	1,570	3,523	436	374	955	509	-	93	1,039	373	11,363
TRANSFERS														
Debt repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	32,620	147,919	83,602	32,620	32,620	-	-	4,812	285,000	-	-	-	619,093
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,387)
Transfers from (to) General Reserve	-	-	-	-	-	-	-	-	-	-	-	(102,879)	500	7,745
Acquisition of tangible capital assets	-	(41,580)	-	(63,945)	(11,040)	-	(3,362)	-	-	(238,000)	-	-	-	(357,927)
CHANGE IN RESERVE FUND BALANCES	455	(7,392)	148,287	21,227	25,103	33,056	(2,988)	955	5,321	47,000	(11,915)	(101,840)	873	158,142
FUND SURPLUS, BEGINNING OF YEAR	45,240	179,635	36,912	136,312	198,662	35,260	38,992	94,921	50,566	-	12,174	168,472	45,165	1,033,311
Reclassification of unspent contribution to deferred revenue (Note 9)	45,695	163,243	185,199	157,539	223,765	68,316	36,004	95,876	55,887	47,000	259	66,632	46,038	1,191,453
FUND SURPLUS, END OF YEAR	\$ 45,695	\$ 169,243	\$ 185,199	\$ 157,539	\$ 223,765	\$ 68,316	\$ 36,004	\$ 95,876	\$ 55,887	\$ -	\$ 259	\$ 66,632	\$ 46,038	\$ 1,144,453

RURAL MUNICIPALITY OF WHITEMOUTH
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2016

SCHEDULE 7

	Cemetery Trust 2016	Cemetery Trust 2015
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Due from Municipality	55,781	50,259
	<u>\$ 55,781</u>	<u>\$ 50,259</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	55,781	50,259
	<u>\$ 55,781</u>	<u>\$ 50,259</u>
REVENUES		
Contributions and donations	\$ 9,888	\$ 6,449
Investment income	-	-
	<u>9,888</u>	<u>6,449</u>
EXPENDITURES		
Cemetery maintenance	4,366	12,382
Distribution to beneficiaries	-	-
Other	-	-
	<u>4,366</u>	<u>12,382</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,522	(5,933)
FUND BALANCE, BEGINNING OF YEAR	50,259	56,192
FUND BALANCE, END OF YEAR	<u>\$ 55,781</u>	<u>\$ 50,259</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 Year Ended December 31, 2016

SCHEDULE 8

	2016			2015	
	Water	Sewer	Seven Sisters Sewer	Total	Total
FINANCIAL ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	58,476	3,752	1,561	63,789	76,387
Portfolio investments	-	-	-	-	-
Other - due from general fund	-	(16,839)	13,681	(3,158)	(9,479)
	<u>58,476</u>	<u>(13,087)</u>	<u>15,242</u>	<u>60,631</u>	<u>66,908</u>
LIABILITIES					
Accounts payable and accrued liabilities	-	150	-	150	150
Deferred revenue	-	-	-	-	-
Long-term debt (Note 8)	110,190	8,337	26,071	144,598	193,197
Other - due to general fund	71,756	-	-	71,756	114,161
	<u>181,946</u>	<u>8,487</u>	<u>26,071</u>	<u>216,504</u>	<u>307,508</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(123,470)</u>	<u>(21,574)</u>	<u>(10,829)</u>	<u>(155,873)</u>	<u>(240,600)</u>
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	6,782,141	235,121	1,590,134	8,607,396	8,845,489
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
	<u>6,782,141</u>	<u>235,121</u>	<u>1,590,134</u>	<u>8,607,396</u>	<u>8,845,489</u>
FUND SURPLUS	<u>\$ 6,658,671</u>	<u>\$ 213,547</u>	<u>\$ 1,579,305</u>	<u>\$ 8,451,523</u>	<u>\$ 8,604,889</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF UTILITY OPERATIONS - Municipal Water
 Year Ended December 31, 2016

SCHEDULE 9

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Water fees	\$ 323,000	\$ 239,785	\$ 322,787
Sewer fees	-	-	-
Property taxes	15,199	15,200	15,200
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	-	-
Connection charges	-	55,602	13,389
Penalties	2,000	1,842	2,093
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - donated tangible capital assets	-	5,381	3,294
Total revenue	<u>340,199</u>	<u>317,810</u>	<u>356,763</u>
EXPENSES			
General			
Administration	26,100	26,560	26,730
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	35,000	39,199	35,773
sub-total - general	<u>61,100</u>	<u>65,759</u>	<u>62,503</u>
Water			
Purification and treatment	38,200	35,693	42,930
Transmission and distribution	67,700	159,421	84,903
Wages and benefits	116,000	93,279	114,551
Other water supply costs	25,000	6,476	22,394
Connection costs	-	13,220	3,158
sub-total - sewer general	<u>246,900</u>	<u>308,089</u>	<u>267,936</u>
Water Amortization & Interest			
Amortization	193,741	193,741	192,288
Interest on long-term debt	15,199	5,502	5,925
sub-total - sewer amortization & interest	<u>208,940</u>	<u>199,243</u>	<u>198,213</u>
Total expenses	<u>516,940</u>	<u>573,091</u>	<u>528,652</u>
NET OPERATION DEFICIT	(176,741)	(255,281)	(171,889)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(17,000)	102,879	25,055
CHANGE IN UTILITY FUND BALANCE	<u>\$ (193,741)</u>	<u>(152,402)</u>	<u>(146,834)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>6,811,073</u>	<u>6,957,907</u>
FUND SURPLUS, END OF YEAR		<u>\$ 6,658,671</u>	<u>\$ 6,811,073</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF UTILITY OPERATIONS - Whitemouth Sewer
 Year Ended December 31, 2016

SCHEDULE 9

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	22,500	18,000	22,880
Property taxes	10,278	10,278	10,278
Bulk Water fees	-	-	-
Lagoon tipping fees	500	405	675
Hydrant rentals	-	-	-
Connection charges	-	-	1,500
Penalties	100	132	136
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - donated tangible capital assets	-	-	-
Total revenue	<u>33,378</u>	<u>28,815</u>	<u>35,469</u>
EXPENSES			
General			
Administration	5,500	5,500	5,500
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	3,400	4,489	1,327
sub-total - general	<u>8,900</u>	<u>9,989</u>	<u>6,827</u>
Sewer			
Collection system costs	11,200	22,304	34,152
Treatment and disposal cost	-	-	-
Wages and benefits	2,500	1,691	2,935
Other sewage & disposal costs	-	-	-
Connection costs	-	-	3,692
sub-total - sewer general	<u>13,700</u>	<u>23,995</u>	<u>40,779</u>
Sewer Amortization & Interest			
Amortization	9,983	9,983	10,149
Interest on long-term debt	889	888	1,334
sub-total - sewer amortization & interest	<u>10,872</u>	<u>10,871</u>	<u>11,483</u>
Total expenses	<u>33,472</u>	<u>44,855</u>	<u>59,089</u>
NET OPERATION DEFICIT	(94)	(16,040)	(23,620)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(500)	12,008	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ (594)</u>	<u>(4,032)</u>	<u>(23,620)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>217,579</u>	<u>241,199</u>
FUND SURPLUS, END OF YEAR		<u>\$ 213,547</u>	<u>\$ 217,579</u>

SCHEDULE OF UTILITY OPERATIONS - Seven Sisters Sewer Utility
 Year Ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	11,500	8,723	11,604
Property taxes	32,297	32,298	32,298
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	-	-
Connection charges	-	-	-
Penalties	100	-	-
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - subdivision contributions from developers	-	10,322	769,598
Total revenue	<u>43,897</u>	<u>51,343</u>	<u>813,500</u>
EXPENSES			
General			
Administration	3,500	3,523	3,500
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total - general	<u>3,500</u>	<u>3,523</u>	<u>3,500</u>
Sewer			
Collection system costs	4,000	5,901	10,801
Treatment and disposal cost	-	-	-
Wages and benefits	2,100	1,816	1,223
Other sewage & disposal costs	-	-	-
Connection Costs	1,500	(538)	655
sub-total - sewer general	<u>7,600</u>	<u>7,179</u>	<u>12,679</u>
Sewer Amortization & Interest			
Amortization	34,286	34,286	19,593
Interest on long-term debt	32,297	2,787	4,185
sub-total - sewer amortization & interest	<u>66,583</u>	<u>37,073</u>	<u>23,778</u>
Total expenses	<u>77,683</u>	<u>47,775</u>	<u>39,957</u>
NET OPERATION SURPLUS	(33,786)	3,568	773,543
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(500)	(500)	(32,800)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (34,286)</u>	<u>3,068</u>	<u>740,743</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>1,576,237</u>	<u>835,494</u>
FUND SURPLUS, END OF YEAR		<u>\$ 1,579,305</u>	<u>\$ 1,576,237</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 Year Ended December 31, 2016

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(fes)	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 1,247,782	\$ -	\$ -	\$ -	\$ 149,287	\$ -	\$ 1,397,069
Grants in lieu of taxation	288,564	-	-	-	(149,287)	-	139,277
User fees	53,420	-	-	-	-	57,360	110,780
Grants - Province of Manitoba	461,950	-	-	-	-	36,981	498,931
Grants - other	79,621	-	-	-	-	32,469	112,090
Permits, licences and fines	11,710	-	-	-	-	-	11,710
Investment income	2,000	-	-	-	-	581	2,581
Other revenue	5,674	-	-	-	-	-	5,674
Water and sewer	-	359,700	-	-	-	-	359,700
Transfers from accumulated surplus	-	57,776	-	-	(57,776)	-	-
Transfers from reserves	-	-	-	-	(479,360)	-	-
Total revenue	479,360	417,476	-	-	(537,136)	127,391	2,637,812
	2,630,081						
EXPENSES							
General government services	446,300	-	10,037	-	-	-	456,337
Protective services	109,665	-	12,786	-	-	-	122,451
Transportation services	677,000	-	132,949	-	-	-	809,949
Environmental health services	91,355	-	-	-	-	104,958	196,313
Public health and welfare services	40,760	-	5,778	-	-	-	46,538
Regional planning and development	40,000	-	-	-	-	2,017	42,017
Resource construction and industrial development	52,500	-	-	-	-	-	52,500
Recreation and cultural services	57,900	-	-	-	-	24,391	82,291
Water and sewer services	-	353,700	238,010	9,180	-	-	600,890
Fiscal services:							
LUD of Whitemouth	-	-	-	-	-	-	-
Transfer to capital	551,700	-	-	-	(551,700)	-	-
Transfer to utility	57,800	-	-	-	(57,800)	-	-
Debt charges	-	57,776	-	(57,776)	-	-	-
Short term interest	-	-	-	-	-	-	-
Transfer to deferred surplus	-	-	-	-	-	-	-
Transfer to reserves	495,101	6,000	-	-	(501,101)	-	-
Allowance for tax assets	10,000	-	-	-	(10,000)	-	-
Total expenses	2,630,081	417,476	399,560	(48,596)	(1,120,601)	131,366	2,409,286
Surplus (Deficit)							
	\$ -	\$ -	\$ (399,560)	\$ 48,596	\$ 583,465	\$ (3,975)	\$ 228,526

RURAL MUNICIPALITY OF WHITEMOUTH
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2016

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 197,922	\$ 173,274
Add:		
Tax levy (Schedule 12)	2,272,097	2,084,759
Taxes added	10,074	23,110
Penalties or interest	19,897	18,544
Other accounts added	12,570	1,071
Tax adjustments (specify)	3,029	17,726
Tax adjustments (specify)	-	-
Sub-total	<u>2,317,667</u>	<u>2,145,210</u>
Deduct:		
Cash collections - current	1,677,186	1,660,653
Cash collections - arrears	341,056	137,341
Writeoffs	10,000	2,562
Title value of land sales	-	-
Title value of tax titles acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	-	-
Other credits - M.P.T.C. adjustment	314,199	320,006
Sub-total	<u>2,342,441</u>	<u>2,120,562</u>
Balance, end of year	<u><u>\$ 173,148</u></u>	<u><u>\$ 197,922</u></u>

RURAL MUNICIPALITY OF WHITEMOUTH
 ANALYSIS OF TAX LEVY
 Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD			\$ -	\$ -
Name of LUD			-	-
Debt charges:				
Frontage		0.000%	54,368	57,623
Mill Rate (At Large)			-	-
Other (specify)			-	-
Deferred surplus	-	0.000%	-	-
Reserves:				
Fire Hall - B/L 562/11	65,846,800	0.450%	29,631	58,854
Equipment Replacement	65,846,800	0.450%	29,631	29,427
Machinery - B/L 312/00		0.450%	-	-
Handivan		0.450%	-	-
Fire Equipment	65,846,800	0.450%	29,631	29,427
Recreation - B/L 387/04		0.450%	-	9,005
Bridge - B/L 464/06	65,846,800	0.450%	29,631	29,427
Special levies:				
Minister of InterGovernment Affairs	-	0.000%	-	-
General municipal:				
At large	65,846,800	18.030%	1,187,218	994,572
Business tax	-	0.000%	-	-
Total municipal taxes (Schedule 2)			1,360,110	1,208,335
Education support levy	4,637,370	10.500%	48,692	44,784
Special levy:				
#13 - Sunrise	64,930,870	13.296%	863,295	831,640
Total education taxes			911,987	876,424
Total tax levy (Schedule 11)			\$ 2,272,097	\$ 2,084,759

RURAL MUNICIPALITY OF WHITEMOUTH
 ANALYSIS OF SCHOOL ACCOUNTS
 Year Ended December 31, 2016

SCHEDULE 13

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 109,844	\$ (91,500)	\$ -
Special levies				
Sunrise School Divison	638,339	954,916	(1,456,945)	638,339
Total	\$ 638,339	\$ 1,064,760	\$ (1,548,445)	\$ 638,339

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 Year Ended December 31, 2016

SCHEDULE 14

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 76,107	\$ 71,147
General administrative	206,812	162,934
Other	157,239	147,116
	<u>440,158</u>	<u>381,197</u>
Protective services:		
Police	-	-
Fire	75,219	83,697
Emergency measures	96,236	8,690
Other protection	27,979	33,322
	<u>199,434</u>	<u>125,709</u>
Transportation services:		
Road transport		
Administration and engineering	7,307	1,541
Engineering	-	-
Road and street maintenance	620,151	577,981
Bridge maintenance	91,027	40,033
Sidewalk and boulevard maintenance	19,550	25,228
Street lighting	18,131	17,597
Other	132,949	110,577
Air transport	-	-
Public transit	-	-
	<u>889,115</u>	<u>772,957</u>
Environmental health services:		
Waste collection and disposal	85,066	84,395
Recycling	-	-
Other	380	287
	<u>85,446</u>	<u>84,682</u>
Public health and welfare services:		
Public health	32,197	32,011
Medical care	-	-
Hospital care	2,625	2,526
Social assistance	-	-
	<u>34,822</u>	<u>34,537</u>
Regional planning and development:		
Planning and zoning	23,933	42,217
Urban renewal	-	3,512
Beautification and land rehabilitation	-	-
Natural resources	-	-
Urban area weed control	-	-
Other	-	-
	<u>23,933</u>	<u>45,729</u>
Resource conservation and industrial development:		
Rural area weed control	40	957
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	37,392	53,277
Industrial development	-	-
Tourism	7,369	10,127
Other	-	-
	<u>44,801</u>	<u>64,361</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	20,000	19,335
Swimming pools and beaches	1,856	3,152
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	-	64
Other recreational facilities	25,374	11,106
Museums	3,351	6,710
Libraries	2,675	2,779
Other cultural facilities	-	1,664
	<u>53,256</u>	<u>44,810</u>
Total expenses	<u>\$ 1,770,965</u>	<u>\$ 1,553,982</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF DEBENTURES PENDING
 Year Ended December 31, 2016

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			<u>\$ -</u>	<u>\$ -</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF L.U.D. OPERATIONS
 Year Ended December 31, 2016

SCHEDULE 16

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other - Transfer to capital	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2016

SCHEDULE 17
 (UNAUDITED)

	2016		2015	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 10,770	\$ (33,616)	\$ (22,846)	\$ (66,210)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	619,093	(114,387)	504,706	263,443
Eliminate revenue - transfers from reserves	(357,927)	-	(357,927)	(517,157)
Increase revenue - reserve funds interest	11,363	-	11,363	10,713
Reserve fund reclassified to deferred revenue	(47,000)	-	(47,000)	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(3,978)	-	(3,978)	27,241
Increase expense - amortization of tangible capital assets	(161,550)	(238,010)	(399,560)	(365,159)
Decrease expense - principal portion of debenture debt	-	48,599	48,599	46,333
Increase expense - net increase in capital debt (funded by operating fund)	-	-	-	-
Decrease revenue - net book value of disposed tangible capital assets	-	(83)	(83)	(26,690)
Eliminate expense - acquisitions of tangible capital assets	412,924	-	412,924	2,690,487
Recovery of prior year deficit	-	69,744	69,744	-
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 483,695	\$ (267,753)	\$ 215,942	\$ 2,063,001