

RURAL MUNICIPALITY OF WHITEMOUTH

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

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

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, 2017, 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, 2017, 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.

Chartered Professional Accountants

Winnipeg, Manitoba
June 27, 2018

RURAL MUNICIPALITY OF WHITEMOUTH

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

	<u>2017</u>	<u>2016</u> (Restated - Note 19)
FINANCIAL ASSETS		
Cash	\$ 1,324,512	\$ 2,064,847
Amounts receivable (Note 3)	610,733	594,098
Portfolio investments (Note 4)	<u>2,300</u>	<u>3,664</u>
	<u>1,937,545</u>	<u>2,662,609</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	342,059	338,690
Deferred revenue (Note 9)	49,029	65,000
Landfill closure and post closure liabilities (Note 7)	42,250	42,149
Long-term debt (Note 8)	<u>929,117</u>	<u>1,019,599</u>
	<u>1,362,455</u>	<u>1,465,438</u>
NET FINANCIAL ASSETS	<u>575,090</u>	<u>1,197,171</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,884,332	12,288,477
Inventories (Note 5)	17,661	8,167
Prepaid expenses	<u>32,954</u>	<u>19,586</u>
	<u>12,934,947</u>	<u>12,316,230</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 13,510,037</u>	<u>\$ 13,513,401</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, 2017**

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
	(Note 12)		(Restated - Note 19)
REVENUE			
Property taxes	\$ 1,446,333	\$ 1,434,025	\$ 1,390,082
Grants in lieu of taxation	141,879	141,879	138,733
User fees	117,154	119,278	115,118
Grants - Province of Manitoba	234,714	243,095	620,794
Grants - other	134,547	135,561	116,071
Permits, licences and fines	11,910	1,520	1,370
Investment income	1,862	19,171	13,307
Other revenue	6,207	10,113	48,327
Water and sewer	360,690	416,027	340,192
	<u>2,455,296</u>	<u>2,520,669</u>	<u>2,783,994</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	444,486	472,246	440,158
Protective services	194,969	224,228	199,434
Transportation services	820,094	837,099	889,115
Environmental health services	203,160	197,915	190,405
Public health and welfare services	40,778	24,895	34,822
Regional planning and development	41,273	31,389	25,950
Resource conservation and industrial development	76,000	34,963	44,801
Recreation and cultural services	95,441	85,749	77,647
Water and sewer services	601,883	615,549	607,084
	<u>2,518,084</u>	<u>2,524,033</u>	<u>2,509,416</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS (DEFICIT)	<u>\$ (62,788)</u>	<u>(3,364)</u>	274,578
ACCUMULATED SURPLUS, BEGINNING OF YEAR	(62,788)	<u>13,513,401</u>	<u>13,238,823</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 13,510,037</u>	<u>\$ 13,513,401</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, 2017

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 19)
ANNUAL SURPLUS	<u>\$ (62,788)</u>	<u>\$ (3,364)</u>	<u>\$ 274,578</u>
Acquisition of tangible capital assets	(1,013,088)	(1,013,088)	(495,884)
Amortization of tangible capital assets	417,233	417,233	414,813
Gain on sale of tangible capital assets	-	-	81
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	-	(9,494)	-
(Increase) decrease in prepaid expense	-	(13,368)	(47)
	<u>(595,855)</u>	<u>(618,717)</u>	<u>(81,037)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (658,643)</u>	<u>(622,081)</u>	193,541
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		<u>1,197,171</u>	<u>1,003,630</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 575,090</u>	<u>\$ 1,197,171</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, 2017**

	<u>2017</u>	<u>2016</u> (Restated - Note 19)
OPERATING TRANSACTIONS		
Annual surplus	\$ (3,364)	\$ 274,578
Changes in non-cash items:		
Amounts receivable	(16,635)	(172,901)
Inventories	(9,494)	-
Prepays	(13,368)	(47)
Accounts payable and accrued liabilities	3,369	(512,783)
Landfill closure and post closure liabilities	101	95
Deferred revenue	(15,971)	64,153
Other assets	-	(439)
Loss on sale of tangible capital asset	-	81
Amortization	417,233	414,813
	<u>361,871</u>	<u>67,550</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	(1,013,088)	(495,884)
	<u>(1,013,088)</u>	<u>(495,884)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	1,364	-
	<u>1,364</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	875,000
Debt repayment	(90,482)	(48,599)
	<u>(90,482)</u>	<u>826,401</u>
INCREASE (DECREASE) IN CASH	(740,335)	398,067
CASH, BEGINNING OF YEAR	2,064,847	1,666,780
CASH, END OF YEAR	\$ 1,324,512	\$ 2,064,847

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, 2017

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%) (2016 consolidated - 50%)
Whitemouth-Reynolds Planning District (consolidated - 45%) (2016 consolidated - 45%)
Whitemouth-Reynolds North Whiteshell Waste Management Facility (consolidated - 34.46%)
(2016 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, 2017

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	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 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, 2017

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>2017</u>	<u>2016</u>
Taxes on roll (Schedule 11)	\$ 161,594	\$ 173,148
Government grants	291,124	324,228
Utility customers	53,081	63,838
Organizations and individuals	104,933	32,883
Other governments	-	-
	<u>610,733</u>	<u>594,098</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 610,733</u>	<u>\$ 594,098</u>

4. Portfolio Investments

	<u>2017</u>	<u>2016</u>
Credit Union GICs	<u>\$ 2,300</u>	<u>\$ 3,664</u>

5. Inventories

Inventories for use:

	<u>2017</u>	<u>2016</u>
Culverts	<u>\$ 17,661</u>	<u>\$ 8,167</u>

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 204,028	\$ 184,036
School levies	138,031	154,654
	<u>\$ 342,059</u>	<u>\$ 338,690</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

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>2017</u>	<u>2016</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>\$ 6,673</u>	<u>\$ 6,236</u>
Expected year capacity will be reached	2048	2048
Capacity (disclose in tonnes, volume, acreage, or years)		
Used to date	20	19
Remaining	<u>31</u>	<u>32</u>
Total	51	51
Percentage utilized	<u>39.22%</u>	<u>37.25%</u>
Liability based on percentage	<u>\$ 2,617</u>	<u>\$ 2,323</u>
RM of Whitemouth percentage of operations	34.46%	34.46%
RM of Whitemouth liability based on percentage of partnership	<u>\$ 902</u>	<u>\$ 801</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 (2016 - \$114,000). The Municipality uses a discount rate of 5% (2016 - 4.74%) to arrive at its post closure liability of \$41,348 (2016 - \$41,348).

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

8. Long-term Debt

	<u>2017</u>	<u>2016</u>
Utility Funds:		
Debenture for Firehall, interest at 6.0%, payable at \$76,286 annually including interest, maturing December 31, 2036	\$ 829,081	875,000
Debenture for Whitemouth Sewer Utility, interest at 5.0%, payable at \$10,278 annually including interest, maturing December 31, 2017		8,338
Debenture for Seven Sisters Utility, interest at 5.0%, payable at \$3,214 annually including interest, maturing December 31, 2017	-	2,932
Debenture for Seven Sisters Utility, interest at 5.0%, payable at \$9,164 annually including interest, maturing December 31, 2017	-	7,291
Debenture for Seven Sisters Utility, interest at 5.0%, payable at \$19,919 annually including interest, maturing December 31, 2017	-	15,848
Debenture for Water Treatment Plan, interest at 5.375%, payable at \$5,710 annually including interest, maturing December 31, 2025	36,345	39,910
Debenture for Extra WTP Connections, interest at 5.125%, payable at \$1,427 annually including interest, maturing December 31, 2020	3,878	5,046
Debenture for Water Utility, interest at 4.05%, payable at \$8,063 annually including interest, maturing December 31, 2026	59,813	65,234
	<u>\$ 929,117</u>	<u>\$ 1,019,599</u>

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

2018	58,073
2019	60,146
2020	62,291
2021	63,096
2022	65,333

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	\$ 47,000	\$ -
Funding received during the year	157	285,000
Recognized as revenue during the year	-	(238,000)
Deferred grant revenue balance, end of year	<u>\$ 47,157</u>	<u>\$ 47,000</u>
Deferred grant revenue (from above)	\$ 47,157	\$ 47,000
Deferred other revenue	1,872	18,000
Total deferred revenue	<u>\$ 49,029</u>	<u>\$ 65,000</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

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 \$31,786 (2016 - \$29,938) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2016.

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

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, 2017

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, 2017:

- a) Compensation paid to members of council amounted to \$69,023 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	\$ 19,889	\$ 3,385	\$ 23,274
Councillor - Roy Nichol	10,160	1,031	11,191
Councillor - Martin Saxler	9,333	2,075	11,408
Councillor - Lori Bachman	9,870	-	9,870
Councillor - Manny Sikkenga	11,629	1,651	13,280
	<u>\$ 60,881</u>	<u>\$ 8,142</u>	<u>\$ 69,023</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>\$ 4,260,515</u>	<u>\$ 40,180</u>	<u>\$ 117,042</u>	<u>\$ 4,183,653</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	\$ 104,408	\$ -	\$ 3,947	\$ 100,461
Seven Sisters Sewer	1,269,835	-	27,811	1,242,024
	<u>\$ 1,374,243</u>	<u>\$ -</u>	<u>\$ 31,758</u>	<u>\$ 1,342,485</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

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>2017</u>	<u>2016</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 153,545	\$ 194,785
Utility operating fund - Nominal surplus	(60,788)	(11,274)
TCA net of related borrowings	11,837,274	12,013,670
Reserve funds	<u>1,397,129</u>	<u>1,144,453</u>
Accumulated surplus of municipality unconsolidated	13,327,161	13,341,634
Accumulated surpluses of consolidated entities	<u>182,876</u>	<u>171,767</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 13,510,037</u>	<u>\$ 13,513,401</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

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:

		2017	2016
Financial Position			
Total assets		\$ 198,723	\$ 201,834
Total liabilities		\$ 15,847	\$ 30,068
Accumulated surplus		182,876	171,766
		\$ 198,723	\$ 201,834
Results of Operations			
Revenue	151954	\$ 151,954	\$ 127,392
Expenses	-140843	140,843	131,366
Annual surplus		\$ 11,111	\$ (3,974)

18. Trust Funds

The Municipality administers the following trust:

	Balance, beg. of the year	Excess of Disbursements over Receipts	Balance, end of the year
<i>Cemetery Trust</i>	\$ 55,781	\$ (3,565)	\$ 52,216

19. Prior Period Adjustment

The prior year's financial statements have been restated to reflect a correction to tangible capital assets which were expensed in 2016. The 2016 comparative financial statements have been restated as follows:

	As previously reported		Balance, restated
<i>Consolidated Statement of Financial Position</i>			
Tangible Capital Assets	\$ 12,229,829	\$ 58,648	\$ 12,288,477
Accumulated Surplus	13,454,764	58,637	13,513,401
<i>Consolidated Statement of Operations</i>			
Water and sewer services expense	665,721	(58,637)	607,084
Annual Surplus	215,942	58,636	274,578

SCHEDULE 1

RURAL MUNICIPALITY OF WHITEMOUTH
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 Year Ended December 31, 2017

Cost	General Capital Assets						Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer	Asset Under Construction	Asset Under Construction	2017	2016	
Operating costs	\$ 539,756	\$ 346,317	\$ 1,706,628	\$ 29,283	\$ 7,208,450	\$ 10,748,330	\$ -	\$ -	\$ 20,629,560	\$ 20,139,079	
Additions during the year	-	11,522	118,308	5,762	40,180	-	-	-	1,013,088	1,297,338	
Disposals and write downs	-	(2,651)	-	-	-	-	-	-	(2,651)	(806,857)	
Closing costs	539,756	346,317	1,715,499	35,045	7,326,758	10,788,510	-	-	21,639,997	20,629,560	
Accumulated Amortization											
Opening accum'd amortization	192,572	242,119	1,436,738	25,813	4,361,546	2,082,295	-	-	8,341,083	7,931,591	
Amortization	3,555	11,061	57,623	3,553	101,020	240,421	-	-	417,233	414,813	
Disposals and write downs	-	-	(2,651)	-	-	-	-	-	(2,651)	(5,321)	
Closing accum'd amortization	196,127	253,180	1,491,710	29,366	4,462,566	2,322,716	-	-	8,755,665	8,341,083	
Net Book Value of tangible capital assets	\$ 343,629	\$ 93,137	\$ 223,789	\$ 5,679	\$ 2,864,192	\$ 8,465,794	\$ -	\$ -	\$ 12,884,332	\$ 12,288,477	

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2017

SCHEDULE 2

	2017 Actual	2016 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,406,834	\$ 1,360,110
Taxes added	6,794	10,075
Penalties and interest	20,397	19,897
	<u>1,434,025</u>	<u>1,390,082</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	105,097	103,246
Provincial government	5,772	5,240
Provincial government enterprises	31,010	30,247
Other local governments	-	-
Non-government organizations	-	-
	<u>141,879</u>	<u>138,733</u>
User fees:		
Parking meters	-	-
Sales of service	101,207	99,555
Sales of goods	3,989	3,278
Rentals	14,082	12,285
Development charges	-	-
Facility use fees	-	-
	<u>119,278</u>	<u>115,118</u>
Grants - Province of Manitoba:		
General assistance payment	67,943	61,391
General support grant	-	-
VLT revenues	16,904	27,421
Conditional grants	121,404	495,138
Unconditional grants	36,844	36,844
	<u>243,095</u>	<u>620,794</u>
Grants - other:		
Federal government - gas tax funding	84,617	83,602
Federal government - other	-	-
Other local governments	50,944	32,469
	<u>135,561</u>	<u>116,071</u>
Permits, licences and fines:		
Permits	1,300	1,210
Licences	220	160
Aggregate mining and transportation fees	-	-
Fines	-	-
	<u>1,520</u>	<u>1,370</u>
Investment income:		
Cash and temporary investments	19,171	13,307
Marketable securities	-	-
Municipal debentures	-	-
Other: short-term deposits	-	-
	<u>19,171</u>	<u>13,307</u>
Other revenue:		
Loss on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	-	16,038
Penalties and interest	-	-
Miscellaneous (subdivision contributions from developers)	10,113	32,289
	<u>10,113</u>	<u>48,327</u>
Water and sewer	<u>416,027</u>	<u>340,192</u>
Total revenue	<u>\$ 2,520,669</u>	<u>\$ 2,783,994</u>

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 73,112	\$ 76,107
General administrative	242,980	211,585
Other	156,154	152,466
	<u>472,246</u>	<u>440,158</u>
Protective services:		
Police	-	-
Fire	162,328	75,219
Emergency measures	23,458	9,345
Other protection	38,442	114,870
	<u>224,228</u>	<u>199,434</u>
Transportation services:		
Road transport		
Administration and engineering	3,600	7,307
Engineering	-	-
Road and street maintenance	618,362	620,151
Bridge maintenance	56,174	91,027
Sidewalk and boulevard maintenance	9,759	19,550
Street lighting	15,575	18,131
Other	133,629	132,949
Air transport	-	-
Public transit	-	-
	<u>837,099</u>	<u>889,115</u>
Environmental health services:		
Waste collection and disposal	197,511	190,025
Recycling	-	-
Other	404	380
	<u>197,915</u>	<u>190,405</u>
Public health and welfare services:		
Public health	22,369	32,197
Medical care	-	-
Hospital care	-	-
Social assistance	2,526	2,625
	<u>24,895</u>	<u>34,822</u>
Regional planning and development:		
Planning and zoning	31,389	25,950
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Natural resources	-	-
Urban area weed control	-	-
Other	-	-
	<u>31,389</u>	<u>25,950</u>
Sub-totals forward	<u>\$ 1,787,772</u>	<u>\$ 1,779,884</u>

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2017

SCHEDULE 3

Sub-totals forward	<u>\$ 1,787,772</u>	<u>\$ 1,779,884</u>
Resource conservation and industrial development:		
Rural area weed control	2,197	40
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	25,871	37,392
Industrial development	-	-
Tourism	6,895	7,369
Other	-	-
	<u>34,963</u>	<u>44,801</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	57,697	44,391
Swimming pools and beaches	3,807	1,856
Golf courses	-	-
Skating rinks	-	-
Parks and playgrounds	150	-
Other recreational facilities	18,851	25,374
Museums	1,624	3,351
Libraries	2,620	2,675
Other cultural facilities	1,000	-
	<u>85,749</u>	<u>77,647</u>
Water and sewer services (Schedule 9)	<u>615,549</u>	<u>607,084</u>
Total expenses	<u><u>\$ 2,524,033</u></u>	<u><u>\$ 2,509,416</u></u>

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

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ 1,376,249	\$ 1,332,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	141,879	138,733	-	-	-	-	-	-	-	-
User fees	26,980	24,041	12,475	10,969	10,462	9,713	59,950	54,890	5,977	13,035
Prov of MB - Unconditional Grants	36,844	36,844	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	160,726	526,812	-	-	3,048	2,326	30,590	30,590	6,013	17,831
Grants - other	84,616	83,602	-	-	-	-	23,247	22,712	-	-
Permits, licences and fines	1,300	1,210	220	160	-	-	-	-	-	-
Investment income	(701)	2,932	8,994	3,523	7,118	3,882	891	812	-	-
Other revenue	9,613	48,327	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	1,837,506	2,194,807	21,689	14,652	20,628	15,921	114,678	109,004	11,990	30,866
EXPENSES										
Personnel services	313,093	289,683	83,627	46,023	263,126	257,573	84,430	82,304	10,418	15,364
Contract services	153,947	141,878	51,260	23,223	45,632	75,436	38,093	33,601	4,102	7,407
Utilities	7,576	6,461	16,318	12,181	21,819	26,640	5,213	6,074	201	257
Maintenance materials and supplies	30,064	22,785	28,363	105,221	372,893	396,517	842	528	1,370	3,391
Grants and contributions	3,363	7,205	-	-	-	-	55,164	53,892	2,526	2,625
Amortization	10,356	10,037	12,042	12,786	133,629	132,949	14,173	13,914	6,278	5,778
Interest on long-term debt	-	-	32,618	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	(46,153)	(37,891)	-	-	-	-	-	92	-	-
Total expenses	472,246	440,158	224,228	199,434	837,099	889,115	197,915	190,405	24,895	34,822
Surplus (Deficit)	\$ 1,365,260	\$ 1,754,649	\$ (202,539)	\$ (184,782)	\$ (816,471)	\$ (873,194)	\$ (83,237)	\$ (81,401)	\$ (12,905)	\$ (3,956)

* 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, 2017

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2017	2016	2017	2016	2017	2016	2017	2016	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,330	\$ 57,776	\$ 1,434,025
Grants in lieu of taxation	-	-	-	-	-	-	-	-	141,879
User fees	-	-	-	-	3,434	2,470	-	-	119,278
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	36,844
Prov of MB - Conditional Grants	-	-	-	-	5,874	6,391	-	-	206,251
Grants - other	3,488	2,025	-	-	24,210	7,732	-	-	135,561
Permits, licences and fines	-	-	-	-	-	-	-	-	1,520
Investment income	193	143	-	-	655	509	2,021	1,506	19,171
Other revenue	-	-	-	-	500	-	-	-	10,113
Water and sewer	-	-	-	-	-	-	416,027	340,192	416,027
Total revenue	3,681	2,168	-	-	34,673	17,102	469,378	399,474	2,520,669
EXPENSES									
Personnel services	1,079	1,378	-	-	10,846	13,085	155,174	132,369	921,793
Contract services	2,183	2,579	15,095	24,797	39,309	29,617	109,788	106,369	459,409
Utilities	-	-	-	-	300	180	43,777	43,148	95,204
Maintenance materials and supplies	159	229	-	1,204	23,247	8,100	59,617	77,005	516,555
Grants and contributions	25,269	20,109	19,868	18,800	10,349	17,924	-	-	116,539
Amortization	6	8	-	-	330	330	240,421	239,013	417,235
Interest on long-term debt	-	-	-	-	-	-	6,772	9,180	39,390
Bad debt	-	-	-	-	366	7,500	-	-	366
Other	2,693	1,647	-	-	1,002	911	-	-	(42,458)
Total expenses	31,389	25,950	34,963	44,801	85,749	77,647	615,549	607,084	2,524,033
Surplus (Deficit)	\$ (27,708)	\$ (23,782)	\$ (34,963)	\$ (44,801)	\$ (51,076)	\$ (60,545)	\$ (146,171)	\$ (207,610)	\$ (3,364)
									\$ 274,578

RURAL MUNICIPALITY OF WHITEMOUTH

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2017

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total
	2017	2016	2017	2016	2017	2016	
REVENUE							
Property taxes	\$ 1,434,025	\$ 1,390,082	\$ -	\$ -	\$ -	\$ -	\$ 1,390,082
Grants in lieu of taxation	141,879	138,733	-	-	-	-	138,733
User fees	55,894	57,758	-	-	63,384	57,360	115,118
Prov of MB - Unconditional Grants	36,844	36,844	-	-	-	-	36,844
Prov of MB - Conditional Grants	169,787	546,969	-	-	36,464	36,981	583,950
Grants - other	84,616	83,602	-	-	50,945	32,469	116,071
Permits, licences and fines	1,520	1,370	-	-	-	-	1,370
Investment income	18,509	12,726	-	-	662	581	13,307
Other revenue	9,613	48,327	-	-	500	-	48,327
Water and sewer	416,027	340,192	-	-	-	-	340,192
Total revenue	2,368,714	2,656,603	-	-	151,955	127,391	2,783,994
EXPENSES							
Personnel services	828,652	743,851	-	-	93,141	93,928	837,779
Contract services	418,512	408,811	-	-	40,897	36,096	444,907
Utilities	90,225	89,048	-	-	4,979	5,893	94,941
Maintenance materials and supplies	492,307	606,123	-	-	24,248	8,857	614,980
Grants and contributions	157,531	158,366	-	-	(40,992)	(37,811)	120,555
Amortization	402,726	400,563	-	-	14,509	14,252	414,815
Interest on long-term debt	39,390	9,180	-	-	-	-	9,180
Other	(46,153)	(37,891)	-	-	4,061	10,150	(27,741)
Total expenses	2,383,190	2,378,051	-	-	140,843	131,365	2,509,416
Surplus (Deficit)	\$ (14,476)	\$ 278,552	\$ -	\$ -	\$ 11,112	\$ (3,974)	\$ 274,578
	(14,476)						

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

SCHEDULE 6

	2017										2016				
	Handi-Van	Machinery	Bridge	Gas Tax	Fire Department	Fire Equipment	Healthcare Improvement	Infrastructure Improvement	Recreation	Elizabeth Crescent Reserve	Sewer	Seven Sisters Water	Sewer	Total	Total
REVENUE															
Interest earned	\$ 536	\$ 2,103	\$ 2,363	\$ 1,778	\$ 8,994	\$ 992	\$ 422	\$ 1,124	\$ 655	\$ 551	\$ 3	\$ 928	\$ 539	\$ 20,988	\$ 11,363
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	536	2,103	2,363	1,778	8,994	992	422	1,124	655	551	3	928	539	20,988	11,363
EXPENSES															
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET REVENUES	536	2,103	2,363	1,778	8,994	992	422	1,124	655	551	3	928	539	20,988	11,363
TRANSFERS															
Debt repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	32,620	32,620	84,617	875,000	32,620	-	-	8,350	47,000	-	57,000	-	1,169,827	619,093
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,387)
Transfers from (to) General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(518)	-	(54,714)	(835,356)	-	-	-	-	-	-	-	-	(890,588)	(357,927)
CHANGE IN RESERVE FUND BALANCES	536	34,205	34,983	31,681	48,638	33,612	422	1,124	9,005	47,551	3	57,928	539	300,227	158,142
FUND SURPLUS, BEGINNING OF YEAR	45,695	163,243	185,199	157,539	223,765	68,316	36,004	95,876	55,887	-	259	68,632	46,038	1,444,453	1,033,311
Reclassification of unspent contribution to deferred revenue (Note 9)	46,231	197,448	220,182	189,220	272,403	101,928	36,426	97,000	64,892	47,551	262	124,560	46,577	1,444,680	1,191,453
FUND SURPLUS, END OF YEAR	\$ 46,231	\$ 197,448	\$ 220,182	\$ 189,220	\$ 272,403	\$ 101,928	\$ 36,426	\$ 97,000	\$ 64,892	\$ -	\$ 262	\$ 124,560	\$ 46,577	\$ 1,397,129	\$ 1,144,453

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF L.U.D. OPERATIONS
 Year Ended December 31, 2017

SCHEDULE 7

	2017 Budget	2017 Actual	2016 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
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 Year Ended December 31, 2017

SCHEDULE 8

	2017			2016	
	Water	Sewer	Seven Sisters Sewer	Total	Total
FINANCIAL ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	49,077	3,013	1,110	53,200	63,789
Portfolio investments	-	-	-	-	-
Other - due from general fund	-	(61,695)	14,955	(46,740)	(3,158)
	<u>49,077</u>	<u>(58,682)</u>	<u>16,065</u>	<u>6,460</u>	<u>60,631</u>
LIABILITIES					
Accounts payable and accrued liabilities	-	148	-	148	150
Deferred revenue	-	-	-	-	-
Long-term debt (Note 8)	100,036	-	-	100,036	144,598
Other - due to general fund	67,100	-	-	67,100	71,755
	<u>167,136</u>	<u>148</u>	<u>-</u>	<u>167,284</u>	<u>216,503</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(118,059)</u>	<u>(58,830)</u>	<u>16,065</u>	<u>(160,824)</u>	<u>(155,872)</u>
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	6,686,146	225,137	1,554,512	8,465,795	8,666,035
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
	<u>6,686,146</u>	<u>225,137</u>	<u>1,554,512</u>	<u>8,465,795</u>	<u>8,666,035</u>
FUND SURPLUS	<u>\$ 6,568,087</u>	<u>\$ 166,307</u>	<u>\$ 1,570,577</u>	<u>\$ 8,304,971</u>	<u>\$ 8,510,163</u>

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Municipal Water
Year Ended December 31, 2017

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUE			
Water fees	\$ 323,000	\$ 250,473	\$ 239,785
Sewer fees	-	-	-
Property taxes	-	15,200	15,200
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	2,800	-
Connection charges	-	91,700	55,602
Penalties	2,190	2,024	1,842
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - donated tangible capital assets	-	40,180	5,381
Total revenue	<u>325,190</u>	<u>402,377</u>	<u>317,810</u>
EXPENSES			
General			
Administration	27,090	27,572	26,560
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	40,000	39,588	39,199
sub-total - general	<u>67,090</u>	<u>67,160</u>	<u>65,759</u>
Water			
Purification and treatment	38,200	27,812	35,693
Transmission and distribution	79,710	65,154	99,778
Wages and benefits	115,000	111,963	93,279
Other water supply costs	20,000	4,692	6,476
Connection costs	-	17,958	13,220
sub-total - sewer general	<u>252,910</u>	<u>227,579</u>	<u>248,446</u>
Water Amortization & Interest			
Amortization	194,816	194,816	194,744
Interest on long-term debt	5,046	5,046	5,502
sub-total - sewer amortization & interest	<u>199,862</u>	<u>199,862</u>	<u>200,246</u>
Total expenses	<u>519,862</u>	<u>494,601</u>	<u>514,451</u>
NET OPERATION DEFICIT	(194,672)	(92,224)	(196,641)
TRANSFERS			
Transfers from (to) operating fund	51,329	-	102,879
Transfers from (to) reserve funds	14,000	(57,000)	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ (129,343)</u>	<u>(149,224)</u>	<u>(93,762)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>6,717,311</u>	<u>6,811,073</u>
FUND SURPLUS, END OF YEAR		<u>\$ 6,568,087</u>	<u>\$ 6,717,311</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF UTILITY OPERATIONS - Whitemouth Sewer
 Year Ended December 31, 2017

SCHEDULE 9

	2017 Budget	2017 Actual	2016 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	24,000	18,818	18,000
Property taxes	-	8,755	10,278
Bulk Water fees	-	-	-
Lagoon tipping fees	-	718	405
Hydrant rentals	-	-	-
Connection charges	-	-	-
Penalties	-	186	132
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	3	-
Administration fees	-	-	-
Other income - donated tangible capital assets	-	-	-
Total revenue	<u>24,000</u>	<u>28,480</u>	<u>28,815</u>
EXPENSES			
General			
Administration	5,500	5,500	5,500
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	3,581	4,489
sub-total - general	<u>5,500</u>	<u>9,081</u>	<u>9,989</u>
Sewer			
Collection system costs	18,100	50,512	22,304
Treatment and disposal cost	-	-	-
Wages and benefits	-	5,726	1,691
Other sewage & disposal costs	-	-	-
Connection costs	-	-	-
sub-total - sewer general	<u>18,100</u>	<u>56,238</u>	<u>23,995</u>
Sewer Amortization & Interest			
Amortization	9,983	9,983	9,983
Interest on long-term debt	417	418	888
sub-total - sewer amortization & interest	<u>10,400</u>	<u>10,401</u>	<u>10,871</u>
Total expenses	<u>34,000</u>	<u>75,720</u>	<u>44,855</u>
NET OPERATION DEFICIT	(10,000)	(47,240)	(16,040)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(500)	-	12,008
CHANGE IN UTILITY FUND BALANCE	<u>\$ (10,500)</u>	<u>(47,240)</u>	<u>(4,032)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>213,547</u>	<u>217,579</u>
FUND SURPLUS, END OF YEAR		<u>\$ 166,307</u>	<u>\$ 213,547</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF UTILITY OPERATIONS - Seven Sisters Sewer Utility
 Year Ended December 31, 2017

SCHEDULE 9

	2017 Budget	2017 Actual	2016 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	11,500	9,017	8,723
Property taxes	-	27,375	32,298
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	-	-
Connection charges	-	-	-
Penalties	-	108	-
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - subdivision contributions from developers	-	-	10,322
Total revenue	11,500	36,500	51,343
EXPENSES			
General			
Administration	7,590	3,500	3,523
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total - general	<u>7,590</u>	<u>3,500</u>	<u>3,523</u>
Sewer			
Collection system costs	4,000	803	5,901
Treatment and disposal cost	-	-	-
Wages and benefits	2,090	914	1,816
Other sewage & disposal costs	-	-	-
Connection Costs	1,500	3,081	(538)
sub-total - sewer general	<u>7,590</u>	<u>4,798</u>	<u>7,179</u>
Sewer Amortization & Interest			
Amortization	35,622	35,622	34,286
Interest on long-term debt	27,377	1,308	2,787
sub-total - sewer amortization & interest	<u>62,999</u>	<u>36,930</u>	<u>37,073</u>
Total expenses	78,179	45,228	47,775
NET OPERATION SURPLUS	(66,679)	(8,728)	3,568
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(500)	-	(500)
CHANGE IN UTILITY FUND BALANCE	\$ (67,179)	(8,728)	3,068
FUND SURPLUS, BEGINNING OF YEAR		1,579,305	1,576,237
FUND SURPLUS, END OF YEAR		\$ 1,570,577	\$ 1,579,305

RURAL MUNICIPALITY OF WHITEMOUTH
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility(fees)	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 1,292,563	\$ -	\$ -	\$ -	\$ 153,770	\$ -	\$ 1,446,333
Grants in lieu of taxation	295,649	-	-	-	(153,770)	-	141,879
User fees	53,770	-	-	-	-	63,384	117,154
Grants - Province of Manitoba	198,250	-	-	-	-	36,464	234,714
Grants - other	83,602	-	-	-	-	50,945	134,547
Permits, licences and fines	11,910	-	-	-	-	-	11,910
Investment income	1,200	-	-	-	-	662	1,862
Other revenue	5,707	-	-	-	-	500	6,207
Water and sewer	-	360,690	-	-	-	-	360,690
Transfers from accumulated surplus	-	51,329	-	-	(51,329)	-	-
Transfers from reserves	121,860	19,000	-	-	(140,860)	-	-
Total revenue	2,064,511	431,019	-	-	(192,189)	151,955	2,455,296
EXPENSES							
General government services	434,130	-	10,356	-	-	-	444,486
Protective services	150,309	-	12,042	32,618	-	-	194,969
Transportation services	686,465	-	133,629	-	-	-	820,094
Environmental health services	93,030	-	-	-	-	110,130	203,160
Public health and welfare services	34,500	-	6,278	-	-	-	40,778
Regional planning and development	40,000	-	-	-	-	1,273	41,273
Resource construction and industrial development	76,000	-	-	-	-	-	76,000
Recreation and cultural services	66,000	-	-	-	-	29,441	95,441
Water and sewer services	-	354,690	240,421	6,772	-	-	601,883
Fiscal services:							
LUD of Whitemouth	-	-	-	-	-	-	-
Transfer to capital	165,000	19,000	-	-	(184,000)	-	-
Transfer to utility	51,329	-	-	-	(51,329)	-	-
Debt charges	76,287	51,329	-	(127,616)	-	-	-
Short term interest	-	-	-	-	-	-	-
Transfer to deferred surplus	-	-	-	-	-	-	-
Transfer to reserves	181,461	6,000	-	-	(187,461)	-	-
Allowance for tax assets	10,000	-	-	-	(10,000)	-	-
Total expenses	2,064,511	431,019	402,726	(88,226)	(432,790)	140,844	2,518,084
Surplus (Deficit)	\$ (0)	\$ 0	\$ (402,726)	\$ 88,226	\$ 240,601	\$ 11,111	\$ (62,788)

RURAL MUNICIPALITY OF WHITEMOUTH
 ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2017

SCHEDULE 11

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 173,148	\$ 197,922
Add:		
Tax levy (Schedule 12)	2,360,770	2,272,097
Taxes added	6,794	10,074
Penalties or interest	20,397	19,897
Other accounts added	26,335	12,570
Tax adjustments (specify)	27,303	3,029
Tax adjustments (specify)	-	-
Sub-total	<u>2,441,599</u>	<u>2,317,667</u>
Deduct:		
Cash collections - current	1,618,894	1,677,186
Cash collections - arrears	523,940	341,056
Writeoffs	-	10,000
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	310,319	314,199
Sub-total	<u>2,453,153</u>	<u>2,342,441</u>
Balance, end of year	<u>\$ 161,594</u>	<u>\$ 173,148</u>

ANALYSIS OF TAX LEVY
Year Ended December 31, 2017

	2017		2016	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD			\$ -	\$ -
Name of LUD			-	-
Debt charges:				
Frontage		0.000%	117,521	54,368
Mill Rate (At Large)			-	-
Other (specify)			-	-
Deferred surplus	-	0.000%	-	-
Reserves:				
Fire Hall - B/L 562/11	66,848,800	0.000%	-	29,631
Equipment Replacement	66,848,800	0.444%	29,681	29,631
Machinery - B/L 312/00	-	0.000%	-	-
Handivan	-	0.000%	-	-
Fire Equipment	66,848,800	0.444%	29,681	29,631
Recreation - B/L 387/04	-	0.000%	-	-
Bridge - B/L 464/06	66,848,800	0.444%	29,681	29,631
Special levies:				
Minister of InterGovernment Affairs	-	0.000%	-	-
General municipal:				
At large	66,848,800	17.955%	1,200,270	1,187,218
Business tax	-	0.000%	-	-
Total municipal taxes (Schedule 2)			1,406,834	1,360,110
Education support levy	4,711,360	10.500%	49,469	48,692
Special levy:				
#13 - Sunrise	65,932,870	13.718%	904,467	863,295
Total education taxes			953,936	911,987
Total tax levy (Schedule 11)			\$ 2,360,770	\$ 2,272,097

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 Year Ended December 31, 2017

SCHEDULE 13

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 73,112	\$ 76,107
General administrative	242,980	206,812
Other	156,154	157,239
	<u>472,246</u>	<u>440,158</u>
Protective services:		
Police	-	-
Fire	162,328	75,219
Emergency measures	23,458	96,236
Other protection	38,442	27,979
	<u>224,228</u>	<u>199,434</u>
Transportation services:		
Road transport		
Administration and engineering	3,600	7,307
Engineering	-	-
Road and street maintenance	618,362	620,151
Bridge maintenance	56,174	91,027
Sidewalk and boulevard maintenance	9,759	19,550
Street lighting	15,575	18,131
Other	133,629	132,949
Air transport	-	-
Public transit	-	-
	<u>837,099</u>	<u>889,115</u>
Environmental health services:		
Waste collection and disposal	87,381	85,066
Recycling	-	-
Other	404	380
	<u>87,785</u>	<u>85,446</u>
Public health and welfare services:		
Public health	22,369	32,197
Medical care	-	-
Hospital care	2,526	2,625
Social assistance	-	-
	<u>24,895</u>	<u>34,822</u>
Regional planning and development:		
Planning and zoning	30,115	23,933
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Natural resources	-	-
Urban area weed control	-	-
Other	-	-
	<u>30,115</u>	<u>23,933</u>
Resource conservation and industrial development:		
Rural area weed control	2,197	40
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	25,871	37,392
Industrial development	-	-
Tourism	6,895	7,369
Other	-	-
	<u>34,963</u>	<u>44,801</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	28,258	20,000
Swimming pools and beaches	3,807	1,856
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	150	-
Other recreational facilities	18,851	25,374
Museums	1,624	3,351
Libraries	2,620	2,675
Other cultural facilities	1,000	-
	<u>56,310</u>	<u>53,256</u>
Total expenses	<u>\$ 1,767,641</u>	<u>\$ 1,770,965</u>

RURAL MUNICIPALITY OF WHITEMOUTH
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2017

SCHEDULE 14
 (UNAUDITED)

	2017		2016	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (41,240)	\$ (49,513)	\$ (90,753)	\$ 35,788
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,112,827	57,000	1,169,827	504,706
Eliminate revenue - transfers from reserves	(890,588)	-	(890,588)	(357,927)
Increase revenue - reserve funds interest	20,988	-	20,988	11,363
Reserve fund reclassified to deferred revenue	(47,551)	-	(47,551)	(47,000)
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	11,111	-	11,111	(3,976)
Increase expense - amortization of tangible capital assets	(162,306)	(240,421)	(402,727)	(399,560)
Decrease expense - principal portion of debenture debt	45,920	44,562	90,482	48,599
Increase expense - net increase in capital debt (funded by operating fund)	(875,000)	-	(875,000)	-
Decrease revenue - net book value of disposed tangible capital assets	-	-	-	(83)
Eliminate expense - acquisitions of tangible capital assets	970,667	40,180	1,010,847	412,924
Recovery of prior year deficit	-	-	-	69,744
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 144,828	\$ (148,192)	\$ (3,364)	\$ 274,578