

RURAL MUNICIPALITY OF WHITEMOUTH

**Consolidated Financial Statements
For the Year Ended December 31, 2018**

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

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Chief Administrative Officer



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Rural Municipality of Whitemouth and its group reporting entities (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements of operations, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2018, and its consolidated results of operations, its consolidated change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Municipality audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
June 11, 2019

RURAL MUNICIPALITY OF WHITEMOUTH

Consolidated Financial Statements

For the Year Ended December 31, 2018

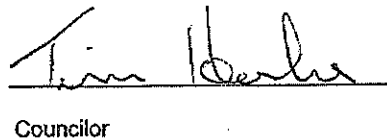
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**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018**

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash	\$ 1,961,016	\$ 1,324,512
Amounts receivable (Note 3)	356,967	610,733
Portfolio investments (Note 4)	<u>2,350</u>	<u>2,300</u>
	<u>2,320,333</u>	<u>1,937,545</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	684,460	342,059
Deferred revenue (Note 9)	50,091	49,029
Landfill closure and post closure liabilities (Note 7)	43,132	42,250
Long-term debt (Note 8)	<u>871,044</u>	<u>929,117</u>
	<u>1,648,727</u>	<u>1,362,455</u>
NET FINANCIAL ASSETS	<u>671,606</u>	<u>575,090</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,894,327	12,884,332
Inventories (Note 5)	14,821	17,661
Prepaid expenses	<u>24,275</u>	<u>32,954</u>
	<u>12,933,423</u>	<u>12,934,947</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 13,605,029</u>	<u>\$ 13,510,037</u>

Approved on behalf of Council


Reeve


Councilor

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

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2018

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
	(Note 12)		
REVENUE			
Property taxes	\$ 1,432,896	\$ 1,429,750	\$ 1,434,025
Grants in lieu of taxation	142,183	141,390	141,879
User fees	106,504	124,058	119,279
Grants - Province of Manitoba	168,366	170,009	243,094
Grants - other	120,265	120,265	135,561
Permits, licences and fines	2,460	1,487	1,520
Investment income	1,428	23,622	19,171
Other revenue	230,722	227,074	10,113
Water and sewer	417,778	446,424	416,027
Total revenue (Schedules 2, 4 and 5)	<u>2,622,601</u>	<u>2,684,079</u>	<u>2,520,669</u>
EXPENSES			
General government services	463,725	531,115	472,246
Protective services	251,537	254,450	224,228
Transportation services	836,767	766,345	837,099
Environmental health services	204,493	206,113	197,915
Public health and welfare services	30,653	37,649	24,895
Regional planning and development	37,747	26,057	31,389
Resource conservation and industrial development	35,000	40,322	34,963
Recreation and cultural services	77,247	77,525	85,749
Water and sewer services	590,387	649,511	615,549
Total expenses (Schedules 3, 4 and 5)	<u>2,527,556</u>	<u>2,589,087</u>	<u>2,524,033</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 95,045</u>	<u>94,992</u>	<u>(3,364)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>13,510,037</u>	<u>13,513,401</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$13,605,029</u>	<u>\$ 13,510,037</u>

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

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2018**

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
	(Note 12)		
ANNUAL SURPLUS	<u>\$ 95,045</u>	<u>\$ 94,992</u>	<u>\$ (3,364)</u>
Acquisition of tangible capital assets	(518,540)	(518,540)	(1,013,088)
Amortization of tangible capital assets	441,867	441,867	417,233
Gain on sale of tangible capital assets	-	(222,733)	-
Proceeds on sale of tangible capital assets	-	289,408	-
Decrease (increase) in inventories	-	2,840	(9,494)
(Increase) decrease in prepaid expense	-	8,682	(13,368)
	<u>(76,673)</u>	<u>1,524</u>	<u>(618,717)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 18,372</u>	<u>96,516</u>	<u>(622,081)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		<u>575,090</u>	<u>1,197,171</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 671,606</u>	<u>\$ 575,090</u>

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

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 94,992	\$ (3,364)
Changes in non-cash items:		
Amounts receivable	253,766	(16,635)
Inventories	2,840	(9,494)
Prepays	8,682	(13,368)
Accounts payable and accrued liabilities	342,401	3,369
Landfill closure and post closure liabilities	882	101
Unearned revenue	1,061	(15,971)
Other assets	-	-
Loss on sale of tangible capital asset	(222,733)	-
Amortization	441,867	417,233
	<u>923,759</u>	<u>361,871</u>
Cash provided by operating transactions		
	<u>923,759</u>	<u>361,871</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	289,408	-
Cash used to acquire tangible capital assets	(518,540)	(1,013,088)
	<u>(229,132)</u>	<u>(1,013,088)</u>
Cash applied to capital transactions		
	<u>(229,132)</u>	<u>(1,013,088)</u>
INVESTING TRANSACTIONS		
Proceeds on sale (purchase) of portfolio investments	(50)	1,364
	<u>(50)</u>	<u>1,364</u>
Cash provided by (applied to) investing transactions		
	<u>(50)</u>	<u>1,364</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(58,073)	(90,482)
	<u>(58,073)</u>	<u>(90,482)</u>
Cash applied to financing transactions		
	<u>(58,073)</u>	<u>(90,482)</u>
INCREASE (DECREASE) IN CASH	636,503	(740,335)
CASH, BEGINNING OF YEAR	1,324,512	2,064,847
CASH, END OF YEAR	\$ 1,961,016	\$ 1,324,512

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

SCHEDULE 1

RURAL MUNICIPALITY OF WHITEMOUTH
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 Year Ended December 31, 2018

Cost	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	2018	2017
Opening costs	\$ 539,756	\$ 346,317	\$ 1,715,499	\$ 35,045	\$ 888,112	\$ 7,326,758	\$ 10,788,510	\$ -	\$ 21,639,997	\$ 20,629,560
Additions during the year	20,079	1,125,083	248,874	416	250,576	-	30,465	-	1,675,493	1,013,088
Disposals and write downs	(72,455)	-	(274,116)	-	(1,138,688)	-	-	-	(1,485,258)	(2,651)
Closing costs	487,380	1,471,400	1,690,257	35,461	0	7,326,758	10,818,975	-	21,830,232	21,639,997
Accumulated Amortization										
Opening accum'd amortization	196,127	253,180	1,491,710	29,366	-	4,462,566	2,322,716	-	8,755,665	8,341,083
Amortization	3,555	33,721	55,798	2,470	-	104,312	242,011	-	441,867	417,233
Disposals and write downs	-	-	(261,627)	-	-	-	-	-	(261,627)	(2,651)
Closing accum'd amortization	199,682	286,901	1,285,881	31,836	-	4,566,878	2,564,727	-	8,935,905	8,755,665
Net Book Value of tangible capital assets	\$ 287,698	\$ 1,184,499	\$ 404,376	\$ 3,625	\$ 0	\$ 2,759,880	\$ 8,254,248	\$ -	\$ 12,894,327	\$ 12,884,332

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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, 2018**

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 and grants with stipulations that have been received but are not yet spent. These amounts will be recognized as revenue in the fiscal year the services are provided or the grants have been spent.

**RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018**

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.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

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>2018</u>	<u>2017</u>
Taxes on roll (Schedule 11)	\$ 193,735	\$ 161,594
Government grants	57,068	291,124
Utility customers	77,615	53,082
Organizations and individuals	28,549	104,933
	<u>356,967</u>	<u>610,733</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 356,967</u>	<u>\$ 610,733</u>

4. Portfolio Investments

	<u>2018</u>	<u>2017</u>
Credit Union GICs	<u>\$ 2,350</u>	<u>\$ 2,300</u>

5. Inventories

Inventories for use:

	<u>2018</u>	<u>2017</u>
Culverts	<u>\$ 14,821</u>	<u>\$ 17,661</u>

6. Accounts Payable and Accrued Liabilities

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 140,551	\$ 204,028
School levies	<u>543,909</u>	<u>138,031</u>
	<u>\$ 684,460</u>	<u>\$ 342,059</u>

**RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018**

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>2018</u>	<u>2017</u>
Estimated closure and post closure costs over the next 50 years	\$ 54,350	\$ 54,350
Discount rate	5.00%	5.00%
Discounted costs	<u>\$ 6,673</u>	<u>\$ 6,673</u>
Expected year capacity will be reached	2048	2048
Capacity (disclose in tonnes, volume, acreage, or years)		
Used to date	21	20
Remaining	<u>30</u>	<u>31</u>
Total	<u>51</u>	<u>51</u>
Percentage utilized	<u>41.18%</u>	<u>39.22%</u>
Liability based on percentage	<u>\$ 5,177</u>	<u>\$ 2,617</u>
RM of Whitemouth percentage of operations	34.46%	34.46%
RM of Whitemouth liability based on percentage of partnership	<u>\$ 1,784</u>	<u>\$ 902</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 (2017 - \$114,000). The Municipality uses a discount rate of 5% (2017 - 5.00%) to arrive at its post closure liability of \$43,132 (2017 - \$42,250).

**RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018**

8. Long-term Debt

	<u>2018</u>	<u>2017</u>
General Fund:		
Debenture for Firehall, interest at 6.0%, payable at \$76,286 annually including interest, maturing December 31, 2036	\$ 781,633	\$ 829,081
Utility Fund:		
Debenture for Water Treatment Plan, interest at 5.375%, payable at \$5,710 annually including interest, maturing December 31, 2025	32,589	36,345
Debenture for Extra WTP Connections, interest at 5.125%, payable at \$1,427 annually including interest, maturing December 31, 2020	2,649	3,878
Debenture for Water Utility, interest at 4.05%, payable at \$8,063 annually including interest, maturing December 31, 2026	54,173	59,813
	<u>\$ 871,044</u>	<u>\$ 929,117</u>

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

2019	60,147
2020	62,291
2021	63,097
2022	65,333
2023	67,651

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	\$ 47,000
Funding received during the year	-	157
Recognized as revenue during the year	-	-
Deferred grant revenue balance, end of year	<u>\$ 47,000</u>	<u>\$ 47,157</u>
Deferred grant revenue (from above)	\$ 47,000	\$ 47,157
Deferred other revenue	<u>3,091</u>	<u>1,872</u>
Total deferred revenue	<u>\$ 50,091</u>	<u>\$ 49,029</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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 \$31,880 (2017 - \$31,786) 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, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 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, 2017.

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, 2018**

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, 2018:

- a) Compensation paid to members of council amounted to \$72,288 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>
Old Reeve - Bill Dowbyhuz	\$ 18,043	\$ 3,391	\$ 21,434
New Reeve - Walter Amerongen	2,767	349	3,116
Deputy Reeve - Manny Sikkenga	11,202	906	12,108
Councillor - Martin Saxler	9,239	2,535	11,774
Councillor - Roy Nichol	8,779	765	9,544
Councillor - Tim Honke	2,293	191	2,484
Councillor - Lori Bachman	10,435	-	10,435
Councillor - Glenn Malkoske	1,393	-	1,393
	<u>\$ 64,151</u>	<u>\$ 8,137</u>	<u>\$ 72,288</u>

- c) The following officers received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bernardo Pasco	Public Works Supervisor	57,505
Glen Campbell	Utility Operator	53,932

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>\$ 4,183,653</u>	<u>\$ -</u>	<u>\$ 119,051</u>	<u>\$ 4,064,602</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	\$ 100,461	\$ -	\$ 3,947	\$ 96,514
Seven Sisters Sewer	1,242,024	-	27,811	1,214,213
	<u>\$ 1,342,485</u>	<u>\$ -</u>	<u>\$ 31,758</u>	<u>\$ 1,310,727</u>

RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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>2018</u>	<u>2017</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 189,275	\$ 153,546
Utility operating fund - Nominal surplus	(45,530)	(60,788)
TCA net of related borrowings	11,901,740	11,837,274
Reserve funds	1,384,073	1,397,129
Accumulated surplus of municipality unconsolidated	<u>13,429,558</u>	<u>13,327,161</u>
Accumulated surpluses of consolidated entities	175,471	182,876
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 13,605,029</u>	<u>\$ 13,510,037</u>

**RURAL MUNICIPALITY OF WHITEMOUTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018**

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>2018</u>	<u>2017</u>
Financial Position		
Total assets	\$ 190,985	\$ 198,723
Total liabilities	\$ 15,514	\$ 15,847
Accumulated surplus	175,471	182,876
	<u>\$ 190,985</u>	<u>\$ 198,723</u>
Results of Operations		
Revenue	\$ 126,257	\$ 151,954
Expenses	133,662	140,843
Annual surplus	<u>\$ (7,405)</u>	<u>\$ 11,111</u>

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>	\$ 52,216	\$ 3,952	\$ 56,168

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2018

SCHEDULE 2

	2018 Actual	2017 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,398,702	\$ 1,406,834
Taxes added	12,032	6,794
Penalties and interest	19,016	20,397
	<u>1,429,750</u>	<u>1,434,025</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	105,240	105,097
Provincial government	5,643	5,772
Provincial government enterprises	30,507	31,010
Other local governments	-	-
Non-government organizations	-	-
	<u>141,390</u>	<u>141,879</u>
User fees:		
Parking meters	-	-
Sales of service	110,996	101,208
Sales of goods	4,645	3,989
Rentals	8,417	14,082
Development charges	-	-
Facility use fees	-	-
	<u>124,058</u>	<u>119,279</u>
Grants - Province of Manitoba:		
General assistance payment	84,777	67,943
General support grant	-	-
VLT revenues	-	16,904
Conditional grants	48,388	121,403
Unconditional grants	36,844	36,844
	<u>170,009</u>	<u>243,094</u>
Grants - other:		
Federal government - gas tax funding	87,583	84,617
Federal government - other	-	-
Other local governments	32,682	50,944
	<u>120,265</u>	<u>135,561</u>
Permits, licences and fines:		
Permits	982	1,300
Licences	505	220
Aggregate mining and transportation fees	-	-
Fines	-	-
	<u>1,487</u>	<u>1,520</u>
Investment income:		
Cash and temporary investments	23,622	19,171
Marketable securities	-	-
Municipal debentures	-	-
Other: short-term deposits	-	-
	<u>23,622</u>	<u>19,171</u>
Other revenue:		
Loss on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	216,954	-
Penalties and interest	-	-
Miscellaneous (subdivision contributions from developers)	10,120	10,113
	<u>227,074</u>	<u>10,113</u>
Water and sewer	<u>446,424</u>	<u>416,027</u>
Total revenue	<u>\$ 2,684,079</u>	<u>\$ 2,520,669</u>

RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2018

SCHEDULE 3

	2018 Actual	2017 Actual
General government services:		
Legislative	\$ 74,098	\$ 73,112
General administrative	241,891	242,980
Other	215,126	156,154
	<u>531,115</u>	<u>472,246</u>
Protective services:		
Police	-	-
Fire	178,609	162,328
Emergency measures	32,886	23,458
Other protection	42,955	38,442
	<u>254,450</u>	<u>224,228</u>
Transportation services:		
Road transport		
Administration and engineering	12,208	3,600
Engineering	-	-
Road and street maintenance	557,297	618,362
Bridge maintenance	31,463	56,174
Sidewalk and boulevard maintenance	7,082	9,759
Street lighting	19,678	15,575
Other	138,617	133,629
Air transport	-	-
Public transit	-	-
	<u>766,345</u>	<u>837,099</u>
Environmental health services:		
Waste collection and disposal	205,715	197,511
Recycling	-	-
Other	398	404
	<u>206,113</u>	<u>197,915</u>
Public health and welfare services:		
Public health	35,123	22,369
Medical care	-	-
Hospital care	-	-
Social assistance	2,526	2,526
	<u>37,649</u>	<u>24,895</u>
Regional planning and development:		
Planning and zoning	26,057	31,389
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Natural resources	-	-
Urban area weed control	-	-
Other	-	-
	<u>26,057</u>	<u>31,389</u>
Sub-totals forward	<u>\$ 1,821,729</u>	<u>\$ 1,787,772</u>

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2018**

SCHEDULE 3

Sub-totals forward	<u>\$ 1,821,729</u>	<u>\$ 1,787,772</u>
Resource conservation and industrial development:		
Rural area weed control	3,917	2,197
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	19,867	25,871
Industrial development	-	-
Tourism	16,538	6,895
Other	-	-
	<u>40,322</u>	<u>34,963</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	43,915	57,697
Swimming pools and beaches	3,888	3,807
Golf courses	-	-
Skating rinks	-	-
Parks and playgrounds	-	150
Other recreational facilities	25,286	18,851
Museums	1,696	1,624
Libraries	2,741	2,620
Other cultural facilities	-	1,000
	<u>77,525</u>	<u>85,749</u>
Water and sewer services (Schedule 9)	<u>649,511</u>	<u>615,549</u>
Total expenses	<u><u>\$ 2,589,087</u></u>	<u><u>\$ 2,524,033</u></u>

SCHEDULE 4

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2018**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ 1,414,550	\$ 1,382,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	141,390	141,879	-	-	-	-	-	-	-	-
User fees	23,952	26,981	29,471	12,475	6,672	10,462	49,669	59,950	10,080	5,977
Prov of MB - Unconditional Grants	36,845	36,844	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	85,059	160,726	-	-	4,054	3,048	33,142	31,917	6,534	6,013
Grants - other	87,583	84,617	-	-	-	-	24,140	23,247	-	-
Permits, licences and fines	982	1,300	505	220	-	-	-	-	-	-
Investment income	4,142	(701)	621	8,994	12,372	7,118	1,844	891	-	-
Other revenue	226,331	10,113	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	2,020,834	1,844,454	30,597	21,689	23,098	20,628	108,795	116,005	16,614	11,990
EXPENSES										
Personnel services	316,849	313,093	94,230	83,627	238,413	263,124	84,949	84,430	22,151	10,418
Contract services	149,245	153,947	57,504	51,260	54,142	45,632	31,755	38,093	3,945	4,102
Utilities	11,360	7,576	21,098	16,318	27,114	21,819	6,785	5,213	711	201
Maintenance materials and supplies	26,252	30,064	23,681	28,363	308,059	372,895	1,083	842	2,038	1,370
Grants and contributions	3,136	3,363	-	-	-	-	57,290	55,164	2,526	2,526
Amortization	10,600	10,356	30,329	12,042	138,617	133,629	13,863	14,173	6,278	6,278
Interest on long-term debt	-	-	27,608	32,618	-	-	-	-	-	-
Bad debt	60,000	-	-	-	-	-	-	-	-	-
Other	(46,327)	(46,153)	-	-	-	-	10,388	-	-	-
Total expenses	531,115	472,246	254,450	224,228	766,345	837,099	206,113	197,915	37,649	24,895
Surplus (Deficit)	\$ 1,489,719	\$ 1,372,208	\$ (223,853)	\$ (202,539)	\$ (743,247)	\$ (816,471)	\$ (97,318)	\$ (81,910)	\$ (21,035)	\$ (12,905)

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

SCHEDULE 4

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2018**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2018	2017	2018	2017	2018	2017	2018	2017	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,200	\$ 51,330	\$ 1,429,750
Grants in lieu of taxation	-	-	-	-	-	-	-	-	141,390
User fees	-	-	-	-	4,214	3,434	-	-	124,058
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	36,844
Prov of MB - Conditional Grants	-	-	-	-	4,375	4,546	-	-	133,165
Grants - other	3,600	3,488	-	-	4,942	24,209	-	-	120,265
Permits, licences and fines	-	-	-	-	-	-	-	-	1,487
Investment income	176	193	-	-	1,241	655	3,226	2,021	23,622
Other revenue	-	-	-	-	743	-	-	-	227,074
Water and sewer	-	-	-	-	-	-	446,424	416,027	446,424
Total revenue	3,776	3,681	-	-	15,515	32,844	464,850	469,378	2,684,079
EXPENSES									
Personnel services	1,358	1,080	-	-	12,562	10,844	168,012	155,175	938,524
Contract services	773	2,183	16,828	15,095	35,988	39,309	104,773	109,787	454,953
Utilities	-	-	-	-	175	300	46,128	43,776	113,371
Maintenance materials and supplies	236	159	-	-	10,405	23,247	84,011	59,617	455,765
Grants and contributions	21,710	25,268	23,494	19,868	16,786	10,351	-	-	124,942
Amortization	5	6	-	-	165	330	242,011	240,421	441,868
Interest on long-term debt	-	-	-	-	-	-	4,576	6,773	32,184
Bad debt	-	-	-	-	-	366	-	-	60,000
Other	1,975	2,693	-	-	1,444	1,002	-	-	(32,520)
Total expenses	26,057	31,389	40,322	34,963	77,525	85,749	649,511	615,549	2,589,087
Surplus (Deficit)	\$ (22,281)	\$ (27,708)	\$ (40,322)	\$ (34,963)	\$ (62,010)	\$ (52,905)	\$ (184,661)	\$ (146,171)	\$ 94,992
									\$ (3,364)

SCHEDULE 5

**RURAL MUNICIPALITY OF WHITEMOUTH
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2018**

	Core Government		Controlled Entities		Government Partnerships		Total
	2018	2017	2018	2017	2018	2017	
REVENUE							
Property taxes	\$ 1,429,750	\$ 1,434,025	\$ -	\$ -	\$ -	\$ -	\$ 1,434,025
Grants in lieu of taxation	141,390	141,879	-	-	-	-	141,879
User fees	70,174	55,895	-	-	53,884	63,384	119,279
Prov of MB - Unconditional Grants	36,844	36,844	-	-	-	-	36,844
Prov of MB - Conditional Grants	95,649	169,788	-	-	37,516	36,462	206,250
Grants - other	87,583	84,616	-	-	32,682	50,945	135,561
Permits, licences and fines	1,487	1,520	-	-	-	-	1,520
Investment income	22,194	18,509	-	-	1,428	662	19,171
Other revenue	226,331	9,613	-	-	743	500	10,113
Water and sewer	446,424	416,027	-	-	-	-	416,027
Total revenue	2,557,826	2,368,716	-	-	126,253	151,953	2,684,079
EXPENSES							
Personnel services	842,394	828,651	-	-	96,130	93,140	921,791
Contract services	421,342	418,511	-	-	33,611	40,897	459,408
Utilities	106,796	90,224	-	-	6,575	4,979	95,203
Maintenance materials and supplies	444,041	492,309	-	-	11,724	24,248	516,557
Grants and contributions	167,160	157,531	-	-	(42,218)	(40,991)	116,540
Amortization	427,835	402,726	-	-	14,033	14,509	417,235
Interest on long-term debt	32,184	39,391	-	-	-	-	39,391
Other	13,672	(46,153)	-	-	13,808	4,061	(42,092)
Total expenses	2,455,424	2,383,190	-	-	133,663	140,843	2,589,087
Surplus (Deficit)	\$ 102,402	\$ (14,474)	\$ -	\$ -	\$ (7,410)	\$ 11,110	\$ (3,364)

SCHEDULE 6

**RURAL MUNICIPALITY OF WHITEMOUTH
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2018**

	2018										2017			
	Handi-Van	Machinery	Bridge	Gas Tax	Fire Department	Fire Equipment	Healthcare Improvement	Infrastructure Improvement	Recreation	Sewer	Seven Sisters Water	Sewer	Total	Total
REVENUE														
Interest earned	\$ 884	\$ 2,198	\$ 4,388	\$ 4,003	\$ 621	\$ 3,094	\$ 592	\$ 1,808	\$ 1,241	\$ 4	\$ 2,308	\$ 905	\$ 22,046	\$ 20,988
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	884	2,198	4,388	4,003	621	3,094	592	1,808	1,241	4	2,308	905	22,046	20,988
EXPENSES														
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET REVENUES	884	2,198	4,388	4,003	621	3,094	592	1,808	1,241	4	2,308	905	22,046	20,988
TRANSFERS														
Debt repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	32,620	32,620	87,583	(32,450)	270,371	(7,000)	(4,909)	1,930	-	24,475	3,767	409,007	1,169,827
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(173,070)	-	-	(240,574)	-	-	-	-	-	(30,465)	-	(444,109)	(690,568)
CHANGE IN RESERVE FUND BALANCES	884	(138,252)	37,008	91,586	(272,403)	273,465	(6,408)	(3,101)	3,171	4	(3,682)	4,672	(13,056)	300,227
FUND SURPLUS, BEGINNING 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
Reclassification of unspent contribution to deferred revenue (Note 9)	47,115	59,196	257,190	280,806	-	375,393	30,018	93,859	68,063	266	120,878	51,249	1,384,073	1,444,680
FUND SURPLUS, END OF YEAR	\$ 47,115	\$ 59,196	\$ 257,190	\$ 280,806	\$ -	\$ 375,393	\$ 30,018	\$ 93,859	\$ 68,063	\$ 266	\$ 120,878	\$ 51,249	\$ 1,384,073	\$ 1,397,129

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF L.U.D. OPERATIONS
 Year Ended December 31, 2018

SCHEDULE 7

	2018 Budget	2018 Actual	2017 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, 2018

SCHEDULE 8

	2018			2017	
	Water	Sewer	Seven Sisters Sewer	Total	Total
FINANCIAL ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	71,691	4,745	1,281	77,717	53,200
Portfolio investments	-	-	-	-	-
Other - due from general fund	-	(55,309)	13,620	(41,689)	(46,740)
	<u>71,691</u>	<u>(50,564)</u>	<u>14,901</u>	<u>36,028</u>	<u>6,460</u>
LIABILITIES					
Accounts payable and accrued liabilities	-	150	-	150	148
Deferred revenue	-	-	-	-	-
Long-term debt (Note 8)	89,411	-	-	89,411	100,036
Other - due to general fund	81,408	-	-	81,408	67,100
	<u>170,819</u>	<u>150</u>	<u>-</u>	<u>170,969</u>	<u>167,284</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(99,128)</u>	<u>(50,714)</u>	<u>14,901</u>	<u>(134,941)</u>	<u>(160,824)</u>
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	6,520,205	215,153	1,518,890	8,254,248	8,465,795
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
	<u>6,520,205</u>	<u>215,153</u>	<u>1,518,890</u>	<u>8,254,248</u>	<u>8,465,795</u>
FUND SURPLUS	<u>\$ 6,421,077</u>	<u>\$ 164,439</u>	<u>\$ 1,533,791</u>	<u>\$ 8,119,307</u>	<u>\$ 8,304,971</u>

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Municipal Water
Year Ended December 31, 2018

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUE			
Water fees	\$ 310,000	\$ 273,508	\$ 250,473
Sewer fees	-	-	-
Property taxes	-	15,200	15,200
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	3,300	2,800
Connection charges	-	62,700	91,700
Penalties	2,200	2,457	2,024
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - donated tangible capital assets	-	64,215	40,180
Total revenue	<u>312,200</u>	<u>421,380</u>	<u>402,377</u>
EXPENSES			
General			
Administration	27,200	27,677	27,572
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	42,000	41,788	39,588
sub-total - general	<u>69,200</u>	<u>69,465</u>	<u>67,160</u>
Water			
Purification and treatment	38,000	28,435	27,812
Transmission and distribution	65,000	107,102	65,154
Wages and benefits	125,000	127,439	111,963
Other water supply costs	10,000	8,534	4,692
Connection costs	-	32,424	17,958
sub-total - sewer general	<u>238,000</u>	<u>303,934</u>	<u>227,579</u>
Water Amortization & Interest			
Amortization	-	196,406	194,816
Interest on long-term debt	-	4,575	5,046
sub-total - sewer amortization & interest	<u>-</u>	<u>200,981</u>	<u>199,862</u>
Total expenses	<u>307,200</u>	<u>574,380</u>	<u>494,601</u>
NET OPERATION DEFICIT	5,000	(153,000)	(92,224)
TRANSFERS			
Transfers from (to) operating fund	15,200	-	-
Transfers from (to) reserve funds	-	5,990	(57,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 20,200</u>	<u>(147,010)</u>	<u>(149,224)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>6,568,087</u>	<u>6,717,311</u>
FUND SURPLUS, END OF YEAR		<u>\$ 6,421,077</u>	<u>\$ 6,568,087</u>

RURAL MUNICIPALITY OF WHITEMOUTH

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Whitemouth Sewer
Year Ended December 31, 2018

	2018 Budget	2018 Actual	2017 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	25,800	18,527	18,818
Property taxes	-	-	8,755
Bulk Water fees	-	-	-
Lagoon tipping fees	-	135	718
Hydrant rentals	-	-	-
Connection charges	-	-	-
Penalties	200	231	186
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	3
Administration fees	-	-	-
Other income - donated tangible capital assets	-	6,853	-
Total revenue	<u>26,000</u>	<u>25,746</u>	<u>28,480</u>
EXPENSES			
General			
Administration	5,500	5,500	5,500
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	3,803	3,581
sub-total - general	<u>5,500</u>	<u>9,303</u>	<u>9,081</u>
Sewer			
Collection system costs	20,000	5,215	50,512
Treatment and disposal cost	-	-	-
Wages and benefits	-	3,113	5,726
Other sewage & disposal costs	-	-	-
Connection costs	-	-	-
sub-total - sewer general	<u>20,000</u>	<u>8,328</u>	<u>56,238</u>
Sewer Amortization & Interest			
Amortization	-	9,983	9,983
Interest on long-term debt	-	-	418
sub-total - sewer amortization & interest	<u>-</u>	<u>9,983</u>	<u>10,401</u>
Total expenses	<u>25,500</u>	<u>27,614</u>	<u>75,720</u>
NET OPERATION DEFICIT	500	(1,868)	(47,240)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ 500</u>	<u>(1,868)</u>	<u>(47,240)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>166,307</u>	<u>213,547</u>
FUND SURPLUS, END OF YEAR		<u>\$ 164,439</u>	<u>\$ 166,307</u>

RURAL MUNICIPALITY OF WHITEMOUTH

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Seven Sisters Sewer Utility
Year Ended December 31, 2018

	2018 Budget	2018 Actual	2017 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	11,500	9,132	9,017
Property taxes	-	-	27,375
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	-	-
Connection charges	-	5,267	-
Penalties	100	99	108
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income - subdivision contributions from developers	-	-	-
Total revenue	<u>11,600</u>	<u>14,498</u>	<u>36,500</u>
EXPENSES			
General			
Administration	3,500	3,500	3,500
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total - general	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
Sewer			
Collection system costs	7,500	7,075	803
Treatment and disposal cost	-	-	-
Wages and benefits	-	781	914
Other sewage & disposal costs	-	-	-
Connection Costs	-	539	3,081
sub-total - sewer general	<u>7,500</u>	<u>8,395</u>	<u>4,798</u>
Sewer Amortization & Interest			
Amortization	-	35,622	35,622
Interest on long-term debt	-	-	1,308
sub-total - sewer amortization & interest	<u>-</u>	<u>35,622</u>	<u>36,930</u>
Total expenses	<u>11,000</u>	<u>47,517</u>	<u>45,228</u>
NET OPERATION SURPLUS	600	(33,019)	(8,728)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	(3,767)	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ 600</u>	<u>(36,786)</u>	<u>(8,728)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>1,570,577</u>	<u>1,579,305</u>
FUND SURPLUS, END OF YEAR		<u>\$ 1,533,791</u>	<u>\$ 1,570,577</u>

RURAL MUNICIPALITY OF WHITEMOUTH
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year Ended December 31, 2018

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 1,276,045	\$ -	\$ -	\$ -	\$ 156,851	\$ -	\$ 1,432,896
Grants in lieu of taxation	299,034	-	-	-	(156,851)	-	142,183
User fees	52,620	-	-	-	-	53,884	106,504
Grants - Province of Manitoba	130,850	-	-	-	-	37,516	168,366
Grants - other	87,582	-	-	-	-	32,683	120,265
Permits, licences and fines	2,460	-	-	-	-	-	2,460
Investment income	-	-	-	-	-	1,428	1,428
Other revenue	229,976	-	-	-	-	746	230,722
Water and sewer	-	417,778	-	-	-	-	417,778
Transfers from accumulated surplus	-	15,200	-	-	(15,200)	-	-
Transfers from reserves	745,600	-	-	-	(745,600)	-	-
Total revenue	<u>2,824,167</u>	<u>432,977</u>	<u>-</u>	<u>-</u>	<u>(760,800)</u>	<u>126,257</u>	<u>2,622,601</u>
EXPENSES							
General government services	453,125	-	10,600	-	-	-	463,725
Protective services	193,600	-	30,329	27,608	-	-	251,537
Transportation services	698,150	-	138,617	-	-	-	836,767
Environmental health services	88,925	-	-	-	-	115,568	204,493
Public health and welfare services	24,375	-	6,278	-	-	-	30,653
Regional planning and development	37,000	-	-	-	-	747	37,747
Resource construction and industrial development	35,000	-	-	-	-	-	35,000
Recreation and cultural services	59,900	-	-	-	-	17,347	77,247
Water and sewer services	-	343,800	242,011	4,576	-	-	590,387
Fiscal services:	-	-	-	-	-	-	-
LUD of Whitemouth	-	-	-	-	-	-	-
Transfer to capital	741,100	-	-	-	(741,100)	-	-
Transfer to utility	15,200	-	-	-	(15,200)	-	-
Debt charges	76,286	15,200	-	(91,486)	-	-	-
Short term interest	-	-	-	-	-	-	-
Transfer to deferred surplus	32,683	67,978	-	-	(100,661)	-	-
Transfer to reserves	358,823	6,000	-	-	(364,823)	-	-
Allowance for tax assets	10,000	-	-	-	(10,000)	-	-
Total expenses	<u>2,824,167</u>	<u>432,977</u>	<u>427,835</u>	<u>(59,302)</u>	<u>(1,231,783)</u>	<u>133,662</u>	<u>2,527,556</u>
Surplus (Deficit)	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (427,835)</u>	<u>\$ 59,302</u>	<u>\$ 470,983</u>	<u>\$ (7,405)</u>	<u>\$ 95,045</u>

RURAL MUNICIPALITY OF WHITEMOUTH
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2018

SCHEDULE 11

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 161,594	\$ 173,148
Add:		
Tax levy (Schedule 12)	2,375,530	2,360,770
Taxes added	12,032	6,794
Penalties or interest	19,016	20,397
Other accounts added	10,901	26,335
Tax adjustments (specify)	26,186	27,303
Tax adjustments (specify)	-	-
Sub-total	<u>2,443,666</u>	<u>2,441,599</u>
Deduct:		
Cash collections - current	1,415,242	1,618,894
Cash collections - arrears	692,253	523,940
Writeoffs	(3,381)	-
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	307,410	310,319
Sub-total	<u>2,411,524</u>	<u>2,453,153</u>
Balance, end of year	<u>\$ 193,735</u>	<u>\$ 161,594</u>

RURAL MUNICIPALITY OF WHITEMOUTH
ANALYSIS OF TAX LEVY
Year Ended December 31, 2018

SCHEDULE 12

	2018		2017
	Assessment	Mill Rate	Levy
Other governments (L.U.D.):			
Name of LUD			\$ -
Name of LUD			\$ -
Debt charges:			
Frontage		0.000%	84,235
Mill Rate (At Large)			-
Deficit Recovery	68,153,000	0.435%	29,647
Deferred surplus	-	0.000%	-
Reserves:			
Equipment Replacement	-	0.000%	-
Hydrant Replacement	68,153,000	0.435%	29,647
Machinery	68,153,000	0.080%	5,452
Bridge - B/L 464/06	68,153,000	0.435%	29,647
Special levies:			
Minister of InterGovernment Affairs	-	0.000%	-
General municipal:			
At large	68,153,000	17.902%	1,220,075
Business tax	-	0.000%	-
Total municipal taxes (Schedule 2)			1,398,702
Education support levy	4,733,740	9.770%	46,248
Special levy:			
#13 - Sunrise	67,218,980	13.844%	930,580
Total education taxes			976,828
Total tax levy (Schedule 11)			\$ 2,375,530
			\$ 2,360,770

RURAL MUNICIPALITY OF WHITEMOUTH
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 Year Ended December 31, 2018

SCHEDULE 13

	2018 Actual	2017 Actual
General government services:		
Legislative	\$ 74,098	\$ 73,112
General administrative	241,891	242,980
Other	155,125	156,154
	<u>471,114</u>	<u>472,246</u>
Protective services:		
Police	-	-
Fire	178,609	162,328
Emergency measures	32,096	23,458
Other protection	42,955	38,442
	<u>253,660</u>	<u>224,228</u>
Transportation services:		
Road transport		
Administration and engineering	12,208	3,600
Engineering	-	-
Road and street maintenance	557,297	618,362
Bridge maintenance	31,463	56,174
Sidewalk and boulevard maintenance	7,082	9,759
Street lighting	19,678	15,575
Other	138,617	133,629
Air transport	-	-
Public transit	-	-
	<u>766,345</u>	<u>837,099</u>
Environmental health services:		
Waste collection and disposal	90,147	87,381
Recycling	-	-
Other	398	404
	<u>90,545</u>	<u>87,785</u>
Public health and welfare services:		
Public health	33,985	22,369
Medical care	-	-
Hospital care	2,526	2,526
Social assistance	-	-
	<u>36,511</u>	<u>24,895</u>
Regional planning and development:		
Planning and zoning	25,310	30,115
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Natural resources	-	-
Urban area weed control	-	-
Other	-	-
	<u>25,310</u>	<u>30,115</u>
Resource conservation and industrial development:		
Rural area weed control	3,917	2,197
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	19,867	25,871
Industrial development	-	-
Tourism	16,538	6,895
Other	-	-
	<u>40,322</u>	<u>34,963</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	26,568	28,258
Swimming pools and beaches	3,888	3,807
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	-	150
Other recreational facilities	25,286	18,851
Museums	1,696	1,624
Libraries	2,741	2,620
Other cultural facilities	-	1,000
	<u>60,179</u>	<u>56,310</u>
Total expenses	<u>\$ 1,743,986</u>	<u>\$ 1,767,641</u>

SCHEDULE 14
(UNAUDITED)

RURAL MUNICIPALITY OF WHITEMOUTH
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2018

	2018		2017	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 3,037	\$ (49,136)	\$ (46,099)	\$ (90,753)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	380,765	28,242	409,007	1,169,827
Eliminate revenue - transfers from reserves	(413,644)	(30,465)	(444,109)	(890,588)
Increase revenue - reserve funds interest	22,046	-	22,046	20,988
Reserve fund reclassified to deferred revenue	-	-	-	(47,551)
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(7,405)	-	(7,405)	11,111
Increase expense - amortization of tangible capital assets	(185,824)	(242,011)	(427,835)	(402,727)
Decrease expense - principal portion of debenture debt	47,448	10,625	58,073	90,482
Increase expense - net increase in capital debt (funded by operating fund)	-	-	-	(875,000)
Decrease revenue - net book value of disposed tangible capital assets	(72,445)	-	(72,445)	-
Eliminate expense - acquisitions of tangible capital assets	476,213	30,465	506,678	1,010,847
Recovery of prior year deficit	32,688	64,393	97,081	-
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 282,879	\$ (187,887)	\$ 94,992	\$ (3,364)