

Rural Municipality of St. Clements

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

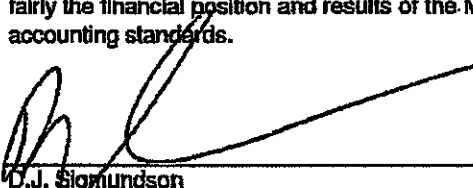
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of St. Clements 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 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.

Exchange Group Chartered Professional Accountants as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor 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.


D.J. Sigmundson
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the
Rural Municipality of St. Clements

We have audited the accompanying consolidated financial statements of the Rural Municipality of St. Clements, which comprise the Consolidated Statement of Financial Position as at December 31, 2017 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year ended December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of St. Clements as at December 31, 2017, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

Other matters

The financial statements for the year ended December 31, 2016 were audited by another accounting firm who expressed an unmodified opinion on those statements on April 17, 2018.

As part of our audit of the 2017 financial statements, we also audited the adjustments described in Note 19 that were applied to amend the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 financial statements of the Municipality other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements taken as a whole.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
June 27, 2018

Rural Municipality of St. Clements

Consolidated Financial Statements

For the Year Ended December 31, 2017

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Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	<u>2017</u>	<u>2016</u> (Note 19)
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 739,161	\$ 641,014
Amounts receivable (Note 4)	3,995,046	5,015,495
Real estate properties held for sale	-	65,109
	<u>\$ 4,734,207</u>	<u>\$ 5,721,618</u>
LIABILITIES		
Temporary borrowing (Note 6)	\$ 3,588,509	\$ 7,350,627
Accounts payable and accrued liabilities (Note 7)	267,946	1,508,228
Landfill closure and post closure liabilities (Note 8)	1,009,083	1,026,136
Long-term debt (Note 9)	12,279,893	9,317,651
Deposits and other liabilities	463,372	429,028
	<u>17,608,803</u>	<u>19,631,670</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (12,874,596)</u>	<u>\$ (13,910,052)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 48,618,729	\$ 49,267,745
Inventories (Note 5)	741,323	734,306
Prepaid expenses	49,287	57,115
	<u>49,409,339</u>	<u>50,059,166</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 13)	<u>\$ 36,534,743</u>	<u>\$ 36,149,114</u>

Approved on behalf of Council:



 Mayor



 Councillor

The accompanying notes are an integral part of this financial statement

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual (Note 19)
REVENUE			
Property taxes	\$ 7,344,350	\$ 7,277,583	\$ 6,807,588
Grants in lieu of taxation	210,351	210,351	197,263
User fees	939,807	1,436,477	1,337,957
Permits, licences and fines	449,038	367,802	245,530
Investment income	2,318	72,170	114,008
Other revenue	150,754	336,725	311,005
Water and sewer	561,724	440,190	2,058,106
Grants - Province of Manitoba	1,065,763	1,179,880	1,338,807
Grants - other	602,849	713,752	900,383
Total revenue (Schedules 2, 4 and 5)	11,326,954	12,034,930	13,310,647
EXPENSES			
General government services	1,725,369	1,951,358	1,929,647
Protective services	1,245,540	1,582,224	1,416,834
Transportation services	5,531,120	4,821,568	4,033,957
Environmental health services	1,156,466	885,026	1,213,547
Public health and welfare services	48,061	50,485	48,061
Regional planning and development	82,806	427,812	412,825
Resource conservation and industrial development	111,691	163,395	136,343
Recreation and cultural services	751,770	472,361	480,737
Water and sewer services	1,357,901	1,295,072	1,275,360
Total expenses (Schedules 3, 4 and 5)	12,010,724	11,649,301	10,947,311
ANNUAL SURPLUS (DEFICIT)	\$ (683,770)	385,629	2,363,336
ACCUMULATED SURPLUS, BEGINNING OF YEAR		35,359,560	33,477,305
CORRECTION OF AN ERROR (Note 19)		789,554	308,473
AS RESTATED		36,149,114	33,785,778
ACCUMULATED SURPLUS, END OF YEAR		\$ 36,534,743	\$ 36,149,114

The accompanying notes are an integral part of this financial statement

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual (Note 19)
ANNUAL SURPLUS (DEFICIT)	\$ (683,770)	\$ 385,629	\$ 2,363,336
Acquisition of tangible capital assets	(900,000)	(996,628)	(2,872,475)
Amortization of tangible capital assets	1,635,304	1,643,371	1,635,678
Loss (Gain) on sale of tangible capital assets	-	(4,574)	(22,714)
Proceeds on sale of tangible capital assets	-	6,843	105,672
Decrease (increase) in inventories	-	(7,017)	(3,444)
Decrease (increase) in prepaid expense	-	7,832	(10,157)
	<u>735,304</u>	<u>649,827</u>	<u>(1,167,440)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 51,534</u>	<u>1,035,456</u>	<u>1,195,896</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		(14,752,303)	(15,470,434)
CORRECTION OF AN ERROR (Note 19)		<u>842,251</u>	<u>364,486</u>
AS RESTATED		<u>(13,910,052)</u>	<u>(15,105,948)</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ (12,874,596)</u>	<u>\$ (13,910,052)</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u> (Note 19)
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 385,629	\$ 2,363,336
Changes in non-cash items:		
Amounts receivable	1,020,449	2,038,087
Inventories	(7,017)	122,480
Prepays	7,832	(10,157)
Accounts payable and accrued liabilities	(1,240,282)	(1,010,225)
Deferred revenue	-	-
Landfill closure and post closure liabilities	(17,053)	41,608
Other liabilities	34,344	1,964
Loss (Gain) on sale of tangible capital asset	(4,574)	(22,714)
Loss (Gain) on sale of real estate held for sale	(21,823)	-
Amortization	1,643,371	1,635,678
Cash provided by operating transactions	<u>1,800,876</u>	<u>5,160,057</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	6,843	105,672
Cash used to acquire tangible capital assets	<u>(996,628)</u>	<u>(2,872,475)</u>
Cash applied to capital transactions	<u>(989,785)</u>	<u>(2,766,803)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	86,932	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	<u>86,932</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	3,500,000	7,313,096
Debt repayment	(537,758)	(343,543)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>2,962,242</u>	<u>6,969,553</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>3,860,265</u>	<u>9,362,807</u>
CASH AND TEMPORARY INVESTMENTS (BANK INDEBTEDNESS), BEGINNING OF YEAR	(6,705,012)	(16,075,897)
CORRECTION OF AN ERROR (Note 19)	<u>(4,601)</u>	<u>3,477</u>
AS RESTATED	<u>(6,709,613)</u>	<u>(16,072,420)</u>
CASH AND TEMPORARY INVESTMENTS (BANK INDEBTEDNESS), END OF YEAR	<u><u>\$ (2,849,348)</u></u>	<u><u>\$ (6,709,613)</u></u>
REPRESENTED BY:		
CASH AND TEMPORARY INVESTMENTS	739,161	641,014
TEMPORARY BORROWING	<u>(3,588,509)</u>	<u>(7,350,627)</u>
	<u><u>\$ (2,849,348)</u></u>	<u><u>\$ (6,709,613)</u></u>

The accompanying notes are an integral part of this financial statement

1. Status of the Rural Municipality of St. Clements

The incorporated Rural Municipality of St. Clements is a municipality that was formed in 1884 pursuant to The Municipal Act. The municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The municipality also owns two utilities, has several designated special purpose reserves and provide 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 public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. There are no controlled organizations included in these consolidated financial statements.

The Municipality has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Red River Planning District (18.75%) (2016 - 18.75%)
Selkirk Weed Control District (38%) (2016 - 38%)
North Red Community Water Maintenance (33.3%) (2016 - 33.3%)
Gaynor Family Regional Library (25%) (2016 - 25%)
Red River North Flood Consortium (20%) (2016 - 20%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) 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.

h) 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
Leasehold improvements	Life of lease
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
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 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.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) 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.

k) 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.

l) 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.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2017	2016
		(Note 19)
Cash	\$ 739,161	\$ 641,014
Temporary investments	-	-
	<u>\$ 739,161</u>	<u>\$ 641,014</u>

The Municipality has designated \$2,700,018 (2016 \$2,304,325) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has access to a line of credit as disclosed in Note 6.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2017	2016
		(Note 19)
Taxes on roll (Schedule 11)	\$ 1,687,871	\$ 1,492,405
Government grants	1,716,254	1,634,113
Utility customers	128,153	122,286
Accrued interest	-	-
Organizations and individuals	585,194	1,837,052
Other governments	137,730	161,796
	<u>4,255,202</u>	<u>5,247,652</u>
Less allowances for doubtful amounts	<u>(260,156)</u>	<u>(232,157)</u>
	<u>\$ 3,995,046</u>	<u>\$ 5,015,495</u>

5. Inventories

Inventories for sale:

	<u>2017</u>	<u>2016</u>
Sunset Bay lots	\$ 725,000	\$ 725,000

Inventories for use:

	<u>2017</u>	<u>2016</u>
Fuel	\$ 12,761	\$ 4,599
Aggregate	1,200	1,200
Supplies	2,362	3,507
	<u>\$ 16,323</u>	<u>\$ 9,306</u>
	<u>\$ 741,323</u>	<u>\$ 734,306</u>

6. Temporary Borrowings

	<u>2017</u>	<u>2016</u>
Line of credit with Sunova Credit Union, \$6,799,000 available, interest rate 2.45%	\$ 3,588,508	\$ 7,350,627

7. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 85,378	(Note 19) \$ 1,087,513
Accrued expenses	136,018	315,552
Accrued interest payable	-	-
School levies	-	-
Other governments	46,550	105,163
	<u>\$ 267,946</u>	<u>\$ 1,508,228</u>

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating Class 1 landfill sites in the Municipality. 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.

	2017	2016
Landfill Cell A - Opened 1997		
Estimated closure and post closure costs	<u>\$ 1,141,024</u>	<u>\$ 1,338,700</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 688,398</u>	<u>\$ 836,554</u>
Expected year capacity will be reached	2018	2018
Capacity (disclose in tonnes):		
Used to date	475,000	454,000
Remaining	25,000	46,000
Total	500,000	500,000
Percent utilized	<u>95.00%</u>	<u>90.80%</u>
Liability based on percentage	<u>\$ 653,978</u>	<u>\$ 752,899</u>
Landfill Cell B - Opened 2009		
Estimated closure and post closure costs	<u>\$ 963,913</u>	<u>\$ 1,242,700</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 414,139</u>	<u>\$ 723,133</u>
Expected year capacity will be reached	2027	2018
Capacity (disclose in tonnes, volume, acreage, or years):		
Used to date	471,600	212,300
Remaining	78,400	337,700
Total	550,000	550,000
Percent utilized	<u>85.75%</u>	<u>38.60%</u>
Liability based on percentage	<u>\$ 355,105</u>	<u>\$ 273,237</u>
Total liability	<u>\$ 1,009,083</u>	<u>\$ 1,026,136</u>

b) Closed Landfill Site(s)

Legislation requires the Municipality to monitor its closed landfill site(s). Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports. As at December 31, 2017, there are no closed landfill sites.

9. Long Term Debt

	<u>2017</u>	<u>2016</u> (Note 19)
General Authority:		
Debenture for Heritage Centre, interest at 3.05%, payable at \$58,764 annually including interest, maturing 2022	\$ 268,742	\$ 317,814
Debenture for Roxanne Shoreline, interest at 3.50%, payable at \$5,383 annually including interest, maturing 2034	<u>68,099</u>	<u>70,997</u>
	<u>\$ 336,841</u>	<u>\$ 388,811</u>
Utility Funds:		
Debenture for sewer treatment, interest at 7.00%, payable at \$12,049 annually including interest, maturing 2018	\$ 11,260	\$ 21,784
Debenture for Low pressure sewer system, interest at 3.50%, payable at \$117,623 annually including interest, maturing 2034	1,488,090	1,551,414
Debenture for Low pressure sewer system, interest at 3.69%, payable at \$38,179 annually including interest, maturing 2035	495,725	514,904
Debenture for Low pressure sewer system, interest at 3.69%, payable at \$184,857 annually including interest, maturing 2035	2,400,247	2,493,108
Debenture for Low pressure sewer system, interest at 3.69%, payable at \$116,606 annually including interest, maturing 2035	1,514,047	1,572,623
Debenture for Low pressure sewer system, interest at 3.69%, payable at \$90,018 annually including interest, maturing 2036	2,375,323	2,503,719
Debenture for Low pressure sewer system, interest at 4.25%, payable at \$263,269 annually including interest, maturing 2036	<u>3,385,480</u>	<u>-</u>
	<u>\$ 11,670,172</u>	<u>\$ 8,657,552</u>
Government Partnerships:		
Commercial line of credit with Sunova Credit Union, bears interest at prime. Interest is charged monthly and is secured by a general security agreement	\$ 272,880	271,288
	<u>\$ 12,279,893</u>	<u>\$ 9,317,651</u>

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

2018	\$ 942,112
2019	\$ 971,553
2020	\$ 1,014,477
2021	\$ 1,059,752
2022	\$ 1,107,516

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 required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees are expected to be \$142,951 (2016 - \$144,376) 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 \$246.8 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, 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.

13. Accumulated Surplus

	2017	2016
Accumulated surplus consists of the following:		(Note 19)
General operating fund - Nominal surplus	\$ (1,036,053)	\$ (1,107,023)
Utility operating fund(s) - Nominal surplus	(2,338,783)	(5,782,158)
TCA net of related borrowings	36,023,762	39,615,963
Reserve funds	2,664,544	2,304,325
Accumulated surplus of municipality unconsolidated	35,313,470	35,031,107
Accumulated surpluses of consolidated entities	1,221,273	1,118,007
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 36,534,743</u>	<u>\$ 36,149,114</u>

14. 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 \$322,542 in aggregate.

b) There were 3 members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Deborah Fiebelkom	\$ 43,242	\$ 14,865	\$ 58,107
Deputy Mayor - Kenneth Thomas	33,925	15,633	49,558
Councillor - David Sutherland	30,643	8,068	38,711
Councillor - Ray Frey	32,774	12,941	45,715
Councillor - Glen Basarowich	36,502	14,928	51,430
Councillor - Gerald Drobot	36,081	15,800	51,881
Councillor - Robert Belanger	22,391	4,749	27,140
	<u>\$ 235,558</u>	<u>\$ 86,984</u>	<u>\$ 322,542</u>

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

Name	Position	Amount
D.J. Sigmundson	CAO	\$ 142,800
Gregory Elson	Director of Public Works	\$ 95,558
Darren Otto	Public Works Lead Hand	\$ 95,070
Colleen Sailor	Assistant CAO	\$ 84,334
Ken Sims	Director of Protective Services	\$ 77,454
Peter Danchuk	Utility Operator / PWKS	\$ 74,284
Shannon Plischke	Finance Officer	\$ 61,933
Heather Stanik	Office Supervisor	\$ 61,933
Christopher Sokolowski	Public Works Operator	\$ 60,299
Kevin Grabowski	Project Coordinator PWKS	\$ 60,075
Mark Chuhie	Public Works Operator	\$ 55,472
Raymond Knott	Public Works Operator	\$ 55,016
Dustin Sinclair	Public Works Operator	\$ 54,870
Gary Smith	Public Works Operator	\$ 53,700
Dale Kulikowski	Public Works Operator	\$ 50,570

15. Segmented Information

The Rural Municipality of St. Clements provides a wide ranges of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

16. Government Partnerships

The municipality has several partnership agreements for municipal services. The consolidated financial statements include the municipality's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2017	2016
Financial Position		
Financial assets	\$ 955,205	\$ 868,931
Financial liabilities	329,727	362,460
Net financial assets (liabilities)	625,478	506,471
Non-financial assets	595,795	611,536
Accumulated surplus	\$ 1,221,273	\$ 1,118,007
Result of Operations		
Revenues	\$ 1,076,403	\$ 955,274
Expenses	973,137	935,043
Annual surplus	103,266	20,231
Elimination of revenues(expenses) upon consolidation	49,707	49,580
Consolidated annual surplus (deficit)	\$ 53,559	\$ (29,349)

17. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of 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:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
East Selkirk	\$ 2,444,593	\$ -	\$ 50,719	\$ 2,393,874
	<u>\$ 2,444,593</u>	<u>\$ -</u>	<u>\$ 50,719</u>	<u>\$ 2,393,874</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
East Selkirk	\$ 2,444,593	\$ -	\$ 50,719	\$ 2,393,874
Henderson	3,839,826	-	79,996	3,759,830
	<u>\$ 6,284,419</u>	<u>\$ -</u>	<u>\$ 130,715</u>	<u>\$ 6,153,704</u>

18. Comparative Figures

Some of the comparative figures have been reclassified to conform with the current year's presentation.

19. Correction of an Error

During the year, it was identified that the Gaynor Family Regional Library and Selkirk and District Planning Area Board had been consolidated at the incorrect percentage. Due to this, cash decreased by \$4,684, accounts receivable decreased by \$843, tangible capital assets decreased by \$52,820, prepaid expenses decreased by \$63, accounts payable and accrued liabilities decreased by \$834, deposits and other liabilities decreased by \$574, long-term debt decreased by \$32,555, revenues increased by \$20,447, expenses increased by \$21,241 and opening accumulated surplus decreased by \$23,653 for the year ended December 31, 2016.

In previous years, grants received were incorrectly recorded as deferred revenues. Due to this, deferred revenue decreased by \$813,732, revenues increased by \$481,832 and opening accumulated surplus increased by \$331,900 for the year ended December 31, 2016.

During the year, the annual audit of the Red River North Flood Consortium Inc. had various adjustments to previous year's numbers. Due to this, cash increased by \$83, accounts receivable increased by \$25, accounts payable and accrued liabilities increased by \$565, prepaid expenses increased by \$188, revenues increased by \$7, expenses increased by \$503 and opening accumulated surplus increased by \$227 for the year ended December 31, 2016.

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2017

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2017	2016 (Note 19)
Cost										
Opening costs	\$ 4,337,989	\$ 8,137,331	\$ 7,525,812	\$ 124,347	\$ 185,597	\$ 30,525,641	\$ 27,851,796	\$ -	\$ 78,688,513	\$ 76,116,566
Additions during the year	589,661	41,599	211,342	6,073	59,986	-	56,627	31,340	996,628	2,872,475
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	(1,405)	(82,795)	(468)	-	-	-	-	(84,668)	(300,528)
Closing costs	4,927,650	8,177,525	7,654,359	129,952	245,583	30,525,641	27,908,423	31,340	79,600,473	78,688,513
Accumulated Amortization										
Opening accum'd amortization	586,745	1,979,352	4,303,806	101,470	-	20,632,374	1,817,021	-	29,420,768	28,002,658
Amortization	90,099	166,679	398,640	10,350	-	365,995	611,608	-	1,643,371	1,635,678
Disposals and write downs	-	(1,405)	(80,575)	(415)	-	-	-	-	(82,395)	(217,568)
Closing accum'd amortization	676,844	2,144,626	4,621,871	111,405	-	20,998,369	2,428,629	-	30,981,744	29,420,768
Net Book Value of Tangible Capital Assets	\$ 4,250,806	\$ 6,032,899	\$ 3,032,488	\$ 18,547	\$ 245,583	\$ 9,527,272	\$ 25,479,794	\$ 31,340	\$ 48,618,729	\$ 49,267,745

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2017

SCHEDULE 2

	2017 Actual	2016 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 7,135,887	\$ 6,674,014
Taxes added	141,696	133,574
	<u>7,277,583</u>	<u>6,807,588</u>
Grants in lieu of taxation:		
Federal government	11,397	12,751
Federal government enterprises	1,012	1,510
Provincial government	19,351	24,677
Provincial government enterprises	178,591	158,325
Other municipal governments	-	-
Non-government organizations	-	-
	<u>210,351</u>	<u>197,263</u>
User fees		
Parking meters	-	-
Sales of service	1,180,556	1,005,200
Sales of goods	-	-
Rentals	200,921	197,507
Development charges	55,000	135,250
Facility use fees	-	-
	<u>1,436,477</u>	<u>1,337,957</u>
Permits, licences and fines		
Permits	346,988	232,845
Licences	14,614	12,685
Fees	-	-
Fines	6,200	-
	<u>367,802</u>	<u>245,530</u>
Investment income:		
Cash and temporary investments	72,170	114,008
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>72,170</u>	<u>114,008</u>
Other revenue:		
Gain on sale of tangible capital assets	4,574	22,714
Gain on sale of real estate held for sale	21,823	-
Contributed assets	-	-
Penalties and interest	212,995	184,649
Miscellaneous (specify):		
Recoveries	33,408	62,032
Donations	3,395	-
Other revenue	60,530	41,610
	<u>336,725</u>	<u>311,005</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	440,190	2,058,106
Consolidated water co-operatives	-	-
	<u>440,190</u>	<u>2,058,106</u>
Grants - Province of Manitoba		
Municipal operating grants	562,750	573,763
Other unconditional grants	-	-
Conditional grants	617,130	765,044
	<u>1,179,880</u>	<u>1,338,807</u>
Grants - other		
Federal government - gas tax funding	574,227	567,335
Federal government - other	-	196,042
Other municipal governments	139,525	137,006
	<u>713,752</u>	<u>900,383</u>
Total revenue	<u>\$ 12,034,930</u>	<u>\$ 13,310,647</u>

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 322,542	\$ 297,705
General administrative	1,142,101	1,187,505
Other	486,715	444,437
	<u>1,951,358</u>	<u>1,929,647</u>
Protective services:		
Police	166,083	139,546
Fire	632,788	534,036
Emergency measures	104,004	84,708
Other	679,349	658,544
	<u>1,582,224</u>	<u>1,416,834</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	4,760,802	3,975,165
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	7,268	-
Street lighting	53,498	58,792
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>4,821,568</u>	<u>4,033,957</u>
Environmental health services:		
Waste collection and disposal	885,026	1,213,547
Recycling	-	-
Other	-	-
	<u>885,026</u>	<u>1,213,547</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	48,061	48,061
Other	2,424	-
	<u>50,485</u>	<u>48,061</u>
Regional planning and development		
Planning and zoning	395,908	381,876
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	31,904	30,949
	<u>427,812</u>	<u>412,825</u>
Resource conservation and industrial development		
Rural area weed control	127,695	124,420
Natural resources	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	21,198	-
Industrial development	-	-
Tourism	11,502	8,923
Other	3,000	3,000
	<u>163,395</u>	<u>136,343</u>
Sub-totals forward	<u>\$ 9,881,868</u>	<u>\$ 9,191,214</u>

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
Sub-totals forward	\$ 9,881,868	\$ 9,191,214
Recreation and cultural services:		
Administration	-	-
Community centers and halls	107,812	107,812
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	-	-
Other recreational facilities	100,436	102,787
Museums	-	-
Libraries	264,113	270,138
Other cultural facilities	-	-
	<u>472,361</u>	<u>480,737</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	1,295,072	1,275,360
Consolidated water co-operatives	-	-
	<u>1,295,072</u>	<u>1,275,360</u>
Total expenses	<u>\$ 11,649,301</u>	<u>\$ 10,947,311</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2017

	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	\$ 6,476,487	\$ 6,383,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	210,351	197,263	-	-	-	-	-	-	-	-
User fees	167,934	167,410	450,374	444,892	16,551	14,688	670,783	491,955	-	-
Grants - other	575,665	762,458	1,691	-	-	-	-	-	-	-
Permits, licences and fines	29,089	21,135	-	-	-	-	-	-	-	-
Investment income	63,530	105,722	4,993	4,737	-	-	-	-	-	-
Other revenue	321,662	286,136	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	562,750	573,763	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	43,064	42,863	69,229	261,884	400,000	378,868	-	-	-	-
Total revenue	\$ 8,450,532	\$ 8,540,514	\$ 526,287	\$ 711,513	\$ 416,551	\$ 393,556	\$ 670,783	\$ 491,955	\$ -	\$ -
EXPENSES										
Personnel services	\$ 1,059,506	\$ 951,822	\$ 508,089	\$ 691,543	\$ 1,167,168	\$ 1,160,250	\$ 284,235	\$ 310,466	\$ -	\$ -
Contract services	446,184	563,396	376,343	297,826	2,462,365	1,227,540	326,086	653,384	-	-
Utilities	35,014	33,399	45,882	47,402	100,884	91,029	4,718	1,786	-	-
Maintenance materials and supplies	43,062	91,204	384,079	121,487	508,173	994,603	218,044	197,332	-	-
Grants and contributions	107,897	137,330	1,691	5,000	-	-	-	-	48,061	48,061
Amortization	13,923	11,454	236,267	253,576	580,281	560,535	51,943	50,579	-	-
Interest on long term debt	69,121	7,369	-	-	-	-	-	-	-	-
Other	176,651	133,673	29,873	-	2,697	-	-	-	2,424	-
Total expenses	\$ 1,951,358	\$ 1,929,647	\$ 1,582,224	\$ 1,416,834	\$ 4,821,568	\$ 4,033,957	\$ 885,026	\$ 1,213,547	\$ 50,485	\$ 48,061
Surplus (Deficit)	\$ 6,499,174	\$ 6,610,867	\$ (1,055,937)	\$ (705,321)	\$ (4,405,017)	\$ (3,640,401)	\$ (214,243)	\$ (721,592)	\$ (50,485)	\$ (48,061)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2017

	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	2017	2016
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 801,096	\$ 423,824	\$ 7,277,583	\$ 6,807,588
Grants in lieu of taxation	-	-	-	-	-	-	-	-	210,351	197,263
User fees	80,928	158,406	35,916	50,234	13,991	10,372	-	-	1,436,477	1,337,957
Grants - other	35,514	34,480	30,814	29,830	70,068	68,324	-	5,291	713,752	900,383
Permits, licences and fines	338,713	224,395	-	-	-	-	-	-	367,802	245,530
Investment income	3,253	2,302	394	545	-	702	-	-	72,170	114,008
Other revenue	978	3,603	4,561	4,603	9,524	16,663	-	-	336,725	311,005
Water and sewer	-	-	-	-	-	-	440,190	2,058,106	440,190	2,058,106
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	562,750	573,763
Prov of MB - Conditional Grants	-	-	-	-	104,837	81,429	-	-	617,130	765,044
Total revenue	\$ 459,386	\$ 423,186	\$ 71,685	\$ 85,212	\$ 198,420	\$ 177,490	\$ 1,241,286	\$ 2,487,221	\$ 12,034,930	\$ 13,310,647
EXPENSES										
Personnel services	\$ 228,876	\$ 194,338	\$ 66,314	\$ 48,894	\$ 168,443	\$ 153,608	\$ 43,129	\$ 45,679	\$ 3,525,760	\$ 3,556,600
Contract services	69,021	85,963	19,782	9,520	14,100	67,105	62,762	301,477	3,776,643	3,206,211
Utilities	18,493	3,272	546	680	7,601	19,965	63,569	68,543	276,707	266,076
Maintenance materials and supplies	33,167	33,358	29,602	25,160	42,604	32,924	79,548	17,992	1,338,279	1,514,060
Grants and contributions	52,178	48,187	27,490	25,845	127,172	90,297	-	-	364,489	354,720
Amortization	17,806	17,777	19,371	16,816	112,172	114,066	611,608	610,881	1,643,371	1,635,684
Interest on long term debt	7,919	-	-	11	-	-	434,456	230,788	511,496	238,168
Other	352	29,930	290	9,417	269	2,772	-	-	212,556	175,792
Total expenses	\$ 427,812	\$ 412,825	\$ 163,395	\$ 136,343	\$ 472,361	\$ 480,737	\$ 1,295,072	\$ 1,275,360	\$ 11,649,301	\$ 10,947,311
Surplus (Deficit)	\$ 31,574	\$ 10,361	\$ (91,710)	\$ (51,131)	\$ (273,941)	\$ (303,247)	\$ (53,786)	\$ 1,211,861	\$ 385,629	\$ 2,363,336

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Property taxes	\$ 7,277,583	\$ 6,807,588	\$ -	\$ -	\$ -	\$ -	\$ 7,277,583	\$ 6,807,588
Grants in lieu of taxation	210,351	197,263	-	-	-	-	210,351	197,263
User fees	984,909	894,726	-	-	451,568	443,231	1,436,477	1,337,957
Grants - other	575,665	764,528	-	-	138,087	135,855	713,752	900,383
Permits, licences and fines	29,089	21,135	-	-	338,713	224,395	367,802	245,530
Investment income	63,530	105,722	-	-	8,640	8,286	72,170	114,008
Other revenue	321,662	293,253	-	-	15,063	17,752	336,725	311,005
Water and sewer	440,190	2,058,106	-	-	-	-	440,190	2,058,106
Prov of MB - Unconditional Grants	562,750	573,763	-	-	-	-	562,750	573,763
Prov of MB - Conditional Grants	542,503	687,865	-	-	74,627	77,179	617,130	765,044
Total revenue	\$ 11,008,232	\$ 12,403,949	\$ -	\$ -	\$ 1,026,698	\$ 906,698	\$ 12,034,930	\$ 13,310,647
EXPENSES								
Personnel services	\$ 2,987,871	\$ 3,066,382	\$ -	\$ -	\$ 537,889	\$ 490,218	\$ 3,525,760	\$ 3,556,600
Contract services	3,634,415	3,046,544	-	-	142,228	159,667	3,776,643	3,206,211
Utilities	265,260	253,705	-	-	11,447	12,371	276,707	266,076
Maintenance materials and supplies	1,126,792	1,307,447	-	-	211,487	206,613	1,338,279	1,514,060
Grants and contributions	364,365	354,596	-	-	124	124	364,489	354,720
Amortization	1,598,128	1,576,758	-	-	45,243	58,926	1,643,371	1,635,684
Interest on long term debt	503,577	230,930	-	-	7,919	7,238	511,496	238,168
Other	195,754	174,902	-	-	16,802	890	212,556	175,792
Total expenses	\$ 10,676,162	\$ 10,011,264	\$ -	\$ -	\$ 973,139	\$ 936,047	\$ 11,649,301	\$ 10,947,311
Surplus (Deficit)	\$ 332,070	\$ 2,392,685	\$ -	\$ -	\$ 53,559	\$ (29,349)	\$ 385,629	\$ 2,363,336

Rural Municipality of St. Clements

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

SCHEDULE 6

	2017								
	Capital Improvements	Election	Nuisance Grounds	Bridge Repair	Public Works	Fire	Police	Environment	Gas Tax
REVENUE									
Investment income	\$ 343	\$ 308	\$ -	\$ 2,156	\$ 515	\$ 6,450	\$ -	\$ 1,753	\$ 9,291
Other income	-	-	-	-	-	-	-	-	-
Total revenue	343	308	-	2,156	515	6,450	-	1,753	9,291
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	343	308	-	2,156	515	6,450	-	1,753	9,291
TRANSFERS									
Transfers from general operating fund	151,323	7,000	-	100,000	383,740	141,693	-	6,000	574,227
Transfers to general operating fund	-	-	-	(87,599)	-	-	-	-	(209,164)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-
Transfers from reserve fund	3,039	-	-	-	-	-	-	-	-
Transfers to reserve fund	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(53,486)	-	-	-	(144,319)	(45,249)	-	-	(589,981)
CHANGE IN RESERVE FUND BALANCES	101,219	7,308	-	14,557	239,936	102,894	-	7,753	(215,627)
FUND SURPLUS, BEGINNING OF YEAR	1,758	15,599	-	105,046	-	378,423	-	102,763	801,244
FUND SURPLUS, END OF YEAR	\$ 102,977	\$ 22,907	\$ -	\$ 119,603	\$ 239,936	\$ 481,317	\$ -	\$ 110,516	\$ 585,617

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	2017							2016
	Recreation and Culture	Office Building	Road Reserve	Utility Expansion	East Selkirk Water	Lockport Utility	Sunset Utility	Total
REVENUE								
Investment income	\$ 241	\$ 590	\$ 9,899	\$ 4,334	\$ 1,682	\$ 1,417	\$ 704	\$ 39,683
Other income	-	-	-	-	-	-	-	-
Total revenue	241	590	9,899	4,334	1,682	1,417	704	39,683
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	241	590	9,899	4,334	1,682	1,417	704	39,683
TRANSFERS								
Transfers from general operating fund	6,000	30,000	754,965	-	-	-	-	2,154,948
Transfers to general operating fund	-	-	(697,816)	-	-	-	-	(994,579)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	24,360	40,623	9,590	74,573
Transfers to utility operating fund	-	-	-	-	(35,474)	-	-	(35,474)
Transfers from reserve fund	-	-	-	-	-	-	-	3,039
Transfers to reserve fund	-	-	(3,039)	-	-	-	-	(3,039)
Acquisition of tangible capital assets	-	(45,897)	-	-	-	-	-	(878,932)
CHANGE IN RESERVE FUND BALANCES	6,241	(15,307)	64,009	4,334	(9,432)	42,040	10,294	360,219
FUND SURPLUS, BEGINNING OF YEAR	10,742	52,368	349,883	263,109	99,647	81,959	41,784	2,304,325
FUND SURPLUS, END OF YEAR	\$ 16,983	\$ 37,061	\$ 413,892	\$ 267,443	\$ 90,215	\$ 123,999	\$ 52,078	\$ 2,664,544

SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.

For the Year Ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
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	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

As at December 31, 2017

	2017				2016
	Lockport	East Selkirk	Sunset	Total	Total
FINANCIAL ASSETS					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	27,127	85,153	15,873	128,153	577,119
Portfolio investments	-	-	-	-	-
Due from other funds	-	-	238,030	238,030	214,947
	<u>\$ 27,127</u>	<u>\$ 85,153</u>	<u>\$ 253,903</u>	<u>\$ 366,183</u>	<u>\$ 792,066</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 2,733
Connection deposits	17,136	-	-	17,136	17,136
Long-term debt (Note 9)	506,985	9,675,097	1,488,090	11,670,172	8,657,552
Due to other funds	509,047	2,178,783	-	2,687,830	6,554,355
	<u>1,033,168</u>	<u>11,853,880</u>	<u>1,488,090</u>	<u>14,375,138</u>	<u>15,231,776</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,006,041)</u>	<u>\$ (11,768,727)</u>	<u>\$ (1,234,187)</u>	<u>\$ (14,008,955)</u>	<u>\$ (14,439,710)</u>
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	\$ 7,349,731	\$ 16,679,099	\$ 1,482,304	\$ 25,511,134	\$ 26,034,776
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
	<u>7,349,731</u>	<u>16,679,099</u>	<u>1,482,304</u>	<u>25,511,134</u>	<u>26,034,776</u>
FUND SURPLUS (DEFICIT)	<u>\$ 6,343,690</u>	<u>\$ 4,910,372</u>	<u>\$ 248,117</u>	<u>\$ 11,502,179</u>	<u>\$ 11,595,066</u>

SCHEDULE OF UTILITY OPERATIONS - Lockport

For the Year Ended December 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	75,240	110,974	87,577
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>75,240</u>	<u>110,974</u>	<u>87,577</u>
Property taxes	<u>100,228</u>	<u>81,568</u>	<u>46,992</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Prepaid LID	-	-	292,100
Other income	-	2,733	-
sub-total- other	<u>-</u>	<u>2,733</u>	<u>292,100</u>
Total revenue	<u>\$ 175,468</u>	<u>\$ 195,275</u>	<u>\$ 426,669</u>

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Lockport
For the Year Ended December 31, 2017

SCHEDULE 9

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
EXPENSES			
General			
Administration	\$ 4,000	\$ 1,829	\$ 17,463
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>4,000</u>	<u>1,829</u>	<u>17,463</u>
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Collection system costs	3,500	1,800	18,412
Treatment and disposal cost	33,100	62,240	55,856
Lift Station costs	2,000	7,215	15,413
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>38,600</u>	<u>71,255</u>	<u>89,681</u>
Sewage Amortization & Interest			
Amortization	-	187,640	187,426
Interest on long term debt	50,228	20,525	18,660
sub-total- sewer amortization & interest	<u>50,228</u>	<u>208,165</u>	<u>206,086</u>
Total expenses	<u>\$ 92,828</u>	<u>\$ 281,249</u>	<u>\$ 313,230</u>
NET OPERATING SURPLUS	82,640	(85,974)	113,439
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) capital fund	(50,000)	-	-
Transfers from (to) reserve funds	<u>(32,640)</u>	<u>(40,623)</u>	<u>19,568</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>(126,597)</u>	<u>133,007</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>6,470,287</u>	<u>6,337,280</u>
FUND SURPLUS, END OF YEAR		<u><u>\$ 6,343,690</u></u>	<u><u>\$ 6,470,287</u></u>

SCHEDULE OF UTILITY OPERATIONS - East Selkirk

For the Year Ended December 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Water			
Water fees	\$ 269,120	\$ 135,530	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>269,120</u>	<u>135,530</u>	<u>-</u>
Sewer			
Sewer fees	42,973	37,186	179,520
Lagoon tipping fees	70,000	111,790	102,690
sub-total- sewer	<u>112,973</u>	<u>148,976</u>	<u>282,210</u>
Property taxes	<u>676,211</u>	<u>601,905</u>	<u>259,209</u>
Government transfers			
Operating	-	-	-
Capital	-	-	5,291
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>5,291</u>
Other			
Hydrant rentals	12,200	12,200	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	904	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	2,500	173	-
Gain on sale of tangible capital assets	-	-	-
Prepaid LID	-	-	1,372,389
Other income	67,778	-	-
sub-total- other	<u>82,478</u>	<u>13,277</u>	<u>1,372,389</u>
Total revenue	<u>\$ 1,140,782</u>	<u>\$ 899,688</u>	<u>\$ 1,919,099</u>

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS (cont'd) - East Selkirk
For the Year Ended December 31, 2017

SCHEDULE 9

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
EXPENSES			
General			
Administration	\$ 31,827	\$ 1,254	\$ 1,275
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>31,827</u>	<u>1,254</u>	<u>1,275</u>
Water General			
Purification and treatment	92,549	42,570	35,308
Water purchases	-	-	-
Transmission and distribution	6,365	9,847	148,033
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>98,914</u>	<u>52,417</u>	<u>183,341</u>
Water Amortization & Interest			
Amortization	-	285,946	285,434
Interest on long term debt	849,771	99,726	155,687
sub-total- water amortization & interest	<u>849,771</u>	<u>385,672</u>	<u>441,121</u>
Sewer General			
Collection system costs	50,923	41,062	107,822
Treatment and disposal cost	70,019	56,345	25,405
Lift Station costs	6,365	5,740	7,526
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>127,307</u>	<u>103,147</u>	<u>140,753</u>
Sewage Amortization & Interest			
Amortization	-	106,603	106,603
Interest on long term debt	-	259,905	-
sub-total- sewer amortization & interest	<u>-</u>	<u>366,508</u>	<u>106,603</u>
Total expenses	<u>\$ 1,107,819</u>	<u>\$ 908,998</u>	<u>\$ 873,093</u>
NET OPERATING SURPLUS	32,963	(9,310)	1,046,006
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) capital fund	(25,463)	-	-
Transfers from (to) reserve funds	<u>(7,500)</u>	<u>11,114</u>	<u>139,883</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	1,804	1,185,889
FUND SURPLUS, BEGINNING OF YEAR		<u>4,908,568</u>	<u>3,722,679</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,910,372</u>	<u>\$ 4,908,568</u>

Rural Municipality of St. Clements

SCHEDULE OF UTILITY OPERATIONS - Sunset

For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
Sewer			
Sewer fees	21,913	21,745	23,830
Lagoon tipping fees	-	6,764	-
sub-total- sewer	21,913	28,509	23,830
Property taxes	144,597	117,623	117,623
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	193	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	-	-
sub-total- other	-	193	-
Total revenue	\$ 166,510	\$ 146,325	\$ 141,453

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Sunset
For the Year Ended December 31, 2017

SCHEDULE 9

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
EXPENSES			
General			
Administration	\$ 6,985	\$ 5,011	\$ 100
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>6,985</u>	<u>5,011</u>	<u>100</u>
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Collection system costs	-	609	628
Treatment and disposal cost	23,340	12,994	-
Lift Station costs	12,731	463	450
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	3,607	35	-
sub-total- sewer general	<u>39,678</u>	<u>14,101</u>	<u>1,078</u>
Sewage Amortization & Interest			
Amortization	-	31,418	31,418
Interest on long term debt	117,847	54,299	56,441
sub-total- sewer amortization & interest	<u>117,847</u>	<u>85,717</u>	<u>87,859</u>
Total expenses	<u>\$ 164,510</u>	<u>\$ 104,829</u>	<u>\$ 89,037</u>
NET OPERATING SURPLUS	2,000	41,496	52,416
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) capital fund	-	-	-
Transfers from (to) reserve funds	<u>(2,000)</u>	<u>(9,590)</u>	<u>(22,652)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	31,906	29,764
FUND SURPLUS, BEGINNING OF YEAR		<u>216,211</u>	<u>186,447</u>
FUND SURPLUS, END OF YEAR		<u><u>\$ 248,117</u></u>	<u><u>\$ 216,211</u></u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 7,344,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,344,350
Grants in lieu of taxation	210,351	-	-	-	-	-	-	210,351
User fees	926,180	-	-	-	-	-	13,627	939,807
Permits, licences and fines	191,900	-	-	-	-	-	257,138	449,038
Investment income	-	-	-	-	-	-	2,318	2,318
Other revenue	148,785	-	-	-	-	-	1,969	150,754
Water and sewer	-	561,724	-	-	-	-	-	561,724
Grants - Province of Manitoba	1,065,763	-	-	-	-	-	-	1,065,763
Grants - other	567,335	-	-	-	-	-	35,514	602,849
Transfers from revenue fund	-	921,036	-	-	(921,036)	-	-	-
Transfers from utility	193,994	-	-	-	(193,994)	-	-	-
Transfers from reserves	1,453,824	-	-	-	(1,453,824)	-	-	-
Total revenue	<u>\$ 12,102,482</u>	<u>\$ 1,482,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,568,854)</u>	<u>\$ -</u>	<u>\$ 310,566</u>	<u>\$ 11,326,954</u>
EXPENSES								
General government services	\$ 1,671,268	\$ -	\$ 13,923	\$ 12,178	\$ 28,000	\$ -	\$ -	\$ 1,725,369
Protective services	1,012,979	-	232,561	-	-	-	-	1,245,540
Transportation services	4,950,839	-	580,281	-	-	-	-	5,531,120
Environmental health services	1,104,523	-	51,943	-	-	-	-	1,156,466
Public health and welfare services	48,061	-	-	-	-	-	-	48,061
Regional planning and development	65,000	-	17,806	-	-	-	-	82,806
Resource cons and industrial dev	92,320	-	19,371	-	-	-	-	111,691
Recreation and cultural services	304,500	-	107,812	-	-	-	339,458	751,770
Water and sewer services	-	347,311	611,607	398,983	-	-	-	1,357,901
Fiscal services:								
Transfer to capital	-	75,463	-	-	(75,463)	-	-	-
Transfer to utility	819,757	-	-	-	(819,757)	-	-	-
Debt charges	64,148	1,017,846	-	(411,161)	(670,833)	-	-	-
Short term interest	46,787	-	-	-	(46,787)	-	-	-
Transfer to reserves	1,894,300	42,140	-	-	(1,936,440)	-	-	-
Allowance for tax assets	28,000	-	-	-	(28,000)	-	-	-
Total expenses	<u>\$ 12,102,482</u>	<u>\$ 1,482,760</u>	<u>\$ 1,635,304</u>	<u>\$ -</u>	<u>\$ (3,549,280)</u>	<u>\$ -</u>	<u>\$ 339,458</u>	<u>\$ 12,010,724</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,635,304)</u>	<u>\$ -</u>	<u>\$ 980,426</u>	<u>\$ -</u>	<u>\$ (28,892)</u>	<u>\$ (683,770)</u>

Rural Municipality of St. Clements
 ANALYSIS OF TAXES ON ROLL
 December 31, 2017

SCHEDULE 11

	2017	2016
Balance, beginning of year	\$ 1,492,405	\$ 1,506,919
Add:		
Tax levy (Schedule 12)	17,470,309	16,535,430
Taxes added	141,696	133,574
Penalties or interest	206,895	184,098
Other accounts added	-	5,196
Refunds and discounts	-	-
Tax Adjustments (specify)	-	-
Sub-total	17,818,900	16,858,298
Deduct:		
Cash collections - current	14,357,483	14,629,970
Cash collections - arrears	1,033,666	-
Write-offs	-	10,940
Tax discounts	641	-
E.P.T.C. - cash advance	2,231,644	2,231,902
Other credits (specify)	-	-
Sub-total	17,623,434	16,872,812
Balance, end of year	\$ 1,687,871	\$ 1,492,405

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2017

	2017			2016
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	\$ -	\$ -	\$ -
Name of LUD	\$ -	\$ -	-	-
Name of LUD	\$ -	\$ -	-	-
sub-total- L.U.D.			-	-
Debt charges:				
Frontage	\$ -	\$ -	358,091	338,613
ES Lagoon	\$ 720,608,710	\$ 0.322	232,036	-
At large	\$ 720,608,710	\$ 0.079	56,928	56,910
sub-total- Debt charges			647,055	395,523
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Roads	\$ 720,608,710	\$ 1.000	720,609	711,374
Name of reserve	\$ -	\$ -	-	-
Name of reserve	\$ -	\$ -	-	-
sub-total- Reserves			720,609	711,374
General municipal	\$ 720,608,710	\$ 7.999	5,764,149	5,562,948
Special levies:				
Name of special levy	\$ -	\$ -	-	-
Name of special levy	\$ -	\$ -	-	-
Name of special levy	\$ -	\$ -	-	-
sub-total- Special levies			-	-
Business tax (rate%)	\$ -	\$ -	4,074	4,169
Total municipal taxes (Schedule 2)			7,135,887	6,674,014
Education support levy	\$ 21,465,240	\$ 10.500	225,385	228,101
Special levies:				
Lord Selkirk #11	\$ 492,418,350	\$ 14.310	7,046,507	6,710,790
Sunrise SD #13	\$ 54,445,600	\$ 13.723	747,157	714,291
River East Transcona SD #82	\$ 173,306,400	\$ 13.360	2,315,374	2,208,234
sub-total- Special levies			10,109,037	9,633,315
Total education taxes			10,334,422	9,861,416
Total tax levy (Schedule 11)			\$ 17,470,309	\$ 16,535,430

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 322,542	\$ 297,705
General administrative	1,142,101	1,187,505
Other	486,715	444,437
	<u>1,951,358</u>	<u>1,929,647</u>
Protective services:		
Police	166,083	139,546
Fire	632,788	534,036
Emergency measures	104,004	84,708
Other	337,036	337,641
	<u>1,239,911</u>	<u>1,095,931</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	4,760,802	3,975,165
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	7,268	-
Street lighting	53,498	58,792
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>4,821,568</u>	<u>4,033,957</u>
Environmental health services:		
Waste collection and disposal	885,026	1,213,547
Recycling	-	-
Other	-	-
	<u>885,026</u>	<u>1,213,547</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	48,061	48,061
Other	-	-
	<u>48,061</u>	<u>48,061</u>
Regional planning and development		
Planning and zoning	71,015	86,512
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	31,904	30,949
	<u>102,919</u>	<u>117,461</u>
Resource conservation and industrial development		
Rural area weed control	43,258	41,425
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	21,198	-
Industrial development	-	-
Tourism	11,502	8,923
Other	3,000	3,000
	<u>78,958</u>	<u>53,348</u>
Sub-totals forward	<u>\$ 9,127,801</u>	<u>\$ 8,491,952</u>

Rural Municipality of St. Clements

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Actual	2016 Actual
Sub-totals forward	\$ 9,127,801	\$ 8,491,952
Recreation and cultural services:		
Administration	-	-
Community centers and halls	107,812	107,812
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	-	-
Other recreational facilities	100,436	102,787
Museums	-	-
Libraries	94,750	91,945
Other cultural facilities	-	-
	302,998	302,544
Total expenses	9,430,799	\$ 8,794,496

Rural Municipality of St. Clements

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) (UNAUDITED)

December 31, 2017

SCHEDULE 14

	General	2017 Utility	Total	2016 Total (Note 20)
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 53,598	\$ -	\$ 53,598	\$ (212,534)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	2,154,948	74,573	2,229,521	2,241,006
Eliminate revenue - transfers from reserves	(994,579)	(35,474)	(1,030,053)	(1,045,068)
Increase revenue - reserve funds interest	39,683	-	39,683	43,654
Increase revenue - reserve funds other revenue	-	-	-	455,793
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	53,559	-	53,559	(29,349)
Decrease expense - contributions to consolidated entities	49,707	-	49,707	49,580
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Decrease (Increase) expense - decrease (increase) in landfill liability	17,053	-	17,053	(41,608)
Increase (decrease) revenue - gain (loss) on disposal of capital assets	-	-	-	18,111
Increase expense - amortization of tangible capital assets	(986,521)	(611,607)	(1,598,128)	(1,576,758)
Decrease expense - principal portion of debenture debt	51,969	487,380	539,349	350,180
Eliminate expense - acquisitions of tangible capital assets	-	31,340	31,340	2,110,329
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 439,417	\$ (53,788)	\$ 385,629	\$ 2,363,336