

Rural Municipality of St. Clements

**Consolidated Financial Statements
Year ended December 31, 2016**

STATEMENT OF RESPONSIBILITY

The accompanying 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 Canadian Institute of Chartered Accountants.

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.

Chambers Fraser 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 generally accepted accounting principles.

East Selkirk, Manitoba

Apr 17, 2018



D. J. Sigmondson
Chief Administrative Officer

AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Rural Municipality of St. Clements, which comprise the statement of financial position as at December 31, 2016 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2016, 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Rural Municipality of St. Clements as at December 31, 2016 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2016 in accordance with Canadian public sector accounting standards.

Winnipeg, Canada

Chambers Fraser
Chartered Professional Accountants

Rural Municipality of St. Clements
Consolidated Financial Statements
Year ended December 31, 2016

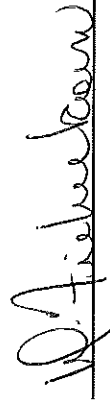
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Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 645,615	\$ 890,354
Amounts receivable (Note 4)	5,016,175	7,054,262
Loans and advances	-	4,011
Real estate properties held for sale (Note 5)	790,109	916,033
	<u>\$ 6,451,899</u>	<u>\$ 8,864,660</u>
LIABILITIES		
Temporary borrowing (Note 6)	\$ 7,350,627	\$ 16,966,251
Accounts payable and accrued liabilities (Note 7)	1,514,253	2,524,478
Deferred revenue (Note 8)	813,732	331,900
Landfill closure and post closure liabilities (Note 9)	1,026,136	984,527
Long-term debt (Note 10)	9,350,206	2,380,654
Deposits and other liabilities	<u>424,248</u>	<u>422,284</u>
	<u>20,479,202</u>	<u>23,610,094</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (14,027,303)</u>	<u>\$ (14,745,434)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 49,320,563	\$ 48,170,042
Inventories (Note 5)	9,306	5,862
Prepaid expenses	<u>56,994</u>	<u>46,835</u>
	<u>49,386,863</u>	<u>48,222,739</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 15)	<u><u>\$ 35,359,560</u></u>	<u><u>\$ 33,477,305</u></u>

COMMITMENTS (Note 13)

Approved on behalf of Council:



Debbie Fiebelkorn - Mayor



Ken Thomas - Councillor

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
REVENUE			
Property taxes	\$ 6,794,715	\$ 6,807,588	\$ 6,199,739
Grants in lieu of taxation	200,413	197,263	197,926
User fees	2,230,224	1,517,940	1,603,644
Grants - Province of Manitoba	1,815,322	1,317,198	3,158,127
Grants - other	693,467	301,564	264,890
Permits, licences and fines	19,429	15,814	11,356
Investment income	53,358	109,565	44,948
Other revenue	277,322	308,763	272,977
Water and sewer	2,192,430	2,058,106	624,183
Total revenue (Schedules 2, 4 and 5)	<u>14,276,680</u>	<u>12,633,801</u>	<u>12,377,790</u>
EXPENSES			
General government services	1,824,862	1,861,235	2,529,643
Protective services	1,513,995	1,416,332	2,653,930
Transportation services	4,828,055	4,033,955	3,596,069
Environmental health services	1,656,059	1,213,546	911,753
Public health and welfare services	48,061	48,061	48,061
Regional planning and development	383,915	414,966	415,484
Resource conservation and industrial development	135,402	110,923	107,163
Recreation and cultural services	378,424	377,168	504,434
Water and sewer services	<u>1,205,321</u>	<u>1,275,360</u>	<u>918,059</u>
Total expenses (Schedules 3, 4 and 5)	<u>11,974,094</u>	<u>10,751,546</u>	<u>11,684,596</u>
ANNUAL SURPLUS (DEFICIT)	2,302,586	1,882,255	693,194
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 15)	<u>33,477,305</u>	<u>33,477,305</u>	<u>32,784,111</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	<u><u>\$35,779,891</u></u>	<u><u>\$35,359,560</u></u>	<u><u>\$ 33,477,305</u></u>

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 2,302,586	\$ 1,882,255	\$ 693,194
Acquisition of tangible capital assets	(3,494,277)	(2,869,540)	(5,115,341)
Amortization of tangible capital assets	1,636,059	1,636,059	1,517,684
Loss (Gain) on sale of tangible capital assets		(22,714)	(3,670)
Proceeds on sale of tangible capital assets		105,672	3,694
Write down of tangible assets		-	73,470
Transfer tangible asset to inventory		-	185,131
Decrease (increase) in inventories		(3,444)	5,288
Decrease (increase) in prepaid expense		(10,157)	(11,256)
	<u>(1,858,218)</u>	<u>(1,164,124)</u>	<u>(3,345,000)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ 444,368	718,131	(2,651,806)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>(14,745,434)</u>	<u>(12,093,628)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ (14,027,303)</u>	<u>\$ (14,745,434)</u>

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,882,255	\$ 693,194
Changes in non-cash items:		
Amounts receivable	2,038,087	(532,808)
Inventories	122,480	(185,745)
Prepays	(10,157)	(11,256)
Accounts payable and accrued liabilities	(1,010,225)	(910,122)
Deferred revenue	481,832	292,624
Landfill closure and post closure liabilities	41,608	40,380
Other liabilities	1,964	7,500
Loss (Gain) on sale of tangible capital asset	(22,714)	(3,670)
Amortization	1,636,059	1,517,684
Cash provided by (applied to) operating transactions	<u>5,161,189</u>	<u>907,781</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	105,672	3,694
Write down of tangible assets	-	73,470
Transfer tangible asset to inventory	-	185,131
Cash used to acquire tangible capital assets	<u>(2,869,540)</u>	<u>(5,115,341)</u>
Cash provided by (applied to) capital transactions	<u>(2,763,868)</u>	<u>(4,853,046)</u>
FINANCING TRANSACTIONS		
Proceeds of long term debt	7,313,096	1,756,351
Debt repayment	<u>(343,543)</u>	<u>(120,131)</u>
Cash applied to financing transactions	<u>6,969,553</u>	<u>1,636,220</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	9,370,885	(2,313,056)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>(16,075,897)</u>	<u>(13,762,841)</u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS, END OF YEAR	<u>\$ (6,705,012)</u>	<u>\$ (16,075,897)</u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	\$ 645,615	\$ 890,354
Temporary borrowing (Note 6)	<u>(7,350,627)</u>	<u>(16,966,251)</u>
	<u>\$ (6,705,012)</u>	<u>\$ (16,075,897)</u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

1. Status of the Rural Municipality of St. Clements

The incorporated Rural Municipality of St. Clements is a municipal government that was created in 1884 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as fire, public works, regional planning, parks and recreation, and other general government operations. The Municipality has several designated special purpose reserves and provides funding support for other financial entities involved in providing a variety of municipal services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants 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 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:

Selkirk and District Planning Area Board (consolidated 23 %) (2015 - consolidated 23 %)
Selkirk and District Handi-Bus Inc. (consolidated 22 %) (2015 - consolidated 22 %)
Selkirk Weed Control District (consolidated 38 %) (2015 - consolidated 38 %)
North Red Community Water Maintenance Inc. (consolidated 33%) (2015 -consolidated 33 %)
Red River North Regional Library (consolidated 18 %) (2015 - consolidated 18 %)
Red River North Flood Consortium Inc. (consolidated 20%) (2015 - consolidated 0 %)

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.

d) 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.

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

e) 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.

f) 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 per acceptance by Town. 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 capitalize internal finance charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over its useful life. Assets under construction are not amortized until put into use.

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 40 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	2 to 10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Bridges	25 to 50 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 to 40 years
Underground networks	40 to 50 years
Machinery and equipment	5 to 10 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

g) 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.

h) 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.

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

i) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Certain government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the acquisition of tangible capital assets. In addition, certain user charges and fees are collected for which the related service have yet to be performed. Revenue is recognized in the fiscal year when the related costs are incurred, services performed or the tangible capital assets are acquired.

In accordance with PSAB guidelines, government transfers, as well as revenue from contributed assets, are required to be recognized as revenue in the consolidated financial statements in the fiscal year in which the tangible capital assets are acquired.

j) 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.

These financial statements include the existence of measurement uncertainty in the accrual of the landfill closure, post closure and environmental 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:

	<u>2016</u>	<u>2015</u>
Cash	<u>\$ 645,615</u>	<u>\$ 890,354</u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions. The reserved amounts exceed the cash and temporary investments held by the Municipality.

Designated Reserve Funds	<u>\$ 2,304,325</u>	<u>\$ 2,356,548</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	<u>\$ 1,492,405</u>	<u>\$ 1,506,919</u>
Government grants	<u>1,634,113</u>	<u>982,561</u>
Utility customers	<u>122,286</u>	<u>137,021</u>
School levies overpaid (Schedule 13)	<u>-</u>	<u>1,158,139</u>
Organizations and individuals	<u>1,837,732</u>	<u>3,122,876</u>
Other governments	<u>161,796</u>	<u>427,040</u>
	<u>5,248,332</u>	<u>7,334,556</u>
Less allowances for doubtful amounts	<u>(232,157)</u>	<u>(280,294)</u>
	<u>\$ 5,016,175</u>	<u>\$ 7,054,262</u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

5. Inventories

Inventories for sale:

	2016	2015
Sunset Bay lots	\$ 725,000	\$ 725,000
County Road lots	<u>65,109</u>	<u>191,033</u>
	<u>\$ 790,109</u>	<u>\$ 916,033</u>

Inventories for use:

	2016	2015
Fuel	4,599	4,662
Aggregate	1,200	1,200
Supplies	<u>3,507</u>	<u>-</u>
	<u>\$ 9,306</u>	<u>\$ 5,862</u>

6. Temporary Borrowings

Line of credit with Sunova Credit Union Ltd., at 2.25%

	\$ 7,350,627	\$ 16,966,251
	<u>\$ 7,350,627</u>	<u>\$ 16,966,251</u>

7. Accounts Payable and Accrued Liabilities

	2016	2015
Accounts payable	\$ 1,093,538	\$ 2,271,786
Accrued expenses	315,552	239,651
School levies (Schedule 13)	-	-
Other governments	<u>105,163</u>	<u>13,041</u>
	<u>\$ 1,514,253</u>	<u>\$ 2,524,478</u>

8. Deferred Revenue:

	2016	2015
Federal Gas Tax Funding	\$ 801,244	\$ 319,412
	<u>801,244</u>	<u>319,412</u>
Other	<u>12,488</u>	<u>12,488</u>
	<u>\$ 813,732</u>	<u>\$ 331,900</u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

9. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 1 landfill site in 2010. 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.

	2016	2015
Landfill Cell A - Opened 1997		
Estimated closure and post closure costs over the next 15 years	\$ 1,338,700	\$ 1,301,700
Discount rate	6.00%	6.00%
Discounted costs	\$ 836,554	\$ 809,588
Expected year capacity will be reached	2018	2018
Capacity (tonnes):		
Used to date	454,000	452,000
Remaining	46,000	48,000
Total	500,000	500,000
Percent utilized	90.80%	90.40%
Liability based on percentage - Cell A	\$ 752,899	\$ 728,629

Landfill Cell B - Opened 2009

Estimated closure and post closure costs over the next 15 years	\$ 747,200	\$ 733,200
Discount rate	6.00%	6.00%
Discounted costs	\$ 723,133	\$ 675,759
Expected year capacity will be reached	2018	2018
Capacity (tonnes, volume, acreage, years):		
Used to date	212,300	211,300
Remaining	337,700	338,700
Total	550,000	550,000
Percent utilized	38.60%	38.42%
Liability based on percentage - Cell B	\$ 273,237	\$ 255,898

b) Closed Landfill Sites

Estimated post closure costs over the next 20 years	\$ -	\$ -
Total landfill closure and post closure liabilities	\$ 1,026,136	\$ 984,527

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

10. Long Term Debt

	2016	2015
General Authority:		
Debenture for Heritage Centre, at 3.05%, \$58,764 annually including interest, maturing 2022.	\$ 317,814	\$ 365,433
Debenture for Roxanne Shoreline, at 3.5%, \$5,383 annually including interest, maturing 2034.	70,997	73,797
	<u>\$ 388,811</u>	<u>\$ 439,230</u>

Utility Authority:

Debenture for sewer treatment, at 7.000%, \$12,049 annually including interest, maturing 2018.	\$ 21,784	\$ 31,620
Debenture for Low pressure sewer system, at 3.5%, \$117,623 annually including interest, maturing 2034.	1,551,414	1,612,597
Debenture for Low pressure sewer system, at 3.69%, \$38,179 annually including interest, maturing 2035.	514,904	-
Debenture for Low pressure sewer system, at 3.69%, \$184,857 annually including interest, maturing 2035.	2,493,108	-
Debenture for Low pressure sewer system, at 3.69%, \$116,606 annually including interest, maturing 2035.	1,572,623	-
Debenture for Low pressure sewer system, at 2.0%, \$90,018 annually including interest, maturing 2036.	2,503,719	-
	<u>\$ 8,657,552</u>	<u>\$ 1,644,217</u>

Debenture long term debt

\$ 9,046,363 \$ 2,083,447

The debentures of the Municipality have been issued with terms

Other long term debt - Government Partnerships

Loan with Sunova Credit Union Ltd. \$1,570,581, at 3%, Interest paid monthly.	303,843	295,736
Loan with Sunova Credit Union Ltd. \$18,953, at prime, \$675 monthly including interest, maturing 2016.	-	1,471
	<u>\$ 9,350,206</u>	<u>\$ 2,380,654</u>

Principal payments estimated for each of the next five years are as follows:

2017	\$ 421,398
2018	432,246
2019	431,454
2020	442,297
2021	449,315

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

11. 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 amounted to \$144,376 (2015 - \$280,495) 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, 2013 indicated the plan was 93.3% funded on a going concern basis and had an unfunded solvency liability of \$139.8 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, 2013.

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.

12. 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.

13. Commitments

In recent years the Municipality has initiated a number of water and sewer construction projects which are all substantially completed as at December 31, 2016. It is anticipated that additional costs related to these projects of approximately \$400,000 will be incurred subsequent to year end.

14. 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 St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

15. Accumulated Surplus

Accumulated surplus consists of the following:

	2016	2015
General operating fund - Nominal surplus	15,719	94
General capital fund - Capital surplus	21,269,870	20,213,462
Utility operating fund - Nominal surplus	(1,233,002)	(1,233,002)
Utility capital fund - Capital surplus	12,674,196	11,349,900
Reserve funds	<u>2,304,324</u>	<u>2,356,549</u>
	<u>35,031,107</u>	<u>32,687,003</u>
Deferred revenue - Reserves	<u>(801,244)</u>	<u>(319,412)</u>
Accumulated surplus of municipality unconsolidated	<u>34,229,863</u>	<u>32,367,591</u>
Accumulated surpluses of consolidated entities	<u>1,129,697</u>	<u>1,109,714</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 35,359,560</u>	<u>\$ 33,477,305</u>

16. Public Sector Compensation Disclosure

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

- a) Compensation paid to members of council amounted to \$219,897 in aggregate.
- b) There were members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Basarowich, G.	\$ 36,554	\$ 14,075	\$ 50,629
Drobot, G.	31,773	12,261	44,034
Fiebelkorn D.	40,082	13,923	54,005
Frey, R.	28,121	9,462	37,583
Thomas W.	33,750	14,339	48,089
Belanger R.	19,469	3,990	23,459
Sutherland D.	30,148	9,759	39,907
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 219,897</u>	<u>\$ 77,809</u>	<u>\$ 297,706</u>

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

Name	Position	Amount
Sigmundson, Daniel	Chief Administrative Officer	\$ 148,292
Otto, Darren	Public Works Lead Hand	96,995
Elson, Gregory	Director of Public Works	90,250
Sailor, Colleen	Assistant CAO	82,731
Sim, Ken	Director of Protective Services	78,544
Danchuk, Peter	Utility Operator/Pwks	77,656
Sokolowski, Christopher	Public Works Operator	61,702
Plischke, Shannon	Finance Officer	60,674
Stanik, Heather	Office Supervisor	60,674
Grabowski, Kevin	Project Coordinator PWKS	59,556
Obie, Cory	Public Works Operator	57,410
Chuhie, Mark	Public Works Operator	56,778
Kulikowski, Dale	Public Works Operator	56,336
Woods, Peter	Utility Operator/Pwks	55,629
Sinclair, Dustin	Public Works Operator	54,697
Knott, Raymond	Public Works Operator	53,913
Smith, Gary	Public Works Operator	53,522

17. Public Utilities Board

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

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	\$ 1,992,666	\$ 502,646	\$ 50,719	\$ 2,444,593
	-	-	-	-
	<u>\$ 1,992,666</u>	<u>\$ 502,646</u>	<u>\$ 50,719</u>	<u>\$ 2,444,593</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
East Selkirk	\$ 1,992,666	\$ 502,646	\$ 50,719	\$ 2,444,593
Hendersen	3,919,822	-	79,996	3,839,826
	<u>\$ 5,912,488</u>	<u>\$ 502,646</u>	<u>\$ 130,715</u>	<u>\$ 6,284,419</u>
TOTALS	<u>\$ 7,905,154</u>	<u>\$ 1,005,291</u>	<u>\$ 181,434</u>	<u>\$ 8,729,011</u>

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2016

SCHEDULE 1

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2016

SCHEDULE 2

	2016 Actual	2015 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,674,014	\$ 6,077,193
Taxes added	133,574	122,546
	<u>6,807,588</u>	<u>6,199,739</u>
Grants in lieu of taxation:		
Federal government	12,751	10,531
Federal government enterprises	1,510	1,409
Provincial government	24,677	28,018
Provincial government enterprises	158,325	157,968
	<u>197,263</u>	<u>197,926</u>
User fees		
Sales of service	1,260,191	1,393,481
Rentals	122,499	85,163
Development charges	135,250	125,000
	<u>1,517,940</u>	<u>1,603,644</u>
Grants - Province of Manitoba		
General assistance payment	416,609	416,609
VLT revenues	157,154	157,154
Conditional grants	743,435	2,584,364
	<u>1,317,198</u>	<u>3,158,127</u>
Grants - other		
Federal government - gas tax funding	90,018	250,000
Federal government - other	196,042	1,817
Other capital grants	5,291	-
Other local governments	10,213	13,073
	<u>301,564</u>	<u>264,890</u>
Permits, licences and fines		
Licences	12,685	9,015
Fines	3,129	2,341
	<u>15,814</u>	<u>11,356</u>
Investment income:		
Cash and temporary investments	101,207	41,528
Other (specify):	8,358	3,420
	<u>109,565</u>	<u>44,948</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	22,714	3,670
Penalties and interest	184,649	160,198
Miscellaneous:		
Recoveries	62,032	66,755
Other revenue	39,368	42,354
	<u>308,763</u>	<u>272,977</u>
Water and sewer (Schedule 4)		
	<u>2,058,106</u>	<u>624,183</u>
Total revenue	<u>12,633,801</u>	<u>12,377,790</u>

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 297,705	\$ 327,767
General administrative	1,187,505	1,071,182
Other	264,317	330,516
Write down of receivables and inventory	111,708	800,178
	<u>1,861,235</u>	<u>2,529,643</u>
Protective services:		
Police	139,546	152,269
Fire	534,036	514,999
Emergency measures	84,708	80,793
North Red community water maintenance	334,015	399,728
Other protection	324,027	1,506,141
	<u>1,416,332</u>	<u>2,653,930</u>
Transportation services:		
Road transport	3,975,163	3,541,056
Road and street maintenance	58,792	55,013
Street lighting	<u>4,033,955</u>	<u>3,596,069</u>
Environmental health services:		
Waste collection and disposal	1,213,546	911,753
	<u>1,213,546</u>	<u>911,753</u>
Public health and welfare services:		
Social assistance	48,061	48,061
	<u>48,061</u>	<u>48,061</u>
Regional planning and development		
Planning and zoning	384,017	398,841
Other	30,949	16,643
	<u>414,966</u>	<u>415,484</u>
Resource conservation and industrial development		
Natural Resources	8,923	3,606
Regional development	99,000	100,557
Other	3,000	3,000
	<u>110,923</u>	<u>107,163</u>
Recreation and cultural services:		
Other recreation	94,272	190,551
Libraries	175,084	206,071
	<u>377,168</u>	<u>504,434</u>
Water and sewer services (Schedule 9)	<u>1,275,360</u>	<u>918,059</u>
Total expenses	<u>10,751,546</u>	<u>11,684,596</u>

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2016

	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE												
Property taxes	\$ 6,383,764	\$ 6,079,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	197,263	197,926	-	-	-	-	-	-	-	-	-	-
User fees	100,852	61,665	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	573,763	573,763	-	-	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	42,863	40,037	-	-	-	-	-	-	-	-	-	-
Grants - other	285,141	250,000	-	-	-	-	-	-	-	-	-	-
Permits, licences and fines	12,685	9,015	-	-	-	-	-	-	-	-	-	-
Investment income	101,207	41,528	-	-	-	-	-	-	-	-	-	-
Other revenue - schedule 2	101,487	90,414	-	-	-	-	-	-	-	-	-	-
Water and sewer												
EXPENSES												
Personnel services	\$ 951,822	\$ 898,488	\$ 691,543	\$ 752,228	\$ 1,160,250	\$ 1,142,303	\$ 310,466	\$ 261,769	\$ -	\$ -	\$ -	\$ -
Contract services	563,396	514,624	297,311	1,485,751	1,227,540	877,798	653,384	364,906	-	-	-	-
Utilities	33,399	30,814	47,402	49,061	91,029	89,977	1,786	4,424	-	-	-	-
Maintenance materials and supplies	91,204	77,134	121,499	160,723	994,603	940,770	197,332	236,342	-	-	-	-
Grants and contributions	137,330	141,004	5,000	22,424	-	-	-	-	48,061	48,061	48,061	48,061
Amortization	11,454	10,028	253,576	181,171	560,535	545,220	50,579	44,312	-	-	-	-
Interest on long term debt	7,369	8,773	-	443	-	-	-	-	-	-	-	-
Other	65,259	848,775	-	2,130	-	-	-	-	-	-	-	-
Total expenses	\$ 1,861,233	\$ 2,529,640	\$ 1,416,331	\$ 2,653,931	\$ 4,033,957	\$ 3,596,068	\$ 1,213,547	\$ 911,753	\$ 48,061	\$ 48,061	\$ 48,061	\$ 48,061
Surplus (Deficit)	\$ 5,937,792	\$ 4,814,393	\$ (704,825)	\$ (1,347,495)	\$ (4,019,269)	\$ (3,514,404)	\$ (721,592)	\$ (503,492)	\$ (48,061)	\$ (48,061)	\$ (48,061)	\$ (48,061)

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

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2016

	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Regional Planning and Development	Resource Conservation and Industrial Dev	Recreation and Cultural Services	Water and Sewer Services	Total	Regional Planning and Development	Resource Conservation and Industrial Dev	Recreation and Cultural Services	Water and Sewer Services	Total	Regional Planning and Development	Resource Conservation and Industrial Dev	Recreation and Cultural Services
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-	-	-	-	-
User fees	411,658	50,234	3,661	4,011	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	-	-	-	-
Grants - other	5,094	4,410	1,628	2,411	-	-	-	-	-	-	-	-
Permits, licences and fines	-	-	3,129	2,209	-	-	-	-	-	-	-	-
Investment income	3,123	2,924	505	496	-	-	-	-	-	-	-	-
Other revenue - schedule 2	4,035	3,204	198,639	171,077	-	-	-	-	-	-	-	-
Water and sewer	423,910	59,247	646,249	695,362	423,910	59,247	646,249	695,362	423,910	59,247	646,249	695,362
Total revenue	\$ 423,910	\$ 59,247	\$ 646,249	\$ 695,362	\$ 423,910	\$ 59,247	\$ 646,249	\$ 695,362	\$ 423,910	\$ 59,247	\$ 646,249	\$ 695,362
EXPENSES												
Personnel services	\$ 175,223	\$ 48,894	\$ 117,119	\$ 86,651	\$ 175,223	\$ 48,894	\$ 117,119	\$ 86,651	\$ 175,223	\$ 48,894	\$ 117,119	\$ 86,651
Contract services	91,992	9,520	62,348	22,200	91,992	9,520	62,348	22,200	91,992	9,520	62,348	22,200
Utilities	3,665	680	17,608	15,681	3,665	680	17,608	15,681	3,665	680	17,608	15,681
Maintenance materials and supplies	36,278	25,160	21,432	27,721	36,278	25,160	21,432	27,721	36,278	25,160	21,432	27,721
Grants and contributions	57,098	425	43,634	236,897	57,098	425	43,634	236,897	57,098	425	43,634	236,897
Amortization	19,910	16,816	112,315	113,167	19,910	16,816	112,315	113,167	19,910	16,816	112,315	113,167
Interest on long term debt	-	-	-	-	-	-	-	-	-	-	-	-
Other	30,799	9,417	2,713	2,118	30,799	9,417	2,713	2,118	30,799	9,417	2,713	2,118
Total expenses	\$ 414,965	\$ 110,923	\$ 377,169	\$ 504,435	\$ 414,965	\$ 110,923	\$ 377,169	\$ 504,435	\$ 414,965	\$ 110,923	\$ 377,169	\$ 504,435
Surplus (Deficit)	\$ 8,945	\$ (51,676)	\$ (41,046)	\$ 269,080	\$ 8,945	\$ (51,676)	\$ (41,046)	\$ 269,080	\$ 8,945	\$ (51,676)	\$ (41,046)	\$ 269,080

2016
2015
Total

SCHEDULE 5

**Rural Municipality of St. Clements
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2016**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 6,807,588	\$ 6,199,739	\$ -	\$ -	\$ -	\$ -	\$ 6,807,588	\$ 6,199,739
Grants in lieu of taxation	197,263	197,926	-	-	-	-	197,263	197,926
User fees	840,183	755,622	-	-	677,757	848,023	1,517,940	1,603,645
Prov of MB - Unconditional Grants	573,763	573,763	-	-	54,749	573,763	573,763	573,763
Prov of MB - Conditional Grants	687,865	2,529,615	-	-	743,434	2,584,364	743,434	2,584,364
Grants - other	290,432	250,000	-	-	301,564	264,890	301,564	264,890
Permits, licences and fines	12,685	9,147	-	-	15,814	11,356	15,814	11,356
Investment income	101,207	41,528	-	-	109,565	44,948	109,565	44,948
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-
Other revenue	286,136	250,612	-	-	308,764	272,976	308,764	272,976
Water and sewer	2,058,106	624,183	-	-	2,058,106	624,183	2,058,106	624,183
Total revenue	\$ 11,855,228	\$ 11,432,135	\$ -	\$ -	\$ 778,573	\$ 945,655	\$ 12,633,801	\$ 12,377,790
EXPENSES								
Personnel services	\$ 3,025,050	\$ 2,901,218	\$ -	\$ -	\$ 475,946	\$ 569,568	\$ 3,500,996	\$ 3,470,786
Contract services	2,955,373	3,261,127	-	-	251,595	270,821	3,206,968	3,531,948
Utilities	242,159	212,819	-	-	21,953	24,928	264,112	237,747
Maintenance materials and supplies	1,395,609	1,392,664	-	-	109,891	123,916	1,505,500	1,516,580
Grants and contributions	257,792	378,121	-	-	33,756	87,211	291,548	465,332
Amortization	1,576,758	1,446,784	-	-	59,308	78,365	1,636,066	1,525,149
Interest on long term debt	238,157	60,522	-	-	11	529	238,168	61,051
Other	104,981	871,069	-	-	3,207	4,934	108,188	876,003
Total expenses	\$ 9,795,879	\$ 10,524,324	\$ -	\$ -	\$ 955,667	\$ 1,160,272	\$ 10,751,546	\$ 11,684,596
Surplus (Deficit)	\$ 2,059,349	\$ 907,811	\$ -	\$ -	\$ (177,094)	\$ (214,617)	\$ 1,882,255	\$ 693,194

SCHEDULE 6

Rural Municipality of St. Clements
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2016

2016						
	Capital Improvements	Election	Nunsinace Grounds	Bridge Repair	Public Works	Fire
REVENUE						
Investment income	\$ 412	\$ 141	\$ -	\$ 6,337	\$ 2,032	\$ 7,059
Other income	98,250	-	-	-	-	60,475
Total revenue	98,662	141	-	6,337	2,032	67,534
EXPENSES						
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	98,662	141	-	6,337	2,032	67,534
TRANSFERS						
Transfer between reserves	3,908	7,000	(564)	-	395,292	250,000
Transfers from general operating	-	-	-	(262,829)	-	-
Transfers to general operating	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-
Transfer debenture excess proceeds	-	-	-	-	(457,894)	-
Acquisition of tangible capital assets	(100,812)	-	-	-	(449,352)	-
CHANGE IN RESERVE FUND BALANCES	1,758	7,141	(564)	(256,492)	(60,570)	(131,818)
FUND SURPLUS, BEGINNING OF YEAR	-	8,458	564	361,538	60,570	510,241
FUND SURPLUS, END OF YEAR	\$ 1,758	\$ 15,599	\$ -	\$ 105,046	\$ -	\$ 378,423

SCHEDULE 6

Rural Municipality of St. Clements
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2016

2016						
	Environment	Gas Tax	Recreation and Culture	Public Works Shop	Office Building	Grand Marais Road
	125 Anniversary					
REVENUE						
Investment income	\$ 3,155	\$ 4,515	\$ 62	\$ -	\$ 853	\$ -
Other income	8,500	-	8,500	-	-	-
Total revenue	11,655	4,515	8,562	-	853	-
EXPENSES						
Other expenses	-	90,018	-	-	-	-
Total expenses	-	90,018	-	-	-	-
NET REVENUES	11,655	(85,503)	8,562	-	853	-
TRANSFERS						
Transfer between reserves	-	-	-	-	-	(3,039)
Transfers from general operating	225,000	567,335	-	-	40,000	-
Transfers to general operating	-	-	-	-	(3,686)	-
Transfers from utility operating	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-
Transfer of debenture excess proceeds	-	-	-	-	-	-
Acquisition of tangible capital assets	(408,395)	-	-	-	(16,919)	-
CHANGE IN RESERVE FUND BALANCES	(171,740)	481,832	8,562	-	20,248	(3,039)
FUND SURPLUS, BEGINNING OF YEAR	274,503	319,412	2,180	-	32,120	3,039
FUND SURPLUS, END OF YEAR	\$ 102,763	\$ 801,244	\$ 10,742	\$ -	\$ 52,368	\$ -

SCHEDULE 6

**Rural Municipality of St. Clements
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2016**

	2016						2015
	Road Reserve	Utility Expansion	East Selkirk Water	Lockport Utility	Sunset Utility	Total	Total
REVENUE							
Investment income	\$ 11,960	\$ 41	\$ 4,876	\$ 1,860	\$ 351	\$ 43,654	\$ 30,543
Other income	17,000	263,068	-	-	-	455,793	144,467
Total revenue	28,960	263,109	4,876	1,860	351	499,447	175,010
EXPENSES							
Other expenses	-	-	-	-	-	90,018	-
Total expenses	-	-	-	-	-	90,018	-
NET REVENUES	28,960	263,109	4,876	1,860	351	409,429	175,010
TRANSFERS							
Transfer between reserves	-	-	-	-	-	-	-
Transfers from general operating	733,726	-	-	-	-	2,218,353	1,990,596
Transfers to general operating	(619,102)	-	-	-	-	(885,617)	(672,583)
Transfers from utility operating	-	-	-	-	22,653	22,653	130,003
Transfers to utility operating	-	-	(139,883)	(19,568)	-	(159,451)	-
Transfer debenture excess proceeds	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(197,553)	-	(26,665)	-	-	(1,657,590)	(1,040,734)
CHANGE IN RESERVE FUND BALANCES	(53,969)	263,109	(161,672)	(17,708)	23,004	(52,223)	582,292
FUND SURPLUS, BEGINNING OF YEAR	403,852	-	261,319	99,667	18,780	2,356,548	1,774,256
FUND SURPLUS, END OF YEAR	\$ 349,883	\$ 263,109	\$ 99,647	\$ 81,959	\$ 41,784	\$ 2,304,325	\$ 2,356,548

Rural Municipality of St. Clements
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2016

SCHEDULE 7

	Total	
	2016	2015
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
REVENUES		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
EXPENDITURES		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES		
	-	-
FUND BALANCE, BEGINNING OF YEAR		
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

Rural Municipality of St. Clements
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2016

SCHEDULE 8

	2016			2015
	Lockport	East Selkirk	Sunset	Total
FINANCIAL ASSETS				
Amounts receivable	\$ 470,906	\$ 67,258	\$ 38,955	\$ 577,119
Due from other funds	-	-	214,947	214,947
	<u>\$ 470,906</u>	<u>\$ 67,258</u>	<u>\$ 253,902</u>	<u>\$ 792,066</u>
				\$ 591,854
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,733	\$ -	\$ -	\$ 2,733
Connection deposits	17,136	-	-	17,136
Long-term debt (Note 9)	536,688	6,569,450	1,551,414	8,657,552
Due to other funds	950,094	5,604,261	-	6,554,355
	<u>1,506,651</u>	<u>12,173,711</u>	<u>1,551,414</u>	<u>15,231,776</u>
				16,220,527
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,035,745)</u>	<u>\$ (12,106,453)</u>	<u>\$ (1,297,512)</u>	<u>\$ (15,628,673)</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	\$ 7,506,032	\$ 17,015,021	\$ 1,513,723	\$ 26,034,776
	<u>\$ 6,470,287</u>	<u>\$ 4,908,568</u>	<u>\$ 216,211</u>	<u>\$ 11,595,066</u>
				\$ 10,246,406

COMMITMENTS AND CONTINGENCIES (Note 13)

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS - Lockport
Year Ended December 31, 2016

SCHEDULE 9

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Sewer fees	\$ 75,240	\$ 87,577	\$ 96,608
Property taxes	46,992	46,992	12,049
Connection charges	-	-	25,400
Prepaid LID	292,100	292,100	12,700
Government transfers - capital	-	-	323,923
Total revenue	<u>414,332</u>	<u>426,669</u>	<u>470,680</u>
EXPENSES			
General			
Administration	4,000	17,463	100
sub-total- general	<u>4,000</u>	<u>17,463</u>	<u>100</u>
Sewer			
Collection system costs	3,500	18,412	20,408
Treatment and disposal cost	33,100	55,856	54,057
Lift Station costs	2,000	15,413	6,885
Amortization	187,426	187,426	177,263
Interest on long term debt	18,660	18,660	2,857
sub-total- sewer	<u>244,686</u>	<u>295,767</u>	<u>261,470</u>
Total expenses	<u>248,686</u>	<u>313,230</u>	<u>261,570</u>
NET REVENUES	165,646	113,439	209,110
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(32,640)	19,568	(40,558)
Transfer for capital purposes from reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	133,006	133,007	168,552
FUND SURPLUS, BEGINNING OF YEAR	6,337,280	6,337,280	6,168,728
FUND SURPLUS, END OF YEAR	<u>\$ 6,470,286</u>	<u>\$ 6,470,287</u>	<u>\$ 6,337,280</u>

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS - East Selkirk
Year Ended December 31, 2016

SCHEDULE 9

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Water fees	\$ 301,251	\$ -	\$ -
Sewer fees	16,549	179,520	150,167
Property taxes	496,827	259,209	-
Lagoon tipping fees	70,000	102,690	68,320
Hydrant rentals	12,200	-	-
Connection charges	-	-	35,000
Prepaid LID	1,372,389	1,372,389	53,684
Penalties	2,250	-	-
Government transfers - capital	743,990	5,291	1,000,000
Total revenue	<u>3,015,456</u>	<u>1,919,099</u>	<u>1,307,171</u>
EXPENSES			
General			
Administration	25,751	1,275	14,690
Training costs	74,160	-	-
Billing and collection	5,151	-	-
sub-total- general	<u>105,062</u>	<u>1,275</u>	<u>14,690</u>
Water			
Purification and treatment	8,240	2,656	6,042
Transmission and distribution	6,180	-	-
Service and other supply costs	59,386	-	-
Amortization	285,434	285,434	281,483
Interest on long term debt	155,687	155,687	-
sub-total- water	<u>514,927</u>	<u>443,777</u>	<u>287,525</u>
Sewer			
Collection system costs	12,360	244,657	118,242
Treatment and disposal cost	78,280	69,255	42,356
Lift Station costs	6,180	7,526	1,991
Transportation services	-	-	-
Water purchases	-	-	-
Connection costs	-	-	-
Amortization	106,603	106,603	106,603
Interest on long term debt	-	-	-
sub-total- sewer	<u>203,423</u>	<u>428,041</u>	<u>269,192</u>
Total expenses	<u>823,412</u>	<u>873,093</u>	<u>571,407</u>
NET REVENUES	<u>2,192,044</u>	<u>1,046,006</u>	<u>735,764</u>
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	(7,500)	139,883	(70,665)
Transfer for capital purposes from reserve funds		-	-
CHANGE IN UTILITY FUND BALANCE	<u>2,184,544</u>	<u>1,185,889</u>	<u>665,099</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>3,722,679</u>	<u>3,722,679</u>	<u>3,057,580</u>
FUND SURPLUS, END OF YEAR	<u>\$ 5,907,223</u>	<u>\$ 4,908,568</u>	<u>\$ 3,722,679</u>

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS - Sunset
Year Ended December 31, 2016

SCHEDULE 9

	2016 Budget	2016 Actual	2015 Actual
REVENUE			
Sewer fees	\$ 50,451	\$ 23,830	\$ 52,014
Property taxes	117,623	117,623	108,005
Prepaid LID	-	-	130,290
Government transfers - capital	-	-	-
Other income	-	-	-
Total revenue	<u>168,074</u>	<u>141,453</u>	<u>290,309</u>
EXPENSES			
General			
Administration	4,120	100	4,536
Training costs	10,300	-	-
Billing and collection	1,030	-	-
sub-total- general	<u>15,450</u>	<u>100</u>	<u>4,536</u>
Sewer			
Treatment and disposal cost	17,556	628	636
Lift Station costs	12,360	450	507
Amortization	31,418	31,418	30,511
Interest on long term debt	56,441	56,441	48,892
sub-total- sewer	<u>117,775</u>	<u>88,937</u>	<u>80,546</u>
Total expenses	<u>133,225</u>	<u>89,037</u>	<u>85,082</u>
NET REVENUES	34,849	52,416	205,227
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(2,000)	(22,652)	(18,780)
Transfer for capital purposes from reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	32,849	29,764	186,447
FUND SURPLUS, BEGINNING OF YEAR	186,447	186,447	-
FUND SURPLUS, END OF YEAR	<u>\$ 219,296</u>	<u>\$ 216,211</u>	<u>\$ 186,447</u>

REVENUE							
Financial Plan	Financial Plan	Utility(ies)	Amortization (TCA)	Interest	Long Term	Consolidated	PSAB
General	Financial Plan	Utility(ies)	Amortization (TCA)	Interest	Long Term	Consolidated	PSAB
Property taxes	\$ 6,794,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,794,715
Grants in lieu of taxation	200,413	-	-	-	-	-	200,413
User fees	1,552,467	-	-	-	-	677,757	2,230,224
Grants - Province of Manitoba	1,015,763	743,990	-	-	-	55,569	1,815,322
Grants - other	682,335	-	-	-	-	11,132	693,467
Permits, licences and fines	16,300	-	-	-	-	3,129	19,429
Investment income	45,000	-	-	-	-	8,358	53,358
Other revenue	254,694	-	-	-	-	22,628	277,322
Water and sewer	-	527,941	-	-	-	-	2,192,430
Transfers from accumulated surplus	-	-	-	-	-	-	-
Transfers from general	-	661,442	-	-	-	-	-
Transfers from reserves	2,227,992	-	-	-	-	-	-
Total revenue	\$ 12,789,679	\$ 1,933,373	\$ -	\$ -	\$ -	\$ 778,573	\$ 14,276,680
EXPENSES							
Financial Plan	Financial Plan	Utility(ies)	Amortization (TCA)	Interest	Long Term	Consolidated	PSAB
General	Financial Plan	Utility(ies)	Amortization (TCA)	Interest	Long Term	Consolidated	PSAB
General government services	\$ 1,742,729	\$ -	\$ 11,454	\$ 42,369	\$ 28,310	\$ -	\$ 1,824,862
Protective services	940,018	-	253,576	-	-	320,401	1,513,995
Transportation services	4,267,520	-	560,535	-	-	-	4,828,055
Environmental health services	1,565,100	-	50,579	-	40,380	-	1,656,059
Public health and welfare services	48,061	-	-	-	-	-	48,061
Regional planning and development	66,500	-	19,910	-	-	297,505	383,915
Resource cons and industrial dev	61,000	-	16,816	11	-	57,575	135,402
Recreation and cultural services	183,000	-	112,315	-	-	83,109	378,424
Water and sewer services	-	1,199,561	334,177	(328,417)	-	-	1,205,321
Fiscal services:	115,000	-	(115,000)	-	-	-	-
Transfer to capital	64,148	-	-	(755,820)	-	-	-
Debt charges	-	691,672	-	-	-	-	-
Tax discounts	35,000	-	-	(35,000)	-	-	-
Short term interest	694,143	-	-	-	-	-	-
Transfer to Utility	2,979,150	42,140	-	-	(3,021,290)	-	-
Transfer to reserves	-	-	-	-	-	-	-
Transfer to accumulated surplus	28,310	-	-	-	(28,310)	-	-
Allowance for tax assets	\$ 12,789,679	\$ 1,933,373	\$ 1,244,362	\$ (1,076,857)	\$ (3,775,433)	\$ 40,380	\$ 11,974,094
Total expenses	-	-	\$ (1,244,362)	\$ 1,076,857	\$ 2,490,488	\$ (40,380)	\$ 2,302,586
Surplus (Deficit)	\$ -	\$ -	\$ (1,244,362)	\$ 1,076,857	\$ 2,490,488	\$ (40,380)	\$ 19,983

Rural Municipality of St. Clements
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2016

SCHEDULE 11

	2016	2015
Balance, beginning of year		
Add:	\$ 1,506,919	\$ 1,269,505
Tax levy (Schedule 12)	16,535,430	15,418,098
Taxes added	133,574	123,346
Penalties or interest	184,098	82,853
Other accounts added	5,196	10,628
Refunds and discounts	32,356	27,268
Sub-total	16,890,654	15,662,193
Deduct:		
Cash collections	14,629,970	13,200,910
Writeoffs	10,940	3,499
M.P.T.C. - cash advance	2,264,258	2,220,370
Sub-total	16,905,168	15,424,779
Balance, end of year	\$ 1,492,405	\$ 1,506,919

Rural Municipality of St. Clements
ANALYSIS OF TAX LEVY
Year Ended December 31, 2016

SCHEDULE 12

	2016		2015
	Assessment	Mill Rate	Levy
Debt charges:			
Frontage	-	-	124,997
L.I.D.			
At large	711,374,430	0.080	56,870
General municipal	711,374,430	7.820	5,577,769
Reserves:			
Various	711,374,430	1.000	312,866
Business tax			4,691
Rounding			-
Adjustments from school levy below			-
Total municipal taxes (Schedule 2)			6,077,193
Education support levy	21,723,950	10.500	228,101
Special levy:			
Lord Selkirk SD # 11	485,409,730	13.825	6,710,790
Sunrise SD # 13	53,706,070	13.300	714,291
River East Transcona SD # 82	171,820,720	12.852	2,208,234
Adjustments of school levy to municipal taxes			-
Total education taxes			9,340,905
			\$ 15,418,098

Rural Municipality of St. Clements
 ANALYSIS OF SCHOOL ACCOUNTS
 Year Ended December 31, 2016

	2016				2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ -	\$ 428,297	\$ (428,297)	\$ -	-
Special levies					
Lord Selkirk SD # 11	(638,039)	6,996,796	(6,357,757)	-	(638,039)
Sunrise SD # 13	-	721,133	(721,133)	-	-
River East Transcona SD # 82	(520,100)	2,301,575	(1,781,475)	-	(520,100)
Sub-total	(1,158,139)	10,018,504	(8,860,366)	-	(1,158,139)
Total	\$ (1,158,139)	\$ 10,446,801	\$ (9,288,662)	\$ -	(1,158,139)

Rural Municipality of St. Clements
SCHEDULE OF GENERAL OPERATIONS
Year Ended December 31, 2016

SCHEDULE 14

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 297,705	\$ 327,767
General administrative	1,187,505	1,071,182
Other	264,316	333,157
Write down of receivables and inventory	111,708	800,178
	<u>1,861,234</u>	<u>2,532,284</u>
Protective services:		
Police	139,546	152,269
Fire	534,036	514,999
Emergency measures	84,708	80,793
North Red community water maintenance	16,666	16,666
Other protection	320,975	1,439,637
	<u>1,095,931</u>	<u>2,204,364</u>
Transportation services:		
Road transport	3,975,163	3,541,056
Road and street maintenance	58,792	55,013
Street lighting	<u>4,033,955</u>	<u>3,596,069</u>
Environmental health services:		
Waste collection and disposal	1,213,546	911,753
	<u>1,213,546</u>	<u>911,753</u>
Public health and welfare services:		
Social assistance	48,061	48,061
	<u>48,061</u>	<u>48,061</u>
Regional planning and development		
Planning and zoning	86,512	65,298
Other	30,949	16,643
	<u>117,460</u>	<u>81,941</u>
Resource conservation and industrial development		
Natural resources	41,425	44,516
Regional development	8,923	3,606
Other	3,000	3,000
	<u>53,348</u>	<u>51,122</u>
Recreation and cultural services:		
Other recreational facilities	94,272	190,551
Libraries	91,975	89,252
	<u>294,059</u>	<u>387,615</u>
Total expenses	<u><u>8,717,595</u></u>	<u><u>9,813,209</u></u>

Rural Municipality of St. Clements
 SCHEDULE OF DEBENTURES PENDING
 Year Ended December 31, 2016

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 12-2009	Waste and Sewer Construction	Own funds & temporary borrowing	\$ 891,412	\$ 1,065,654
B/L 3-2012	East Selkirk Lagoon	Own funds	3,500,000	3,500,000
			<u>\$ 4,391,412</u>	<u>\$ 4,565,654</u>

SCHEDULE 16

Adjustments for reporting under public sector accounting standards

Capital :	
Increase expense - amortization of tangible capital assets	
Increase expense - net book value of assets disposed of	
Increase revenue - capital grants	
Increase revenue - prepaid LID revenue	
Eliminate expense - acquisitions of tangible capital assets charged to operations	
Eliminate revenue - interest charged on assets under construction	
Reserve:	
Increase revenue - reserve funds interest	
Eliminate revenue - transfers from reserves to operating funds	
Eliminate expense - transfers to reserves	
Deferred Revenue:	
Decrease revenue - Increase in deferred revenue - Gas Tax	
Other:	
Eliminate expense - principal portion of long term debt	
Increase expense - increase in landfill liability	
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	