

Rural Municipality of St. Clements

**Consolidated Financial Statements
Year ended December 31, 2015**

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

May 9, 2017



D. J. Sigmundson
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, 2015 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2015, 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, 2015 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2015 in accordance with Canadian public sector accounting standards.



Winnipeg, Canada
May 9, 2017

Chambers Fraser
Chartered Professional Accountants

Rural Municipality of St. Clements

Consolidated Financial Statements

Year ended December 31, 2015

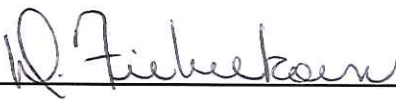
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	18
Schedule 2 - Consolidated Schedule of Revenues	19
Schedule 3 - Consolidated Schedule of Expenses	20
Schedule 4 - Consolidated Statement of Operations by Program	21
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	23
Schedule 6 - Schedule of Change in Reserve Fund Balances	24
Schedule 7 - Schedule of Trust Funds	27
Schedule 8 - Schedule of Financial Position for Utilities	28
Schedule 9 - Schedule of Utility Operations	29
Schedule 10 - Reconciliation of the Financial Plan to the Budget	32
Schedule 11 - Analysis of Taxes on Roll	33
Schedule 12 - Analysis of Tax Levy	34
Schedule 13 - Analysis of School Accounts	35
Schedule 14 - Schedule of General Operating Fund Expenses	36
Schedule 15 - Schedule of Debentures Pending	37
Schedule 16 - Reconciliation of Annual Surplus (Deficit)	38

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 890,354	\$ 342,682
Amounts receivable (Note 4)	7,054,262	6,521,454
Loans and advances	4,011	-
Real estate properties held for sale (Note 5)	916,033	725,000
	<u>\$ 8,864,660</u>	<u>\$ 7,589,136</u>
LIABILITIES		
Temporary borrowing (Note 6)	\$ 16,966,251	\$ 14,105,523
Accounts payable and accrued liabilities (Note 7)	2,524,478	3,434,600
Deferred revenue (Note 8)	331,900	39,276
Landfill closure and post closure liabilities (Note 9)	984,527	944,147
Long-term debt (Note 10)	2,380,654	744,434
Deposits and other liabilities	422,284	414,784
	<u>23,610,094</u>	<u>19,682,764</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (14,745,434)</u>	<u>\$ (12,093,628)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 48,170,042	\$ 44,831,007
Inventories (Note 5)	5,862	11,150
Prepaid expenses	46,835	35,582
	<u>48,222,739</u>	<u>44,877,739</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 15)	<u>\$ 33,477,305</u>	<u>\$ 32,784,111</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, 2015

	2015 Budget (Note 14)	2015 Actual	2014 Actual
REVENUE			
Property taxes	\$ 6,124,169	\$ 6,199,739	\$ 5,532,586
Grants in lieu of taxation	197,926	197,926	178,634
User fees	2,394,981	1,603,644	1,884,031
Grants - Province of Manitoba	1,313,270	3,158,127	6,570,687
Grants - other	556,955	264,890	1,420,814
Permits, licences and fines	18,509	11,356	15,992
Investment income	48,420	44,948	8,179
Other revenue	842,495	272,977	390,050
Water and sewer	574,995	624,183	256,939
Total revenue (Schedules 2, 4 and 5)	12,071,720	12,377,790	16,257,912
EXPENSES			
General government services	1,850,408	2,529,643	2,013,111
Protective services	1,889,218	2,653,930	3,679,791
Transportation services	4,408,189	3,596,069	3,725,261
Environmental health services	1,043,930	911,753	863,636
Public health and welfare services	48,061	48,061	48,061
Regional planning and development	431,454	415,484	355,698
Resource conservation and industrial development	130,307	107,163	120,650
Recreation and cultural services	415,494	504,434	467,877
Water and sewer services	1,669,021	918,059	123,343
Total expenses (Schedules 3, 4 and 5)	11,886,082	11,684,596	11,397,428
ANNUAL SURPLUS (DEFICIT)	185,638	693,194	4,860,484
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 14)	32,784,111	32,784,111	27,923,627
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$32,969,749	\$33,477,305	\$ 32,784,111

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2015

	2015 Budget (Note 14)	2015 Actual	2014 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 185,638	\$ 693,194	\$ 4,860,484
Acquisition of tangible capital assets	(5,388,816)	(5,115,341)	(10,842,562)
Amortization of tangible capital assets	1,517,684	1,517,684	934,036
Loss (Gain) on sale of tangible capital assets		(3,670)	(123,138)
Proceeds on sale of tangible capital assets		3,694	147,035
Write down of tangible assets		73,470	3,945
Transfer tangible asset to inventory		185,131	
Decrease (increase) in inventories		5,288	342
Decrease (increase) in prepaid expense		(11,256)	32,699
	(3,871,132)	(3,345,000)	(9,847,643)
CHANGE IN NET FINANCIAL ASSETS	\$ (3,685,494)	(2,651,806)	(4,987,159)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		(12,093,628)	(7,106,469)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		\$ (14,745,434)	\$ (12,093,628)

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 693,194	\$ 4,860,484
Changes in non-cash items:		
Amounts receivable	(532,808)	(2,278,679)
Inventories	(185,745)	342
Prepays	(11,256)	32,699
Accounts payable and accrued liabilities	(910,122)	1,750,236
Deferred revenue	292,624	(888,929)
Landfill closure and post closure liabilities	40,380	39,202
Other liabilities	7,500	1,800
Loss (Gain) on sale of tangible capital asset	(3,670)	(123,138)
Amortization	<u>1,517,684</u>	<u>934,036</u>
Cash provided by (applied to) operating transactions	<u>907,781</u>	<u>4,328,053</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	3,694	147,035
Write down of tangible assets	73,470	3,945
Transfer tangible asset to inventory	185,131	-
Cash used to acquire tangible capital assets	<u>(5,115,341)</u>	<u>(10,842,562)</u>
Cash provided by (applied to) capital transactions	<u>(4,853,046)</u>	<u>(10,691,582)</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>1,636,220</u>	<u>(98,478)</u>
Cash applied to financing transactions	<u>1,636,220</u>	<u>(98,478)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(2,313,056)	(6,462,007)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>(13,762,841)</u>	<u>(7,300,834)</u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS, END OF YEAR	<u><u>\$ (16,075,897)</u></u>	<u><u>\$ (13,762,841)</u></u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	\$ 890,354	\$ 342,682
Temporary borrowing (Note 6)	<u>(16,966,251)</u>	<u>(14,105,523)</u>
	<u><u>\$ (16,075,897)</u></u>	<u><u>\$ (13,762,841)</u></u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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 %) (2014 - consolidated 23 %)
Selkirk and District Handi-Bus Inc. (consolidated 22 %) (2014 - consolidated 22 %)
Selkirk Weed Control District (consolidated 38 %) (2014 - consolidated 38 %)
North Red Community Water Maintenance Inc. (consolidated 33%) (2014 - consolidated 33 %)
Red River North Regional Library (consolidated 18 %) (2014 - consolidated 18 %)
Red River North Flood Consortium Inc. (consolidated 20%) (2014 - 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, 2015

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 not 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, 2015

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>2015</u>	<u>2014</u>
Cash	<u><u>\$ 890,354</u></u>	<u><u>\$ 342,682</u></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><u>\$ 2,356,548</u></u>	<u><u>\$ 1,774,256</u></u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2015</u>	<u>2014</u>
Taxes on roll (Schedule 11)	<u><u>\$ 1,506,919</u></u>	\$ 1,269,505
Government grants	<u><u>982,561</u></u>	3,085,283
Utility customers	<u><u>137,021</u></u>	37,279
School levies overpaid (Schedule 13)	<u><u>1,158,139</u></u>	-
Organizations and individuals	<u><u>3,122,876</u></u>	1,931,838
Other governments	<u><u>427,040</u></u>	449,616
	<u><u>7,334,556</u></u>	6,773,521
Less allowances for doubtful amounts	<u><u>(280,294)</u></u>	(252,067)
	<u><u>\$ 7,054,262</u></u>	<u><u>\$ 6,521,454</u></u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

5. Inventories

Inventories for sale:

	<u>2015</u>	<u>2014</u>
Sunset Bay lots	\$ 191,033	\$ -
County Road lots	<u>725,000</u>	<u>725,000</u>
	<u><u>\$ 916,033</u></u>	<u><u>\$ 725,000</u></u>

Inventories for use:

	<u>2015</u>	<u>2014</u>
Fuel	4,662	6,802
Aggregate	1,200	1,200
Supplies	<u>-</u>	<u>3,148</u>
	<u><u>\$ 5,862</u></u>	<u><u>\$ 11,150</u></u>

6. Temporary Borrowings

Line of credit with Sunova Credit Union Ltd., at 2.25%	<u>\$ 16,966,251</u>	<u>\$ 14,105,523</u>
	<u><u>\$ 16,966,251</u></u>	<u><u>\$ 14,105,523</u></u>

7. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 2,271,786	\$ 1,318,208
Accrued expenses	239,651	350,011
School levies (Schedule 13)	-	804,723
Other governments	<u>13,041</u>	<u>961,658</u>
	<u><u>\$ 2,524,478</u></u>	<u><u>\$ 3,434,600</u></u>

8. Deferred Revenue:

	<u>2015</u>	<u>2014</u>
Federal Gas Tax Funding	\$ 319,412	\$ 25,825
	<u>319,412</u>	<u>25,825</u>
Other	<u>12,488</u>	<u>13,451</u>
	<u><u>\$ 331,900</u></u>	<u><u>\$ 39,276</u></u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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.

	<u>2015</u>	<u>2014</u>
Landfill Cell A - Opened 1997		
Estimated closure and post closure costs over the next 15 years	<u>\$ 1,301,700</u>	<u>\$ 1,265,300</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u><u>\$ 809,588</u></u>	<u><u>\$ 782,854</u></u>
Expected year capacity will be reached	2018	2018
Capacity (tonnes):		
Used to date	452,000	450,000
Remaining	48,000	50,000
Total	500,000	500,000
Percent utilized	<u>90.40%</u>	<u>90.00%</u>
Liability based on percentage - Cell A	<u><u>\$ 728,629</u></u>	<u><u>\$ 704,569</u></u>

Landfill Cell B - Opened 2009

Estimated closure and post closure costs over the next 15 years	<u>\$ 733,200</u>	<u>\$ 719,300</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u><u>\$ 675,759</u></u>	<u><u>\$ 631,172</u></u>
Expected year capacity will be reached	2018	2018
Capacity (tonnes, volume, acreage, years):		
Used to date	211,300	210,300
Remaining	338,700	339,700
Total	550,000	550,000
Percent utilized	<u>38.42%</u>	<u>38.24%</u>
Liability based on percentage - Cell B	<u><u>\$ 255,898</u></u>	<u><u>\$ 239,579</u></u>

b) Closed Landfill Sites

Estimated post closure costs over the next 20 years	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Total landfill closure and post closure liabilities	<u><u>\$ 984,527</u></u>	<u><u>\$ 944,147</u></u>

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

10. Long Term Debt

	<u>2015</u>	<u>2014</u>
General Authority:		
Debenture for Heritage Centre, at 3.05%, \$58,764 annually including interest, maturing 2022.	\$ 365,433	\$ 411,643
Debenture for Roxanne Shoreline, at 3.5%, \$5,383 annually including interest, maturing 2034.	\$ 73,797	\$ -
	<u>\$ 439,230</u>	<u>\$ 411,643</u>
Utility Authority:		
Debenture for sewer treatment, at 7.000%, \$12,049 annually including interest, maturing 2018.	\$ 31,620	\$ 40,812
Debenture for Low pressure sewer system, at 3.5%, \$108,005 annually including interest, maturing 2034.	\$ 1,612,597	\$ -
	<u>\$ 1,644,217</u>	<u>\$ 40,812</u>
Debenture long term debt	\$ 2,083,447	\$ 452,455
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.	295,736	287,597
Loan with Sunova Credit Union Ltd. \$18,953, at prime, \$675 monthly including interest, maturing 2016.	<u>1,471</u>	<u>4,382</u>
	<u>\$ 2,380,654</u>	<u>\$ 744,434</u>

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

2016	\$ 122,909
2017	125,817
2018	130,367
2019	123,049
2020	127,121

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.

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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 \$280,495 (2014 - \$272,061) 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, 2015. It is anticipated that additional costs related to these projects of approximately \$700,000 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, 2015

15. Accumulated Surplus

	<u>2015</u>	<u>2014</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	94	1,463,200
General capital fund - Capital surplus	20,213,462	19,318,109
Utility operating fund - Nominal surplus	(1,233,002)	168,861
Utility capital fund - Capital surplus	11,349,900	8,968,123
Reserve funds	<u>2,356,549</u>	<u>1,774,257</u>
	32,687,003	31,692,550
Deferred revenue - Reserves	<u>(319,412)</u>	<u>(25,825)</u>
Accumulated surplus of municipality unconsolidated	32,367,591	31,666,725
Accumulated surpluses of consolidated entities	<u>1,109,714</u>	<u>1,117,386</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 33,477,305</u>	<u>\$ 32,784,111</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, 2015:

- a) Compensation paid to members of council amounted to \$241,173 in aggregate.
- b) There were members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Basarowich, G.	\$ 38,009	\$ 16,352	\$ 54,361
Drobot, G.	34,800	14,002	48,802
Fiebelkorn D.	41,799	14,173	55,972
Frey, R.	32,414	11,536	43,950
Thomas W.	39,257	15,494	54,751
Belanger R.	24,954	6,581	31,535
Sutherland D.	29,940	8,457	38,397
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 241,173</u>	<u>\$ 86,595</u>	<u>\$ 327,768</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Sigmundson, Daniel	Chief Administrative Officer	\$ 140,301
Sprunt, Andrew	Manager of Public Works	83,966
Otto, Darren	Public Works Lead Hand	83,088
Sailor, Colleen	Manager of Administrative Services	75,159
Sim, Ken	Director of Protective Services	74,334
Danchuk, Peter	Class 1 Operator	67,902
Boitson, Robert	Class 1 Operator	60,352
Sokoliwski, Chris	Class 1 Operator	56,117
Kulikowski, Dale	Class 1 Operator	55,943
Obie, Cory	Class 1 Operator	55,489
Gabrowski, Kevin	Public Works Project Coordinator	55,431
Stanik, Heather	Office Supervisor	55,238
Plischke, Shannon	Finance Officer	55,238
Woods, Peter	Class 1 Operator	52,697
Chuhie, Mark	Class 1 Operator	52,293
Smith, Gary	Class 1 Operator	51,650
Sinclair, Dustin	Class 1 Operator	51,230

Rural Municipality of St. Clements
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
East Selkirk	\$ 1,533,333	\$ 500,000	\$ 40,667	\$ 1,992,666
	-	-	-	-
	<u>\$ 1,533,333</u>	<u>\$ 500,000</u>	<u>\$ 40,667</u>	<u>\$ 1,992,666</u>

Sewer services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
East Selkirk	\$ 1,533,333	\$ 500,000	\$ 40,667	\$ 1,992,666
Hendersen	3,675,895	323,923	79,996	3,919,822
	<u>\$ 5,209,228</u>	<u>\$ 823,923</u>	<u>\$ 120,663</u>	<u>\$ 5,912,488</u>

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2015

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	2015	2014
Cost										
Opening costs	4,408,161	7,951,842	5,975,112	95,125	218,368	28,863,771	1,895,683	21,915,193	71,323,255	60,518,042
Additions during the year	66,403	230,203	846,060	11,508	-	690,826	-	3,270,341	5,115,341	10,842,562
Transfer during the year	-	-	32,771	-	(32,771)	-	25,185,534	(25,185,534)	-	-
Disposals and write downs	(185,131)	-	(82,823)	-	-	-	-	-	(267,954)	(37,348)
Closing costs	4,289,433	8,182,045	6,771,120	106,633	185,597	29,554,597	27,081,217	-	76,170,642	71,323,256
Accumulated Amortization										
Opening accum'd amortization	409,058	1,681,770	3,721,071	87,936	-	19,982,133	610,280	-	26,492,248	25,567,716
Amortization	88,429	137,699	375,702	9,874	-	310,120	595,860	-	1,517,684	934,036
Disposals and write downs	-	-	(9,332)	-	-	-	-	-	(9,332)	(9,506)
Closing accum'd amortization	497,487	1,819,469	4,087,441	97,810	-	20,292,253	1,206,140	-	28,000,600	26,492,246
Net Book Value of Tangible Capital Assets	3,791,946	6,362,576	2,683,679	8,823	185,597	9,262,344	25,875,077	-	48,170,042	44,831,010

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2015

SCHEDULE 2

	2015 Actual	2014 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,077,193	\$ 5,436,601
Taxes added	122,546	95,985
	6,199,739	5,532,586
Grants in lieu of taxation:		
Federal government	10,531	9,877
Federal government enterprises	1,409	1,298
Provincial government	28,018	23,155
Provincial government enterprises	157,968	144,304
	197,926	178,634
User fees		
Sales of service	1,393,481	1,681,839
Rentals	85,163	98,306
Development charges	125,000	103,886
	1,603,644	1,884,031
Grants - Province of Manitoba		
General assistance payment	416,609	416,609
VLT revenues	157,154	157,154
Conditional grants	2,584,364	5,996,924
	3,158,127	6,570,687
Grants - other		
Federal government - gas tax funding	250,000	1,384,580
Federal government - other	1,817	2,082
Other local governments	13,073	34,152
	264,890	1,420,814
Permits, licences and fines		
Licences	9,015	13,361
Fines	2,341	2,631
	11,356	15,992
Investment income:		
Cash and temporary investments	41,528	4,949
Other (specify):	3,420	3,230
	44,948	8,179
Other revenue:		
Gain (loss) on sale of tangible capital assets	3,670	123,138
Penalties and interest	160,198	142,695
Miscellaneous:		
Recoveries	66,755	85,754
Other revenue	42,354	38,463
	272,977	390,050
Water and sewer (Schedule 4)	624,183	256,939
Total revenue	12,377,790	16,257,912

Rural Municipality of St. Clements
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2015

SCHEDULE 3

	<u>2015 Actual</u>	<u>2014 Actual</u>
General government services:		
Legislative	\$ 327,767	\$ 366,673
General administrative	1,071,182	1,240,028
Other	330,516	406,410
Write down of receivables and inventory	800,178	-
	<u>2,529,643</u>	<u>2,013,111</u>
Protective services:		
Police	152,269	129,075
Fire	514,999	567,346
Emergency measures	80,793	83,035
North Red community water maintenance	399,728	429,963
Other protection	1,506,141	2,470,372
	<u>2,653,930</u>	<u>3,679,791</u>
Transportation services:		
Road transport		
Road and street maintenance	3,541,056	3,671,944
Street lighting	55,013	53,317
	<u>3,596,069</u>	<u>3,725,261</u>
Environmental health services:		
Waste collection and disposal	911,753	863,636
	<u>911,753</u>	<u>863,636</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	398,841	343,046
Other	16,643	12,652
	<u>415,484</u>	<u>355,698</u>
Resource conservation and industrial development		
Natural Resources	3,606	6,919
Regional development	100,557	110,731
Other	3,000	3,000
	<u>107,163</u>	<u>120,650</u>
Recreation and cultural services:		
Other recreation	190,551	177,551
Libraries	206,071	164,436
	<u>504,434</u>	<u>467,877</u>
Water and sewer services (Schedule 9)	<u>918,059</u>	<u>123,343</u>
Total expenses	<u><u>11,684,596</u></u>	<u><u>11,397,428</u></u>

Rural Municipality of St. Clements
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2015

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ 6,079,685	\$ 5,532,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	197,926	178,634	-	-	-	-	-	-	-	-
User fees	61,665	76,655	595,713	589,102	81,664	62,137	408,261	428,901	-	-
Prov of MB - Unconditional Grants	573,763	573,763	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	40,037	42,833	705,246	2,003,744	-	1,100	-	-	-	-
Grants - other	250,000	-	734	187,356	-	-	-	-	-	-
Permits, licences and fines	9,015	13,690	132	-	-	-	-	-	-	-
Investment income	41,528	4,949	-	56	-	-	-	-	-	-
Other revenue - schedule 2	90,414	230,623	4,611	5,165	-	-	-	-	-	-
Water and sewer										
Total revenue	<u>\$ 7,344,033</u>	<u>\$ 6,653,733</u>	<u>\$ 1,306,436</u>	<u>\$ 2,785,423</u>	<u>\$ 81,664</u>	<u>\$ 63,237</u>	<u>\$ 408,261</u>	<u>\$ 428,901</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 898,488	\$ 880,143	\$ 752,228	\$ 722,675	\$ 1,142,303	\$ 1,135,105	\$ 261,769	\$ 316,161	\$ -	\$ -
Contract services	514,624	734,593	1,485,751	2,508,086	877,798	983,601	364,906	285,727	-	-
Utilities	30,814	33,744	49,061	59,357	89,977	96,769	4,424	4,602	-	-
Maintenance materials and supplies	77,134	99,845	160,723	216,867	940,770	997,521	236,342	217,736	-	-
Grants and contributions	141,004	201,721	22,424	13,736	-	-	-	-	48,061	48,061
Amortization	10,028	8,735	181,171	158,043	545,220	512,265	44,312	39,410	-	-
Interest on long term debt	8,773	1,119	443	-	-	-	-	-	-	-
Other	848,775	53,210	2,130	1,028	-	-	-	-	-	-
Total expenses	<u>\$ 2,529,640</u>	<u>\$ 2,013,110</u>	<u>\$ 2,653,931</u>	<u>\$ 3,679,792</u>	<u>\$ 3,596,068</u>	<u>\$ 3,725,261</u>	<u>\$ 911,753</u>	<u>\$ 863,636</u>	<u>\$ 48,061</u>	<u>\$ 48,061</u>
Surplus (Deficit)	<u>\$ 4,814,393</u>	<u>\$ 4,640,623</u>	<u>\$ (1,347,495)</u>	<u>\$ (894,369)</u>	<u>\$ (3,514,404)</u>	<u>\$ (3,662,024)</u>	<u>\$ (503,492)</u>	<u>\$ (434,735)</u>	<u>\$ (48,061)</u>	<u>\$ (48,061)</u>

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2015

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,054	\$ -	\$ 6,199,739	\$ 5,532,586
Grants in lieu of taxation	-	-	-	-	-	-	-	-	197,926	178,634
User fees	394,585	650,562	57,746	73,196	4,011	3,478	-	-	1,603,645	1,884,031
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	573,763	573,763
Prov of MB - Conditional Grants	-	-	-	-	515,158	552,057	\$ 1,323,923	\$ 3,397,190	2,584,364	5,996,924
Grants - other	7,044	4,800	4,701	12,964	2,411	15,694	-	\$ 1,200,000	264,890	1,420,814
Permits, licences and fines	-	-	-	-	2,209	2,302	-	-	11,356	15,992
Investment income	2,924	2,766	-	-	496	408	-	-	44,948	8,179
Other revenue - schedule 2	3,204	1,619	3,670	1,909	171,077	150,734	-	-	272,976	390,050
Water and sewer	-	-	-	-	-	-	624,183	256,939	624,183	256,939
Total revenue	\$ 407,757	\$ 659,747	\$ 66,117	\$ 88,069	\$ 695,362	\$ 724,673	\$ 2,068,160	\$ 4,854,129	\$ 12,377,790	\$ 16,257,912
EXPENSES										
Personnel services	\$ 251,702	\$ 227,890	\$ 48,933	\$ 55,695	\$ 86,651	\$ 83,320	\$ 28,712	\$ 18,072	\$ 3,470,786	\$ 3,439,061
Contract services	64,204	66,108	9,801	7,886	22,200	123,072	192,664	25,981	3,531,948	4,735,054
Utilities	4,178	3,704	838	685	15,681	10,253	42,774	26,324	237,747	235,438
Maintenance materials and supplies	44,116	26,475	23,472	36,259	27,721	20,413	6,302	-	1,516,580	1,615,116
Grants and contributions	12,930	-	4,016	-	236,897	96,970	-	-	465,332	360,488
Amortization	21,711	21,895	13,680	12,949	113,167	131,231	595,860	49,508	1,525,149	934,036
Interest on long term debt	-	784	86	203	-	-	51,749	3,458	61,051	5,564
Other	16,643	8,842	6,337	6,973	2,118	2,618	-	-	876,003	72,671
Total expenses	\$ 415,484	\$ 355,698	\$ 107,163	\$ 120,650	\$ 504,435	\$ 467,877	\$ 918,061	\$ 123,343	\$ 11,684,596	\$ 11,397,428
Surplus (Deficit)	\$ (7,727)	\$ 304,049	\$ (41,046)	\$ (32,581)	\$ 190,927	\$ 256,796	\$ 1,150,099	\$ 4,730,786	\$ 693,194	\$ 4,860,484

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2015

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE								
Property taxes	\$ 6,199,739	\$ 5,532,586	\$ -	\$ -	\$ -	\$ -	\$ 6,199,739	\$ 5,532,586
Grants in lieu of taxation	197,926	178,634	-	-	-	-	197,926	178,634
User fees	755,622	738,062	-	-	848,023	1,145,969	1,603,645	1,884,031
Prov of MB - Unconditional Grants	573,763	573,763	-	-	-	-	573,763	573,763
Prov of MB - Conditional Grants	2,529,615	5,932,189	-	-	54,749	64,735	2,584,364	5,996,924
Grants - other	250,000	1,384,580	-	-	14,890	36,234	264,890	1,420,814
Permits, licences and fines	9,147	13,690	-	-	2,209	2,302	11,356	15,992
Investment income	41,528	4,949	-	-	3,420	3,230	44,948	8,179
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-
Other revenue	250,612	373,318	-	-	22,364	16,732	272,976	390,050
Water and sewer	624,183	256,939	-	-	-	-	624,183	256,939
Total revenue	<u>\$ 11,432,135</u>	<u>\$ 14,988,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945,655</u>	<u>\$ 1,269,202</u>	<u>\$ 12,377,790</u>	<u>\$ 16,257,912</u>
EXPENSES								
Personnel services	\$ 2,901,218	\$ 2,883,849	\$ -	\$ -	\$ 569,568	\$ 555,212	\$ 3,470,786	\$ 3,439,061
Contract services	3,261,127	4,432,366	-	-	270,821	302,688	3,531,948	4,735,054
Utilities	212,819	214,692	-	-	24,928	20,746	237,747	235,438
Maintenance materials and supplies	1,392,664	1,480,722	-	-	123,916	134,394	1,516,580	1,615,116
Grants and contributions	378,121	360,488	-	-	87,211	-	465,332	360,488
Amortization	1,446,784	864,920	-	-	78,365	69,116	1,525,149	934,036
Interest on long term debt	60,522	4,577	-	-	529	987	61,051	5,564
Other	871,069	68,971	-	-	4,934	3,700	876,003	72,671
Total expenses	<u>\$ 10,524,324</u>	<u>\$ 10,310,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,160,272</u>	<u>\$ 1,086,843</u>	<u>\$ 11,684,596</u>	<u>\$ 11,397,428</u>
Surplus (Deficit)	<u>\$ 907,811</u>	<u>\$ 4,678,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (214,617)</u>	<u>\$ 182,359</u>	<u>\$ 693,194</u>	<u>\$ 4,860,484</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2015

	2015						
	Capital Improvements	Election	Nusinace Grounds	Bridge Repair	Public Works	Fire	Police
REVENUE							
Investment income	\$ 1,911	\$ 57	\$ 9	\$ 5,800	\$ 2,440	\$ 7,165	\$ 1
Other income	56,750	-	-	-	-	41,717	-
Total revenue	58,661	57	9	5,800	2,440	48,882	1
EXPENSES							
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	58,661	57	9	5,800	2,440	48,882	1
TRANSFERS							
Transfers from general operating	60,000	7,000	-	-	430,000	140,000	-
Transfers to general operating	(18,136)	-	-	-	-	-	-
Acquisition of tangible capital assets	(273,428)	-	-	-	(388,114)	(288,850)	-
CHANGE IN RESERVE FUND BALANCES	(172,903)	7,057	9	5,800	44,326	(99,968)	1
FUND SURPLUS, BEGINNING OF YEAR	172,903	1,401	555	355,738	16,244	610,209	83
FUND SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ 8,458</u>	<u>\$ 564</u>	<u>\$ 361,538</u>	<u>\$ 60,570</u>	<u>\$ 510,241</u>	<u>\$ 84</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2015

	2015						
	Enviroment	Gas Tax	Recreation and Culture	Public Works Shop	Office Building	Grand Marais Road	125 Anniversary
REVENUE							
Investment income	\$ 4,026	\$ 3,268	\$ 338	\$ -	\$ 476	\$ -	\$ 4
Other income	13,500	-	11,500	-	-	-	-
Total revenue	17,526	3,268	11,838	-	476	-	4
EXPENSES							
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	17,526	3,268	11,838	-	476	-	4
TRANSFERS							
Transfers from general operating	110,000	540,319	-	-	15,000	-	-
Transfers to general operating	(35,588)	(250,000)	(58,258)	-	(2,140)	-	-
Acquisition of tangible capital assets	(80,000)	-	-	-	(10,342)	-	-
CHANGE IN RESERVE FUND BALANCES	11,938	293,587	(46,420)	-	2,994	-	4
FUND SURPLUS, BEGINNING OF YEAR	262,565	25,825	48,600	-	29,126	3,039	217
FUND SURPLUS, END OF YEAR	<u>\$ 274,503</u>	<u>\$ 319,412</u>	<u>\$ 2,180</u>	<u>\$ -</u>	<u>\$ 32,120</u>	<u>\$ 3,039</u>	<u>\$ 221</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2015

	2015						2014
	Road Reserve	East Beaches Regional	East Selkirk Water	Lockport Utility	Sunset Utility	Total	Total
REVENUE							
Investment income	\$ 987	\$ -	\$ 3,113	\$ 948	\$ -	\$ 30,543	\$ 31,418
Other income	21,000	-	-	-	-	144,467	-
Total revenue	21,987	-	3,113	948	-	175,010	31,418
EXPENSES							
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	21,987	-	3,113	948	-	175,010	31,418
TRANSFERS							
Transfers from general operating	688,277	-	-	-		1,990,596	1,373,004
Transfers to general operating	(308,461)	-	-	-		(672,583)	(537,772)
Transfers from utility operating	-	-	70,665	40,558	18,780	130,003	150,647
Acquisition of tangible capital assets	-	-	-	-		(1,040,734)	(2,837,556)
CHANGE IN RESERVE FUND BALANCES	401,803	-	73,778	41,506	18,780	582,292	(1,820,259)
FUND SURPLUS, BEGINNING OF YEAR	2,049	-	187,541	58,161		1,774,256	3,594,515
FUND SURPLUS, END OF YEAR	<u>\$ 403,852</u>	<u>\$ -</u>	<u>\$ 261,319</u>	<u>\$ 99,667</u>	<u>\$ 18,780</u>	<u>\$ 2,356,548</u>	<u>\$ 1,774,256</u>

Rural Municipality of St. Clements
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2015

SCHEDULE 7

	Total	
	2015	2014
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>

	2015				2014
	Lockport	East Selkirk	Sunset	Total	Total
FINANCIAL ASSETS					
Amounts receivable	<u>\$ 362,406</u>	<u>\$ 229,448</u>	<u>\$ -</u>	<u>\$ 591,854</u>	<u>\$ 834,350</u>
	<u>\$ 362,406</u>	<u>\$ 1,229,447</u>	<u>\$ 318,819</u>	<u>\$ 1,910,672</u>	<u>\$ 834,350</u>
LIABILITIES					
Connection deposits	\$ 17,136	\$ -	\$ -	\$ 17,136	17,136
Long-term debt (Note 9)	31,620	-	1,612,597	1,644,217	40,812
Due to other funds	<u>1,472,274</u>	<u>14,405,718</u>	<u>-</u>	<u>\$ 15,877,992</u>	<u>\$ 14,750,690</u>
	<u>1,521,030</u>	<u>14,405,718</u>	<u>1,612,597</u>	<u>17,539,345</u>	<u>14,808,638</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,158,624)</u>	<u>\$ (13,176,271)</u>	<u>\$ (1,293,778)</u>	<u>\$ (15,628,673)</u>	<u>\$ (13,974,288)</u>
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	<u>\$ 7,495,904</u>	<u>\$ 16,898,950</u>	<u>\$ 1,480,225</u>	<u>\$ 25,875,079</u>	<u>\$ 23,200,596</u>
FUND SURPLUS (DEFICIT)	<u>\$ 6,337,280</u>	<u>\$ 3,722,679</u>	<u>\$ 186,447</u>	<u>\$ 10,246,406</u>	<u>\$ 9,226,308</u>
COMMITMENTS AND CONTINGENCIES (Note 13)					

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS - Lockport
Year Ended December 31, 2015

SCHEDULE 9

	2015 Budget	2015 Actual	2014 Actual
REVENUE			
Sewer fees	75,240	96,608	98,239
Property taxes	12,049	12,049	-
Connection charges	-	38,100	45,000
Government transfers - capital	-	323,923	4,597,190
Total revenue	<u>87,289</u>	<u>470,680</u>	<u>4,740,429</u>
EXPENSES			
General			
Administration	5,500	100	600
sub-total- general	<u>5,500</u>	<u>100</u>	<u>600</u>
Sewer			
Collection system costs	2,000	20,408	7,362
Treatment and disposal cost	33,100	54,057	53,329
Lift Station costs	2,000	6,885	-
Amortization	177,263	177,263	49,508
Interest on long term debt	2,857	2,857	3,458
sub-total- sewer	<u>217,220</u>	<u>261,470</u>	<u>113,657</u>
Total expenses	<u>222,720</u>	<u>261,570</u>	<u>114,257</u>
NET REVENUES	(135,431)	209,110	4,626,172
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	(40,558)	(36,947)
Transfer for capital purposes from reserve funds		-	-
CHANGE IN UTILITY FUND BALANCE	(135,431)	168,552	4,589,225
FUND SURPLUS, BEGINNING OF YEAR	<u>6,168,728</u>	<u>6,168,728</u>	<u>1,579,503</u>
FUND SURPLUS, END OF YEAR	<u><u>\$ 6,033,297</u></u>	<u><u>\$ 6,337,280</u></u>	<u><u>\$ 6,168,728</u></u>

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS - East Selkirk
Year Ended December 31, 2015

SCHEDULE 9

	2015 Budget	2015 Actual	2014 Actual
REVENUE			
Water fees	\$ 303,769	\$ -	\$ -
Sewer fees	89,156	150,167	-
Property taxes	676,212	-	-
Lagoon tipping fees	-	68,320	-
Hydrant rentals	12,200	-	-
Connection charges	-	88,684	113,700
Penalties	2,000	-	-
Government transfers - capital	67,778	1,000,000	-
Total revenue	<u>1,151,115</u>	<u>1,307,171</u>	<u>113,700</u>
EXPENSES			
General			
Administration	24,998	14,690	-
Training costs	72,000	-	-
Billing and collection	5,000	-	-
sub-total- general	<u>101,998</u>	<u>14,690</u>	<u>-</u>
Water			
Purification and treatment	8,000	6,042	-
Transmission and distribution	6,000	-	-
Service and other supply costs	58,089	-	-
sub-total- water	<u>72,089</u>	<u>6,042</u>	<u>-</u>
Sewer			
Collection system costs	12,000	118,242	-
Treatment and disposal cost	76,000	42,356	9,086
Lift Station costs	6,000	1,991	-
Amortization	388,086	388,086	-
sub-total- sewer	<u>482,086</u>	<u>550,675</u>	<u>9,086</u>
Total expenses	<u>656,173</u>	<u>571,407</u>	<u>9,086</u>
NET REVENUES	494,942	735,764	104,614
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	(70,665)	(113,700)
Transfer for capital purposes from reserve funds		-	-
CHANGE IN UTILITY FUND BALANCE	494,942	665,099	(9,086)
FUND SURPLUS, BEGINNING OF YEAR	<u>3,057,580</u>	<u>3,057,580</u>	<u>3,066,666</u>
FUND SURPLUS, END OF YEAR	<u><u>\$ 3,552,522</u></u>	<u><u>\$ 3,722,679</u></u>	<u><u>\$ 3,057,580</u></u>

Rural Municipality of St. Clements
SCHEDULE OF UTILITY OPERATIONS - Sunset
Year Ended December 31, 2015

SCHEDULE 9

	2015 Budget	2015 Actual	2014 Actual
REVENUE			
Sewer fees	169,449	182,304	-
Property taxes	108,005	108,005	-
Total revenue	277,454	290,309	-
EXPENSES			
General			
Administration	4,000	4,536	-
Training costs	10,000	-	-
Billing and collection	1,000	-	-
sub-total- general	15,000	4,536	-
Sewer			
Treatment and disposal cost	17,016	636	-
Lift Station costs	12,000	507	-
Amortization	30,511	30,511	-
Interest on long term debt	48,892	48,892	-
sub-total- sewer	108,419	80,546	-
Total expenses	123,419	85,082	-
NET REVENUES	154,035	205,227	-
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	(18,780)	-
Transfer for capital purposes from reserve funds		-	-
CHANGE IN UTILITY FUND BALANCE	154,035	186,447	-
FUND SURPLUS, BEGINNING OF YEAR	-	-	-
FUND SURPLUS, END OF YEAR	\$ 154,035	\$ 186,447	\$ -

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2015

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 6,124,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,124,169
Grants in lieu of taxation	197,926	-	-	-	-	-	-	197,926
User fees	1,546,958	-	-	-	-	-	848,023	2,394,981
Grants - Province of Manitoba	1,008,231	-	250,290	-	-	-	54,749	1,313,270
Grants - other	540,387	-	-	-	-	-	16,568	556,955
Permits, licences and fines	16,300	-	-	-	-	-	2,209	18,509
Investment income	45,000	-	-	-	-	-	3,420	48,420
Other revenue	820,131	-	-	-	-	-	22,364	842,495
Water and sewer	-	574,995	-	-	-	-	-	574,995
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from general	-	940,863	-	-	(940,863)	-	-	-
Transfers from reserves	1,191,558	-	-	-	(1,191,558)	-	-	-
Total revenue	\$ 11,490,660	\$ 1,515,858	\$ 250,290	\$ -	\$ (2,132,421)	\$ -	\$ 947,333	\$ 12,071,720
EXPENSES								
General government services	\$ 1,762,285	\$ -	\$ 10,028	\$ 43,773	\$ 28,227	\$ -	\$ 6,095	\$ 1,850,408
Protective services	1,265,097	-	181,171	443	-	-	442,507	1,889,218
Transportation services	3,862,969	-	545,220	-	-	-	-	4,408,189
Environmental health services	959,238	-	44,312	-	-	40,380	-	1,043,930
Public health and welfare services	48,061	-	-	-	-	-	-	48,061
Regional planning and development	76,200	-	21,711	-	-	-	333,543	431,454
Resource cons and industrial dev	60,500	-	13,680	86	-	-	56,041	130,307
Recreation and cultural services	185,508	-	113,167	-	-	-	116,819	415,494
Water and sewer services	-	1,021,412	595,860	51,749	-	-	-	1,669,021
Fiscal services:								-
Transfer to capital	-	-	-	-	-	-	-	-
Debt charges	63,707	452,306	-	(516,013)	-	-	-	-
Tax discounts	-	-	-	-	-	-	-	-
Short term interest	35,000	-	-	(35,000)	-	-	-	-
Transfer to Utility	120,054	-	-	-	(120,054)	-	-	-
Transfer to reserves	3,023,814	42,140	-	-	(3,065,954)	-	-	-
Transfer to accumulated surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	28,227	-	-	-	(28,227)	-	-	-
Total expenses	\$ 11,490,660	\$ 1,515,858	\$ 1,525,149	\$ (454,962)	\$ (3,186,008)	\$ 40,380	\$ 955,005	\$ 11,886,082
Surplus (Deficit)	\$ -	\$ -	\$ (1,274,859)	\$ 454,962	\$ 1,053,587	\$ (40,380)	\$ (7,672)	\$ 185,638

Rural Municipality of St. Clements
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2015

SCHEDULE 11

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	<u>\$ 1,269,505</u>	<u>\$ 1,243,909</u>
Add:		
Tax levy (Schedule 12)	15,418,099	14,184,876
Taxes added	123,346	95,985
Penalties or interest	82,853	61,920
Other accounts added	10,628	9,867
Refunds and discounts	<u>27,268</u>	<u>60,307</u>
Sub-total	<u>15,662,194</u>	<u>14,412,955</u>
Deduct:		
Cash collections	13,200,911	12,170,580
Writeoffs	3,499	21,380
M.P.T.C. - cash advance	<u>2,220,370</u>	<u>2,195,399</u>
Sub-total	<u>15,424,780</u>	<u>14,387,359</u>
Balance, end of year	<u><u>\$ 1,506,919</u></u>	<u><u>\$ 1,269,505</u></u>

	2015			2014
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage	-	-	124,997	12,049
L.I.D.				
At large	624,945,050	0.091	56,870	56,947
General municipal	625,731,321	8.914	5,577,769	5,362,914
Reserves:				
Various	625,732,000	0.500	312,866	-
Business tax			4,691	4,691
Rounding			-	-
Adjustments from schoool levy below			-	-
Total municipal taxes (Schedule 2)			6,077,193	5,436,601
Education support levy	18,956,850	11.624	220,354	212,791
Special levy:				
Lord Selkirk SD # 11	429,331,000	14.805	6,356,245	5,982,651
Sunrise SD # 13	48,884,840	14.342	701,106	673,882
River East Transcona SD # 82	147,119,210	14.024	2,063,200	1,878,951
			-	-
Adjustments of schoool levy to municipal taxes			-	-
Total education taxes			9,340,906	8,748,275
			\$ 15,418,099	\$ 14,184,876

Rural Municipality of St. Clements
 ANALYSIS OF SCHOOL ACCOUNTS
 Year Ended December 31, 2015

SCHEDULE 13

	2015				2014
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 41,168	\$ 422,669	\$ (463,837)	\$ -	41,168
Special levies					
Lord Selkirk SD # 11	484,996	6,642,823	(7,765,858)	(638,039)	484,996
Sunrise SD # 13	61,194	707,586	(768,780)	-	61,194
River East Transcona SD # 82	217,365	2,102,952	(2,840,417)	(520,100)	217,365
Sub-total	763,555	9,453,361	(11,375,055)	(1,158,139)	763,555
Total	\$ 804,723	\$ 9,876,030	\$ (11,838,892)	\$ (1,158,139)	804,723

Rural Municipality of St. Clements
SCHEDULE OF GENERAL OPERATIONS
Year Ended December 31, 2015

SCHEDULE 14

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 327,767	\$ 366,673
General administrative	1,071,182	1,240,028
Other	333,157	415,148
Write down of receivables and inventory	800,178	-
	<u>1,732,106</u>	<u>2,021,848</u>
Protective services:		
Police	152,269	129,075
Fire	514,999	567,346
Emergency measures	80,793	83,035
North Red community water maintenance	16,666	16,666
Other protection	1,439,637	2,393,022
	<u>2,204,364</u>	<u>3,189,144</u>
Transportation services:		
Road transport		
Road and street maintenance	3,541,056	3,671,944
Street lighting	55,013	53,317
	<u>3,596,069</u>	<u>3,725,261</u>
Environmental health services:		
Waste collection and disposal	911,753	863,636
	<u>911,753</u>	<u>863,636</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	65,298	41,885
Other	16,643	12,652
	<u>81,941</u>	<u>54,537</u>
Resource conservation and industrial development		
Natural resources	44,516	31,648
Regional development	3,606	6,919
Other	3,000	3,000
	<u>51,122</u>	<u>41,566</u>
Recreation and cultural services:		
Other recreational facilities	190,551	177,551
Libraries	89,252	89,254
	<u>387,615</u>	<u>392,695</u>
Total expenses	<u><u>9,013,031</u></u>	<u><u>10,336,748</u></u>

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 10-2007	Waste and Sewer Construction	Own funds & temporary borrowing	\$ 13,146,620	\$ 13,146,620
B/L 3-2012	East Selkirk Lagoon	Own funds	3,500,000	3,198,091
B/L 8-2014	Low Pressure sewer system	Own funds	6,271,534	6,200,993
			<u>\$ 22,918,154</u>	<u>\$ 22,545,704</u>

Rural Municipality of St. Clements
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
As at December 31, 2015

SCHEDULE 16

	General	2015 Utility	Total	2014 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (1,503,288)	\$ (1,401,862)	\$ (2,905,150)	\$ 23,865
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - amortization of tangible capital assets	(850,924)	(595,860)	(1,446,784)	(864,919)
Increase expense - net book value of assets disposed of	-	-	-	(25,418)
Increase revenue - capital grants	-	1,323,923	1,323,923	4,597,190
Increase revenue - Prepaid LID revenue	-	224,229	224,229	-
Eliminate expense - acquisitions of tangible capital assets charged to operations	752,058	1,401,362	2,153,420	1,758,792
Eliminate revenue - interest charged on assets under construction	(32,678)	-	(32,678)	(40,183)
Reserve:				
Increase revenue - reserve funds interest	30,542	-	30,542	31,419
Eliminate revenue - transfers from reserves to operating funds	(694,958)	-	(694,958)	(3,375,328)
Eliminate expense - transfers to reserves	2,135,063	130,003	2,265,066	1,523,651
Deferred Revenue:				
Decrease revenue - Increase in deferred revenue - Gas Tax	(293,585)	-	(293,585)	885,678
Other:				
Eliminate expense - principal portion of long term debt	48,915	68,306	117,221	53,073
Increase expense - increase in landfill liability	(40,380)	-	(40,380)	(39,202)
	<u>(449,235)</u>	<u>1,150,101</u>	<u>700,866</u>	<u>4,528,618</u>
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(7,672)	-	(7,672)	331,866
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ (456,907)</u>	<u>\$ 1,150,101</u>	<u>\$ 693,194</u>	<u>\$ 4,860,484</u>