

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

Rural Municipality of Piney
PO Box 48
Vassar, Manitoba
R0A 2J0

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Piney and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Reid & Associates as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Members and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.

Martin Van Osch
Chief Administrative Officer



Independent Auditors' Report

To the Members and members of Council of the
Rural Municipality of Piney

We have audited the accompanying financial statements of Rural Municipality of Piney, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended, 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 misstatement, 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 the 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion these financial statements present fairly, in all material respects, the financial position of Rural Municipality of Piney as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

The comparative figures were audited by another firm of public accountants.

September 17, 2018
Winnipeg, Manitoba

Reid & Associates
Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

	Page
Consolidated Statement of Financial Position.....	6
Consolidated Statement of Operations.....	7
Consolidated Statement of Net Financial Assets.....	8
Consolidated Statement of Cash Flows.....	9
Notes to the Consolidated Financial Statements.....	10 - 19
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	20
Schedule 2 - Consolidated Schedule of Revenues.....	21
Schedule 3 - Consolidated Schedule of Expenses.....	22
Schedule 4 - Consolidated Schedule of Operations by Program.....	23 - 24
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results.....	25
Schedule 6 - Schedule of Change in Reserve Fund Balances.....	26 - 27
Schedule 7 - Reconciliation of the Financial Plan to the Budget.....	28
Schedule 8 - Analysis of Taxes on Roll.....	29
Schedule 9 - Analysis of Tax Levy.....	30
Schedule 10 - Schedule of General Operating Fund Expenses.....	31
Schedule 11 - Estimated Reconciliation of Annual Surplus.....	32

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	2017 Actual \$	2016 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	2,572,162	2,312,177
Accounts receivable <i>(note 3)</i>	<u>394,353</u>	<u>567,284</u>
	<u>2,966,515</u>	<u>2,879,461</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 5)</i>	<u>486,049</u>	<u>248,392</u>
NET FINANCIAL ASSETS	<u>2,480,466</u>	<u>2,631,069</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	2,374,400	2,282,977
Inventories <i>(note 4)</i>	258,700	80,815
Prepaid expenses	<u>17,101</u>	<u>13,980</u>
	<u>2,650,201</u>	<u>2,377,772</u>
ACCUMULATED SURPLUS <i>(note 11)</i>	<u>5,130,667</u>	<u>5,008,841</u>

Approved on Behalf of the Council

 Reeve

 Councillor

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
REVENUE			
Property taxes	1,031,596	1,018,850	955,881
Grants in lieu of taxation	41,259	41,259	39,120
User fees	125,000	82,554	260,883
Grants - Province of Manitoba	457,900	502,253	689,270
Grants - Other	115,700	148,209	189,583
Permits, licences and fees	21,700	11,704	14,590
Investment revenue	17,500	36,441	33,081
Other revenue	123,627	154,559	126,101
Total revenue <i>(schedules 2, 4 and 5)</i>	<u>1,934,282</u>	<u>1,995,829</u>	<u>2,308,509</u>
EXPENSES			
General government services	421,202	423,485	381,112
Protective services	306,539	285,559	289,613
Transportation services	888,100	751,354	873,962
Environmental health services	174,750	167,337	144,185
Public health and welfare services	17,916	17,642	14,916
Regional planning and development	7,000	2,293	7,147
Resource conservation and industrial development	80,000	149,262	100,431
Recreation and cultural services	104,500	77,071	101,521
Total expenses <i>(schedules 3, 4 and 5)</i>	<u>2,000,007</u>	<u>1,874,003</u>	<u>1,912,887</u>
ANNUAL SURPLUS	(65,725)	121,826	395,622
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>5,008,841</u>	<u>5,008,841</u>	<u>4,613,219</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>4,943,116</u></u>	<u><u>5,130,667</u></u>	<u><u>5,008,841</u></u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS
For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
ANNUAL SURPLUS	<u>(65,725)</u>	<u>121,826</u>	<u>395,622</u>
Acquisition of tangible capital assets	(334,500)	(410,184)	(692,138)
Proceeds on disposal of tangible capital assets	225,000	150,584	-
Amortization of tangible capital assets	218,900	218,233	183,561
Gain on sale of tangible capital assets	-	(50,056)	-
Decrease (increase) in inventories	-	(177,885)	136,065
Decrease (increase) in prepaid expense	-	(3,121)	2,921
CHANGE IN SURPLUS (DEFICIT)	<u>43,675</u>	<u>(150,603)</u>	<u>26,031</u>
NET FINANCIAL ASSETS BEGINNING OF YEAR	<u>2,631,069</u>	<u>2,631,069</u>	<u>2,605,038</u>
NET FINANCIAL ASSETS END OF YEAR	<u>2,674,744</u>	<u>2,480,466</u>	<u>2,631,069</u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

	2017 Actual \$	2016 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	121,826	395,622
Changes in non-cash items:		
Amortization	218,233	183,561
Gain on disposal of tangible capital assets	(50,056)	-
	<u>290,003</u>	<u>579,183</u>
Net changes in non-cash working capital affecting operations <i>(note 13)</i>	<u>229,582</u>	<u>61,160</u>
	<u>519,585</u>	<u>640,343</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	150,584	-
Cash used to acquire tangible capital assets	(410,184)	(692,138)
	<u>(259,600)</u>	<u>(692,138)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	259,985	(51,795)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>2,312,177</u>	<u>2,363,972</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>2,572,162</u></u>	<u><u>2,312,177</u></u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	1,025,111	599,767
Temporary investments	1,547,051	1,712,410
	<u><u>2,572,162</u></u>	<u><u>2,312,177</u></u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

1. STATUS OF THE RURAL MUNICIPALITY OF PINEY

The incorporated Rural Municipality of Piney is a municipal government that was created on January 1, 1945 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Municipality has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) REPORTING ENTITY

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality.

The 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:

	Consolidated	
	2017	2016
Piney Stuartbum Weed Control District	50.00 %	50.00 %
Vita Veterinary Services Board	29.00 %	29.00 %

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements.

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

b) BASIS OF ACCOUNTING

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

c) CASH AND TEMPORARY INVESTMENTS

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

d) INVESTMENTS

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

Portfolio investments are accounted for at cost.

e) REAL ESTATE PROPERTIES HELD FOR SALE

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

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

f) LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

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

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

g) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land and land improvements	Indefinite
Buildings and leasehold improvements	10 to 40 years
Vehicles and equipment	
Vehicles	10 to 20 years
Machinery and equipment	10 to 20 years
Computer hardware and software	4 to 10 years

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Infrastructure Assets

Roads, Streets, and Bridges	
Land	Indefinite
Road surface	25 to 40 years
Road grade	40 Years
Traffic lights and equipment	10 years
Land	Indefinite
Land improvements	30 to 50 years
Underground networks	40 to 60 years
Machinery & equipment	10 to 20 years

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

i) LEASES

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

j) INVENTORIES

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

k) REVENUE RECOGNITION

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

l) MEASUREMENT UNCERTAINTY

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

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

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2017	2016
	\$	\$
Tax assets (<i>schedule 8</i>)	171,428	157,308
Government grants and receivables	84,588	334,196
Accrued interest	16,418	13,960
Organizations and individuals	136,289	61,820
	408,723	567,284
Allowance for doubtful accounts	(14,370)	-
	<u>394,353</u>	<u>567,284</u>

4. INVENTORIES

	2017	2016
	\$	\$
Culverts	18,719	11,029
Gravel	212,862	43,329
Other supplies	20,881	22,853
Other	6,238	3,604
	<u>258,700</u>	<u>80,815</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
	\$	\$
Trade payables	266,506	133,809
Government payables	1,881	2,051
Accrued expenses	10,813	24,632
School levies	165,925	60,791
Deposits	32,261	20,000
Property tax overpayments	8,663	7,109
	<u>486,049</u>	<u>248,392</u>

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

6. 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 \$19,378 (2016 - \$41,600) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2016.

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

7. 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.

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

8. 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 7 - Reconciliation of the Financial Plan to the Budget*.

The budget numbers are unaudited and, accordingly, I express no assurance in respect to the budget.

9. SEGMENTED INFORMATION

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

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

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

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

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

10. GOVERNMENT PARTNERSHIPS

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial Position		
Financial Assets	43,509	40,559
Liabilities	<u>6,202</u>	<u>5,332</u>
	37,307	35,227
Non-financial Assets	<u>13,038</u>	<u>10,191</u>
Accumulated Surplus	<u>50,345</u>	<u>45,418</u>
Result of Operations		
Revenue	171,795	131,098
Expenses	<u>166,868</u>	<u>113,723</u>
Annual Surplus	<u>4,927</u>	<u>17,375</u>

11. ACCUMULATED SURPLUS

	<u>2017</u>	<u>2016</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	1,208,560	1,285,602
General Operating Tangible Capital Assets, net of related borrowings	2,374,400	2,282,977
Reserve Funds	<u>1,531,209</u>	<u>1,427,268</u>
Accumulated surplus of municipality unconsolidated	<u>5,114,169</u>	<u>4,995,847</u>
Accumulated surpluses of consolidated government partnerships	<u>16,498</u>	<u>12,994</u>
Accumulated Surplus per Statement of Financial Position	<u>5,130,667</u>	<u>5,008,841</u>

Prior year comparatives have been reclassified to conform with the current year presentation, this has not resulted in a change to net income or surplus.

RURAL MUNICIPALITY OF PINEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

12. 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 in excess of \$50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2017:

- (a) Compensation paid to members of council amounted to \$42,594 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$50,000 individually. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Wayne Anderson	8,374	725	9,099
Ken Prociw	9,827	4,363	14,190
Dale Edbom	7,861	1,918	9,779
David Beaudry	7,646	1,091	8,737
Melanie Parent	8,886	3,738	12,624
	<u>42,594</u>	<u>11,835</u>	<u>54,429</u>

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

Name	Position	Amount
Martin Van Osch	C.A.O.	71,473
Harold Grawberger	Public Works Foreman	60,687

13. CHANGES IN WORKING CAPITAL

	2017	2016
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	172,931	(302,856)
Inventories	(177,885)	136,065
Prepaid expenses	(3,121)	2,921
Accounts payable and accrued liabilities	237,657	225,030
	<u>229,582</u>	<u>61,160</u>

RURAL MUNICIPALITY OF PINEY

Schedule 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2017

	General Capital Assets						Infrastructure		2017	2016
	Land and Buildings and Leasehold Improvements		Vehicles and Equipment	Computer Hardware and Software	Streets, and Bridges	Water and Sewer	Assets under Construction	Actual	Actual	
	Land	Leasehold Improvements	Equipment	Hardware and Software	Streets, and Bridges	Water and Sewer	Assets under Construction			
Cost										
Balance, beginning of year	1,414,566	800,099	770,928	42,647	8,637,439	-	-	11,665,679	10,973,542	
Asset purchases	5,148	-	49,968	-	355,068	-	-	410,184	692,137	
Disposals and write downs	3,968	-	-	-	114,270	-	-	118,238	-	
Balance, end of year	1,415,746	800,099	820,896	42,647	8,878,237	-	-	11,957,625	11,665,679	
Accumulated Amortization										
Balance, beginning of year	271,776	366,046	461,876	38,495	8,244,509	-	-	9,382,702	9,199,141	
Amortization	40,807	19,823	126,456	2,284	28,863	-	-	218,233	183,561	
Disposals and write downs	-	-	-	-	17,710	-	-	17,710	-	
Balance, end of year	312,583	385,869	588,332	40,779	8,255,662	-	-	9,583,225	9,382,702	
Net book value	1,103,163	414,230	232,564	1,868	622,575	-	-	2,374,400	2,282,977	

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
PROPERTY TAXES			
Municipal taxes levied <i>(schedule 9)</i>	986,596	986,764	907,644
Taxes added	45,000	32,086	48,237
	<u>1,031,596</u>	<u>1,018,850</u>	<u>955,881</u>
GRANTS IN LIEU OF TAXATION			
Federal government	5,964	5,964	7,042
Federal government enterprises	615	615	1,174
Provincial government	21,754	21,754	18,386
Provincial government enterprises	12,926	12,926	12,518
	<u>41,259</u>	<u>41,259</u>	<u>39,120</u>
USER FEES			
Sales of service	117,500	74,863	71,437
Sales of goods	2,500	2,691	184,431
Rentals	5,000	5,000	5,015
	<u>125,000</u>	<u>82,554</u>	<u>260,883</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	68,500	56,580	68,212
Municipal program grants	30,000	36,934	29,912
Conditional grants	359,400	408,739	591,146
	<u>457,900</u>	<u>502,253</u>	<u>689,270</u>
GRANTS - OTHER			
Federal government - gas tax funding	-	94,019	87,890
Federal government - other	115,700	8,390	80,098
Other local governments	-	45,800	21,595
	<u>115,700</u>	<u>148,209</u>	<u>189,583</u>
PERMITS, LICENCES AND FEES			
Permits	21,000	11,599	14,484
Licences	500	105	106
Fines	200	-	-
	<u>21,700</u>	<u>11,704</u>	<u>14,590</u>
INVESTMENT REVENUE			
Interest	17,500	36,441	33,081
OTHER REVENUE			
Gain on sale of tangible capital assets	-	50,056	-
Miscellaneous	109,127	85,380	92,773
Penalties and interest	14,500	19,123	33,328
	<u>123,627</u>	<u>154,559</u>	<u>126,101</u>
TOTAL REVENUE	<u><u>1,934,282</u></u>	<u><u>1,995,829</u></u>	<u><u>2,308,509</u></u>

RURAL MUNICIPALITY OF PINEY
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	63,500	61,153	58,214
General administrative	357,702	362,332	322,898
	<u>421,202</u>	<u>423,485</u>	<u>381,112</u>
PROTECTIVE SERVICES			
Police	176	172	172
Fire	255,500	248,261	249,585
Emergency measures	13,363	9,984	9,205
Other protective services	37,500	27,142	30,651
	<u>306,539</u>	<u>285,559</u>	<u>289,613</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	836,600	704,608	829,568
Bridge maintenance	5,000	-	-
Street lighting	36,000	35,282	34,240
Air transport	10,500	11,464	10,154
	<u>888,100</u>	<u>751,354</u>	<u>873,962</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	143,250	140,664	113,330
Recycling	28,500	26,233	29,956
Lagoons and wells	3,000	440	899
	<u>174,750</u>	<u>167,337</u>	<u>144,185</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	17,916	17,642	14,916
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	1,000	927	-
Urban renewal	500	-	-
Beautification and land rehabilitation	500	365	280
Other	5,000	1,001	6,867
	<u>7,000</u>	<u>2,293</u>	<u>7,147</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	40,000	98,245	57,811
Veterinary services	6,000	18,758	13,565
Water resources and conservation	6,000	6,115	5,800
Industrial development	10,000	1,995	3,393
Tourism	18,000	24,149	19,862
	<u>80,000</u>	<u>149,262</u>	<u>100,431</u>
RECREATION AND CULTURAL SERVICES			
Community centers and halls	104,500	77,071	101,521
TOTAL EXPENSES	<u><u>2,000,007</u></u>	<u><u>1,874,003</u></u>	<u><u>1,912,887</u></u>

RURAL MUNICIPALITY OF PINEY

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2017

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	1,018,850	955,881	-	-	-	-	-	-	-	-
Grants in lieu of taxation	41,259	39,120	-	-	-	-	-	-	-	-
User fees	16,978	196,243	31,368	6,617	6,790	27,812	1,250	-	-	-
Grants - Province of Manitoba	502,253	689,270	-	-	-	-	-	-	-	-
Grants - Other	108,209	173,788	-	-	-	-	-	-	-	-
Permits, licences and fees	105	106	-	-	-	-	-	-	-	-
Investment revenue	26,510	18,302	9,931	14,779	-	-	-	-	-	-
Other revenue	106,715	83,190	-	-	-	-	-	-	-	-
Total revenue	1,820,879	2,155,900	41,299	21,396	6,790	27,812	1,250	-	-	-
EXPENSES										
Personnel services	211,065	209,848	44,254	53,031	113,210	120,791	372	881	-	-
Contract services	152,291	124,182	85,496	94,315	482,583	610,654	101,524	103,177	2,726	-
Utilities	11,262	11,162	24,166	22,482	-	-	-	-	-	-
Maintenance materials & supplies	17,591	13,988	15,097	13,097	107,334	98,813	12,684	8,914	-	-
Grants & contributions	-	-	172	172	-	4,800	-	-	14,916	-
Amortization	6,564	6,928	110,685	106,516	48,227	38,904	52,757	31,213	-	-
Bad debts expense	24,117	14,969	5,689	-	-	-	-	-	-	-
Other operating expense	595	35	-	-	-	-	-	-	-	-
Total expenses	423,485	381,112	285,559	289,613	751,354	873,962	167,337	144,185	17,642	14,916
SURPLUS (DEFICIT)	1,397,394	1,774,788	(244,260)	(268,217)	(744,564)	(846,150)	(166,087)	(144,185)	(17,642)	(14,916)

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

**RURAL MUNICIPALITY OF PINEY
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM**

For the Year Ended December 31, 2017

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2017	2016	2017	2016	2017	2016	2017	2016	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE									
Property taxes	-	-	-	-	-	-	-	-	955,881
Grants in lieu of taxation	-	-	-	-	-	-	-	-	41,259
User fees	9,336	12,248	16,832	17,963	-	-	-	-	82,554
Grants - Province of Manitoba	-	-	-	-	-	-	-	-	502,253
Grants - Other	-	-	40,000	15,795	-	-	-	-	148,209
Permits, licences and fees	11,599	14,484	-	-	-	-	-	-	11,704
Investment revenue	-	-	-	-	-	-	-	-	36,441
Other revenue	47,844	42,911	-	-	-	-	-	-	154,559
Total revenue	68,779	69,643	56,832	33,758	-	-	-	-	1,995,829
EXPENSES									
Personnel services	-	-	41,559	41,798	-	-	-	-	410,460
Contract services	2,185	3,804	44,438	26,469	1,611	27,690	-	-	872,854
Utilities	-	-	3,481	3,056	-	-	-	-	38,909
Maintenance materials & supplies	-	-	27,560	4,933	-	-	-	-	180,266
Grants & contributions	-	-	32,224	24,175	75,460	73,831	-	-	122,772
Amortization	-	-	-	-	-	-	-	-	218,233
Bad debts expense	-	-	-	-	-	-	-	-	29,806
Other operating expense	108	3,343	-	-	-	-	-	-	703
Total expenses	2,293	7,147	149,262	100,431	77,071	101,521	-	-	1,874,003
SURPLUS (DEFICIT)	66,486	62,496	(92,430)	(66,673)	(77,071)	(101,521)	-	-	121,826

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

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2017

	Core Government		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
REVENUE						
Property taxes	1,018,850	955,881	-	-	1,018,850	955,881
Grants in lieu of taxation	41,259	39,120	-	-	41,259	39,120
User fees	56,386	230,672	26,168	30,211	82,554	260,883
Grants - Province of Manitoba	496,639	683,760	5,614	5,510	502,253	689,270
Grants - Other	102,409	167,988	45,800	21,595	148,209	189,583
Permits, licences and fees	11,704	14,590	-	-	11,704	14,590
Investment revenue	36,441	33,081	-	-	36,441	33,081
Other revenue	154,530	126,076	29	25	154,559	126,101
Total revenue	1,918,218	2,251,168	77,611	57,341	1,995,829	2,308,509
EXPENSES						
Personnel services	368,901	384,551	41,559	41,798	410,460	426,349
Contract services	871,246	989,252	1,608	1,039	872,854	990,291
Utilities	35,428	33,644	3,481	3,056	38,909	36,700
Maintenance materials & supplies	152,807	135,576	27,459	4,169	180,266	139,745
Grants & contributions	122,772	117,894	-	-	122,772	117,894
Amortization	218,233	183,561	-	-	218,233	183,561
Bad debts expense	29,806	14,969	-	-	29,806	14,969
Other operating expense	703	3,378	-	-	703	3,378
Total expenses	1,799,896	1,862,825	74,107	50,062	1,874,003	1,912,887
SURPLUS (DEFICIT)	118,322	388,343	3,504	7,279	121,826	395,622

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	General Reserve	Protective Reserve	Transportation Reserve	Environmental Health Reserve	Recreation Reserve	General Capital Reserve	Protective Capital
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	769,521	-	-	-	-	-	-
Due from other funds	-	11,716	128,152	3,143	3,143	341,233	183,126
	769,521	11,716	128,152	3,143	3,143	341,233	183,126
LIABILITIES							
Due to other funds	761,235	-	-	-	-	-	-
REVENUE							
Investment revenue	28	70	1,520	13	13	2,238	2,200
TRANSFERS							
Transfer to (from) reserve funds	6,000	6,000	5,000	2,000	2,000	160,000	5,000
CHANGE IN FUND BALANCES	6,028	6,070	6,520	2,013	2,013	162,238	7,200
FUND SURPLUS, BEGINNING OF YEAR	2,258	5,646	121,632	1,130	1,130	178,995	175,926
FUND SURPLUS, END OF YEAR	8,286	11,716	128,152	3,143	3,143	341,233	183,126

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	Waste Disposal Capital	Recreation Services Capital	Gas Tax Reserve	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and temporary investments	-	-	-	769,521	951,579
Due from other funds	278,103	28,855	545,453	1,522,924	993,918
	<u>278,103</u>	<u>28,855</u>	<u>545,453</u>	<u>2,292,445</u>	<u>1,945,497</u>
LIABILITIES					
Due to other funds	-	-	-	761,235	518,229
REVENUE					
Investment revenue	3,644	233	2,964	12,923	21,691
TRANSFERS					
Transfer to (from) reserve funds	(17,000)	10,000	(87,981)	91,019	187,186
CHANGE IN FUND BALANCES					
	(13,356)	10,233	(85,017)	103,942	208,877
FUND SURPLUS, BEGINNING OF YEAR					
	291,459	18,622	630,470	1,427,268	1,218,391
FUND SURPLUS, END OF YEAR					
	<u>278,103</u>	<u>28,855</u>	<u>545,453</u>	<u>1,531,210</u>	<u>1,427,268</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2017

	Financial Plan General \$	Financial Plan Utility \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Government Partnerships \$	PSAB Budget \$
REVENUE								
Property taxes	1,031,596	-	-	-	-	-	-	1,031,596
Grants in lieu of taxation	41,259	-	-	-	-	-	-	41,259
User fees	125,000	-	-	-	-	-	-	125,000
Grants - Province of Manitoba	457,900	-	-	-	-	-	-	457,900
Grants - Other	115,700	-	-	-	-	-	-	115,700
Permits, licences and fees	21,700	-	-	-	-	-	-	21,700
Investment revenue	17,500	-	-	-	-	-	-	17,500
Other revenue	123,627	-	-	-	-	-	-	123,627
Transfers	280,000	-	-	-	(280,000)	-	-	-
	<u>2,214,282</u>	-	-	-	<u>(280,000)</u>	-	-	<u>1,934,282</u>
EXPENSES								
General government services	409,727	-	6,650	-	-	4,825	-	421,202
Protective services	195,539	-	111,000	-	-	-	-	306,539
Transportation services	839,600	-	48,500	-	-	-	-	888,100
Environmental health services	122,000	-	52,750	-	-	-	-	174,750
Public health and welfare services	17,916	-	-	-	-	-	-	17,916
Regional planning and development	7,000	-	-	-	-	-	-	7,000
Resource conservation and industrial development	80,000	-	-	-	-	-	-	80,000
Recreation and cultural services	104,500	-	-	-	-	-	-	104,500
Transfers	438,000	-	-	-	(438,000)	-	-	-
	<u>2,214,282</u>	-	<u>218,900</u>	-	<u>(438,000)</u>	<u>4,825</u>	-	<u>2,000,007</u>
SURPLUS (DEFICIT)	-	-	<u>(218,900)</u>	-	<u>158,000</u>	<u>(4,825)</u>	-	<u>(65,725)</u>

RURAL MUNICIPALITY OF PINEY

Schedule 8

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2017

	2017 Actual \$	2016 Actual \$
BALANCE, BEGINNING OF YEAR	<u>157,308</u>	<u>140,252</u>
Add:		
Tax Levy (<i>schedule 9</i>)	2,520,316	2,290,561
Taxes added	32,086	48,237
Penalties and interest	<u>19,123</u>	<u>33,328</u>
Sub-total	<u>2,728,833</u>	<u>2,512,378</u>
Deduct:		
Cash collections - current	2,064,059	1,921,678
Cash collections - arrears	126,471	85,275
Cancellations	9,747	9,804
Tax discounts	-	-
M.P.T.C. - cash advance	<u>357,128</u>	<u>338,313</u>
Sub-total	<u>2,557,405</u>	<u>2,355,070</u>
BALANCE, END OF YEAR	<u><u>171,428</u></u>	<u><u>157,308</u></u>

RURAL MUNICIPALITY OF PINEY

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2017

	Assessment	2017 Mill Rate	Levy	2016 Levy
Other municipal levies:				
General municipal	81,618,190	12.090	<u>986,764</u>	<u>907,644</u>
Total municipal taxes (schedule 2)			<u>986,764</u>	<u>907,644</u>
Education Support Levy	20,796,790	10.500	218,366	213,940
Special levy:				
Border Land School Division	55,351,180	16.932	935,436	808,516
Seine River School Division	26,262,130	14.460	<u>379,750</u>	<u>360,461</u>
			<u>1,315,186</u>	<u>1,168,977</u>
Total education taxes			<u>1,533,552</u>	<u>1,382,917</u>
Total tax levy (schedule 8)			<u><u>2,520,316</u></u>	<u><u>2,290,561</u></u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	63,500	61,153	58,214
General administrative	357,702	362,332	322,898
	<u>421,202</u>	<u>423,485</u>	<u>381,112</u>
PROTECTIVE SERVICES			
Police	176	172	172
Fire	255,500	248,261	249,585
Emergency measures	13,363	9,984	9,205
Other protective services	37,500	27,142	30,651
	<u>306,539</u>	<u>285,559</u>	<u>289,613</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	836,600	704,608	829,568
Bridge maintenance	5,000	-	-
Street lighting	36,000	35,282	34,240
Air transport	10,500	11,464	10,154
	<u>888,100</u>	<u>751,354</u>	<u>873,962</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	143,250	140,664	113,330
Recycling	28,500	26,233	29,956
Lagoons and wells	3,000	440	899
	<u>174,750</u>	<u>167,337</u>	<u>144,185</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	17,916	17,642	14,916
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	1,000	927	-
Urban renewal	500	-	-
Beautification and land rehabilitation	500	365	280
Other	5,000	1,001	6,867
	<u>7,000</u>	<u>2,293</u>	<u>7,147</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	40,000	37,018	17,139
Veterinary services	6,000	5,878	4,175
Water resources and conservation	6,000	6,115	5,800
Industrial development	10,000	1,995	3,393
Tourism	18,000	24,149	19,862
	<u>80,000</u>	<u>75,155</u>	<u>50,369</u>
RECREATION AND CULTURAL SERVICES			
Community centers and halls	104,500	77,071	101,521
TOTAL EXPENSES	<u><u>2,000,007</u></u>	<u><u>1,799,896</u></u>	<u><u>1,862,825</u></u>

RURAL MUNICIPALITY OF PINEY

Schedule 11

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2017

	2017 Total \$	2016 Total \$
CONSOLIDATED ANNUAL SURPLUS (statement 2)		
Elimination of appropriations from reserves	121,826	395,622
Elimination of appropriations to reserves	104,981	115,000
Consolidation of reserve operations	(196,000)	(302,186)
Elimination of consolidated entity operations	(12,923)	(21,691)
Elimination of nominal surplus transfers	(3,504)	(7,278)
Amortization of tangible capital assets	81,000	-
Proceeds on disposal of assets	218,233	183,561
Loss (gain) on disposal of assets	150,668	-
Acquisitions of capital assets from operating funds	(50,141)	-
	<u>(410,184)</u>	<u>(604,760)</u>
ESTIMATED EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(I) AND (2) OF THE MUNICIPAL ACT***	<u>3,956</u>	<u>(241,732)</u>

