

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

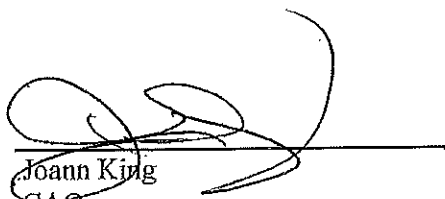
Rural Municipality of Gimli
Box 1246
Gimli, Manitoba
R0C 1B0

STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of the Rural Municipality of Gimli 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 Chartered Professional Accountants Inc. as the Municipality's appointed external auditors, have audited the Financial Statements. The Auditor's report is addressed to the 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 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.


Joann King
CAO


Year Ended December 31, 2014



REID & ASSOCIATES
Chartered Professional Accountants Inc.

Independent Auditors' Report

To the Mayor and members of Council of the
Rural Municipality of Gimli

We have audited the accompanying financial statements of Rural Municipality of Gimli, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statement of operations, cash flows and change in net debt 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 generally accepted accounting principles for public sector organizations, 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 Gimli as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

January 28, 2016
Winnipeg, Manitoba

Reid & Associates

Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

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RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	2014 Actual \$	2013 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	11,264,215	12,330,847
Accounts receivable (note 3)	4,128,345	2,317,362
Deposits	-	4,884
	<u>15,392,560</u>	<u>14,653,093</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	2,643,927	2,150,238
Deferred revenue (note 7)	2,578,525	2,679,585
Long-term debt (note 8)	12,172,844	12,744,226
	<u>17,395,296</u>	<u>17,574,049</u>
NET DEBT	<u>(2,002,736)</u>	<u>(2,920,956)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	43,567,527	42,802,220
Inventories (note 4)	474,722	422,383
Prepaid expenses	58,872	75,339
	<u>44,101,121</u>	<u>43,299,942</u>
ACCUMULATED SURPLUS (note 16)	<u>42,098,385</u>	<u>40,378,986</u>

Approved on Behalf of the Council

 Mayor

 Councillor

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE			
Property taxes	6,608,612	6,613,313	6,399,524
Grants in lieu of taxation	79,822	79,822	72,091
User fees	1,503,861	1,845,924	2,050,478
Grants - Province of Manitoba	954,031	1,217,859	733,968
Grants - Other	369,494	107,282	233,208
Permits, licences and fees	86,113	92,555	117,351
Investment revenue	20,000	159,037	132,544
Other revenue	549,955	443,587	664,040
Water and sewer	1,833,729	2,892,008	5,101,339
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>12,005,617</u>	<u>13,451,387</u>	<u>15,504,543</u>
EXPENSES			
General government services	1,423,344	1,267,021	1,201,080
Protective services	835,818	814,685	691,921
Transportation services	3,707,852	4,065,018	3,431,620
Environmental health services	605,579	421,379	507,468
Public health and welfare services	79,094	79,207	78,094
Regional planning and development	131,692	238,420	272,765
Resource conservation and industrial development	924,185	894,207	874,483
Recreation and cultural services	1,426,166	1,446,790	1,446,443
Water and sewer	2,632,938	2,505,261	2,136,974
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>11,766,668</u>	<u>11,731,988</u>	<u>10,640,848</u>
ANNUAL SURPLUS	238,949	1,719,399	4,863,695
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>40,378,986</u>	<u>40,378,986</u>	<u>35,515,291</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>40,617,935</u>	<u>42,098,385</u>	<u>40,378,986</u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF NET DEBT
For the Year Ended December 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
ANNUAL SURPLUS	<u>238,949</u>	<u>1,719,399</u>	<u>4,863,695</u>
Acquisition of tangible capital assets	(1,125,000)	(2,459,735)	(1,267,787)
Proceeds on disposal of tangible capital assets	50,000	-	25,500
Amortization of tangible capital assets	1,677,800	1,694,428	1,664,426
Gain on sale of tangible capital assets	-	-	(12,298)
Increase in inventories	(50,000)	(52,339)	(79,712)
Decrease (increase) in prepaid expense	<u>15,000</u>	<u>16,467</u>	<u>(8,933)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>806,749</u>	<u>918,220</u>	<u>5,184,891</u>
NET DEBT BEGINNING OF YEAR	<u>(2,920,956)</u>	<u>(2,920,956)</u>	<u>(8,105,847)</u>
NET DEBT END OF YEAR	<u>(2,114,207)</u>	<u>(2,002,736)</u>	<u>(2,920,956)</u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

	2014 Actual \$	2013 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	1,719,399	4,863,695
Changes in non-cash items:		
Amortization	1,694,428	1,664,426
Gain on disposal of tangible capital assets	-	(12,298)
	<u>3,413,827</u>	<u>6,515,823</u>
Net changes in non-cash working capital affecting operations <i>(note 19)</i>	<u>(1,454,226)</u>	<u>(1,862,556)</u>
	<u>1,959,601</u>	<u>4,653,267</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	-	25,500
Cash used to acquire tangible capital assets	<u>(2,459,735)</u>	<u>(1,267,787)</u>
	<u>(2,459,735)</u>	<u>(1,242,287)</u>
INVESTING		
Deposits deferred	4,884	-
Realization of deposits	-	(4,884)
	<u>4,884</u>	<u>(4,884)</u>
FINANCING		
Long-term debt issued	-	1,090,073
Reduction in long-term debt	<u>(571,382)</u>	<u>-</u>
	<u>(571,382)</u>	<u>1,090,073</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	<u>(1,066,632)</u>	<u>4,496,169</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>12,330,847</u>	<u>7,834,678</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>11,264,215</u>	<u>12,330,847</u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	11,033,104	12,107,552
Temporary investments	<u>231,111</u>	<u>223,295</u>
	<u>11,264,215</u>	<u>12,330,847</u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

1. STATUS OF THE RURAL MUNICIPALITY OF GIMLI

The incorporated Rural Municipality of Gimli is a municipal government that was created on August 15, 1881 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 owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting 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 controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Gimli Community Development Corporation

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:

East Interlake Planning District	consolidated 59.85% (2013 59.85%)
Evergreen Regional Library	consolidated 56.13% (2013 56.13%)

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

b) BASIS OF ACCOUNTING

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

c) 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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

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.

D) 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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2014	2013
	\$	\$
Tax assets (<i>schedule 11</i>)	1,214,141	1,133,664
Government grants and receivables	1,935,565	742,925
Utility customers	415,115	370,620
Accrued interest	11,108	55
Organizations and individuals	696,629	178,244
Other governments	916	5,221
Other	(17,500)	-
	<u>4,255,974</u>	<u>2,430,729</u>
Allowance for doubtful accounts	<u>(127,629)</u>	<u>(113,367)</u>
	<u><u>4,128,345</u></u>	<u><u>2,317,362</u></u>

4. INVENTORIES

	2014	2013
	\$	\$
Gravel	142,988	141,534
Culverts	65,601	43,468
Fuel	36,880	68,378
Grader blades and shop supplies	46,928	68,813
Water and sewer supplies	169,692	94,516
Other inventory	12,633	5,674
	<u>474,722</u>	<u>422,383</u>

5. BANK INDEBTEDNESS

The Municipality has an authorized line of credit of a maximum of \$4,000,000 bearing interest at a rate of 2.70%. As at December 31, 2014 the balance owing was \$ nil (2013 - \$ nil).

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
	\$	\$
Trade payable	740,267	487,795
Government payables	5,359	4,469
Accrued expenses	271,292	276,892
Accrued interest payable	43,398	12,329
School levies (<i>schedule 13</i>)	1,114,404	892,162
Other governments	40,000	80,000
Deposits	58,615	54,967
Property tax prepayments	370,592	341,624
	<u>2,643,927</u>	<u>2,150,238</u>

7. DEFERRED REVENUE

□

	<u>2014</u>	<u>2013</u>
	\$	\$
Deferred revenue	10,000	25,000
Unexpended grant revenue - Regional sewer system	-	428,562
Unexpended gas tax funding	1,286,809	968,502
Unexpended pool funding	1,281,716	1,257,521
	<u>2,578,525</u>	<u>2,679,585</u>

8. LONG-TERM DEBT

	<u>2014</u>	<u>2013</u>
	\$	\$
General Authority:		
Municipal debenture payable in annual instalments of \$13,433.92, including interest at 5.500%, due December 31, 2026.	115,781	122,478
Municipal debenture payable in annual instalments of \$29,148.48, including interest at 7.375%, due December 31, 2020.	137,343	155,057
Municipal debenture payable in annual instalments of \$5,734.40, including interest at 6.625%, due December 31, 2017.	15,153	19,589
Municipal debenture payable in annual instalments of \$38,864.64, including interest at 7.375%, due December 31, 2019.	157,765	183,125
Municipal debenture payable in annual instalments of \$16,263, including interest at 4.59%, due December 31, 2021	68,058	76,185
Municipal debenture payable in annual instalments of \$98,767.67, including interest at 4.48%, due October 1, 20133.	1,245,845	1,286,954
Municipal debenture payable in annual instalments of \$38,218.84, including interest at 3.48%, due March 1, 2033.	289,842	318,172
	<u>2,029,787</u>	<u>2,161,560</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

Utility Funds:

Municipal debenture payable in annual instalments of \$115,822 including interest at 4.89%, due December 31, 2031	1,316,581	1,365,624
Municipal debenture payable in annual instalments of \$34,351.48 including interest at 5.625%, due December 31, 2034.	406,289	417,175
Municipal debenture payable in annual instalments of \$4,435.43, including interest at 5.500%, due December 31, 2026.	38,227	40,438
Municipal debenture payable in annual instalments of \$33,297.25, including interest at 7.250%, due December 31, 2020.	157,495	177,895
Municipal debenture payable in annual instalments of \$23,620.60, including interest at 7.500%, due December 31, 2020.	110,871	125,109
Municipal debenture payable in annual instalments of \$36,357.67, including interest at 6.625%, due December 31, 2022.	220,293	240,704
Municipal debenture payable in annual instalments of \$11,199.83, including interest at 6.250%, due December 31, 2028.	102,510	107,020
Municipal debenture payable in annual instalments of \$127,069.67, including interest at 7.750%, due December 31, 2019.	510,712	591,910
Municipal debenture payable in annual instalments of \$3,812.36, including interest at 7.125%, due December 31, 2020.	1,767,558	1,816,273
Municipal debenture payable in annual instalments of \$171,473.35, including interest at 5.750%, due December 31, 2032.	1,892,006	1,951,281
Municipal debenture payable in annual instalments of \$35,049.71, including interest at 5.750%, due December 31, 2032.	386,732	398,848
Municipal debenture payable in annual instalments of \$54,382.64, including interest at 5.625%, due December 31, 2031.	585,470	605,778
Municipal debenture payable in annual instalments of \$104,858.51, including interest at 5.625%, due December 31, 2031	1,128,881	1,168,038
Municipal debenture payable in annual instalments of \$78,829.70, including interest at 5.625%, due December 31, 2030.	817,569	848,661
Municipal debenture payable in annual instalments of \$55,894.03, including interest at 4.100%, due August 31, 2032	701,863	727,912
	<u>10,143,057</u>	<u>10,582,666</u>
	<u>12,172,844</u>	<u>12,744,226</u>

Estimated principal repayments for the next five years are as follows:

2015	604,077
2016	640,029
2017	678,212
2018	713,035
2019	755,740

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

9. DEBT CHARGES - FRONTAGE

Purpose and By-law	2014 Levy	2013 Levy
	\$	\$
Centre Ave - 8-2002	6,484	6,484
Pelican Beach Sewer - 19-99	86,656	86,656
Solvin Paving 06-0019	13,434	13,434
Solvin Paving - 98-04	5,734	5,734
South Beach - 07-0015	3,992	3,992
Hanger Line 9-0002	11,200	11,200
Loni Beach 12-0004	114,815	114,815
Road Construction 11-0015	11,647	11,647
Road Construction 11-0015-B	38,219	-
South Beach Sewer 06-0019	55,894	55,894
	348,075	309,856

10. DEBT CHARGES - L.I.D.

Purpose and By-law	Assessment	2014 Mill Rate	Levy	2013 Levy
			\$	\$
Centre Ave - 8-2002	2,760,220	6.143	16,956	16,956
Pelican Beach Sewer - 19-99	18,401,510	1.098	20,205	21,026
North Forcemain - 98-04	962,220	14.729	14,173	14,173
Natural Gas Transmission - 16-2000	346,504,550	0.084	29,106	29,232
Sewage Pump Station - 2-2001	346,504,550	0.095	32,893	33,320
Centre Ave - 8-2002	346,504,550	0.037	12,821	13,104
Pelican Beach Sewer - 19-99	346,504,550	0.058	20,097	20,160
North Forcemain - 13-2000	346,504,550	0.027	9,356	9,408
Habour Expansion - 99-13	91,833,190	0.416	38,224	38,414
Sewage Plant - 09-0009A	133,929,970	0.533	71,385	71,343
Sewage Plant - 10-0006A	133,929,970	0.171	22,902	22,856
			288,118	289,992

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

11. DEBT CHARGES - AT LARGE

Purpose and By-law	Assessment	2014 Mill Rate	Levy	2013 Levy
			\$	\$
Ice Plant - 04-2002			-	44,638
Sewage Plant - 06-0003	438,387,740	0.178	78,033	78,222
Sewage Plant - 07-0008	438,387,740	0.236	103,460	104,155
Sewage Plant - 07-0009	438,387,740	0.123	53,922	53,990
Sewage Plant - 08-0006	438,387,740	0.079	34,633	34,860
Sewage Plant - 08-0007	438,387,740	0.386	169,218	170,049
Sewage Plant - 09-0009	472,860,480	0.185	87,444	87,579
Sewage Plant - 10-0006	472,860,480	0.024	11,343	11,524
			538,053	585,017

12. RESERVES

Purpose and By-law	Assessment	2014 Mill Rate	Levy	2013 Levy
			\$	\$
Machinery Replacement - 03-0022	438,387,740	0.237	103,898	103,730
Road Development - 07-0027	438,387,740	0.113	49,538	49,739
			153,436	153,469

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

13. RETIREMENT BENEFITS

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$128,633 (2013 - \$124,586) 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.

14. 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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

15. 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*.

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

16. ACCUMULATED SURPLUS

	<u>2014</u>	<u>2013</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	4,563,759	4,732,681
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(1,935,642)	(1,414,375)
General Operating Tangible Capital Assets, net of related borrowings	11,245,513	11,621,724
Utility Operating Tangible Capital Assets, net of related borrowings	19,297,566	17,342,947
Reserve Funds	<u>7,842,303</u>	<u>7,064,168</u>
Accumulated surplus of municipality unconsolidated	<u>41,013,499</u>	<u>39,347,145</u>
Accumulated surpluses of consolidated controlled entities	1,043,961	961,347
Accumulated surpluses of consolidated government partnerships	<u>40,925</u>	<u>70,494</u>
Accumulated Surplus per Statement of Financial Position	<u><u>42,098,385</u></u>	<u><u>40,378,986</u></u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

17. 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 exceeding \$50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2014:

- (a) Compensation paid to members of council amounted to \$118,091 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
Lynn Greenburg	17,884	3,489	21,373
Daniel Luprypa	25,170	3,694	28,864
Peter Peiluck	24,695	3,357	28,052
Richard Petrowski	20,165	2,245	22,410
Lorentz Zaborosky	22,563	3,125	25,688
Sigrun Thora Palson	3,412	270	3,682
Randy Woroniuk	4,202	525	4,727
	118,091	16,705	134,796

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

Name	Position	Amount
Bergman, Timothy		50,584
Conley, Michael		62,052
Erickson-Jakobson, Susie	Administration	52,472
Franz, Kevin	Public Works	59,925
Hjelmeland, Darcy	Public Works	96,814
King, Joann	Administration	100,287
Kmet, Tom	Public Works	56,992
Marks, Ken		50,539
O'Hara, Stuart	Public Works	62,023
Symynshen, Steven		50,776
Woytowich, Barry		51,790
Zaborosky, Phyllis	Recreation	52,565
Zapotochny, Tony	Public Works	66,307

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

18. PUBLIC UTILITY 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:				Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
LUD of Gimli	104,508	-	5,317	99,191
Pelican Beach	53,959	-	1,520	52,439
	<u>158,467</u>	<u>-</u>	<u>6,837</u>	<u>151,630</u>

Sewer Services:				Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
	16,555,832	(428,563)	347,346	15,779,923

19. CHANGES IN WORKING CAPITAL

	2014	2013
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(1,810,983)	(519,698)
Inventories	(52,339)	(79,712)
Prepaid expenses	16,467	(8,933)
Accounts payable and accrued liabilities	493,689	82,579
Deferred revenue	(101,060)	(1,336,792)
	<u>(1,454,226)</u>	<u>(1,862,556)</u>

**RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2014**

Schedule 1

	General Capital Assets						Infrastructure		2014	2013
	Land and Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Streets, and Bridges	Water and Sewer	Assets under Construction	Actual	Actual		
Cost										
Balance, beginning of year	5,550,442	6,534,334	408,182	16,486,249	34,039,866	214,632	69,596,182	68,401,845		
Asset purchases	-	168,946	6,451	132,337	120,040	1,808,247	2,459,735	5,288,367		
Disposals and write downs	-	55,486	20,098	-	-	-	75,584	4,094,030		
Balance, end of year	5,550,442	6,703,280	394,535	16,618,586	34,159,906	2,022,879	71,980,333	69,596,182		
Accumulated Amortization										
Balance, beginning of year	572,830	4,145,322	395,520	12,636,142	4,827,299	-	26,793,962	25,189,784		
Amortization	52,472	287,648	5,521	311,959	669,018	-	1,694,428	1,664,426		
Disposals and write downs	-	-	20,098	-	-	-	75,584	60,248		
Balance, end of year	625,302	4,432,970	380,943	12,948,101	5,496,317	-	28,412,806	26,793,962		
Net book value	4,925,140	2,270,310	13,592	3,670,485	28,663,589	2,022,879	43,567,527	42,802,220		

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2014

Schedule 2

	2014 Budget \$	2014 Actual \$	2013 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 12</i>)	6,478,612	6,477,163	6,265,629
Taxes added	130,000	136,150	133,895
	<u>6,608,612</u>	<u>6,613,313</u>	<u>6,399,524</u>
GRANTS IN LIEU OF TAXATION			
Federal government	4,179	4,179	4,440
Provincial government	8,440	8,440	4,652
Provincial government enterprises	67,203	67,203	62,999
	<u>79,822</u>	<u>79,822</u>	<u>72,091</u>
USER FEES			
Sales of service	310,050	437,419	452,051
Sales of goods	94,811	311,818	478,298
Rentals	264,340	266,901	270,670
Development charges	10,000	1,800	6,831
Facility use fees	824,660	827,986	842,628
	<u>1,503,861</u>	<u>1,845,924</u>	<u>2,050,478</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	460,000	459,757	459,757
General support grant	31,500	37,546	31,069
VLT revenues	95,000	94,659	94,659
Conditional grants	120,610	150,203	133,483
Other provincial grant	246,921	475,694	15,000
	<u>954,031</u>	<u>1,217,859</u>	<u>733,968</u>
GRANTS - OTHER			
Federal government - gas tax funding	316,395	-	110,000
Other local governments	53,099	107,282	123,208
	<u>369,494</u>	<u>107,282</u>	<u>233,208</u>
PERMITS, LICENCES AND FEES			
Permits	16,000	10,575	18,100
Licences	45,113	57,797	57,353
Fines	25,000	19,783	20,794
Subdivision fees	-	4,400	21,104
	<u>86,113</u>	<u>92,555</u>	<u>117,351</u>
INVESTMENT REVENUE			
Interest	20,000	8,679	5,872
Municipal debenture interest	-	150,358	126,672
	<u>20,000</u>	<u>159,037</u>	<u>132,544</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
OTHER REVENUE			
Gain on sale of tangible capital assets	-	-	12,298
Miscellaneous	434,955	293,276	426,587
Prepaid debenture levies	-	-	86,063
Penalties and interest	115,000	150,311	139,092
	<u>549,955</u>	<u>443,587</u>	<u>664,040</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	<u>1,833,729</u>	<u>2,892,008</u>	<u>5,101,339</u>
TOTAL REVENUE	<u><u>12,005,617</u></u>	<u><u>13,451,387</u></u>	<u><u>15,504,543</u></u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2014

Schedule 3

	2014 Budget \$	2014 Actual \$	2013 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	167,785	153,002	156,046
General administrative	1,255,559	1,114,019	1,045,034
	<u>1,423,344</u>	<u>1,267,021</u>	<u>1,201,080</u>
PROTECTIVE SERVICES			
Police	425,123	459,969	346,042
Fire	353,620	310,582	310,166
Other protective services	47,075	36,484	28,777
By-law enforcement	10,000	7,650	6,936
	<u>835,818</u>	<u>814,685</u>	<u>691,921</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	3,603,136	3,915,895	3,298,190
Air transport	92,341	81,577	75,967
Public transit	12,375	67,546	57,463
	<u>3,707,852</u>	<u>4,065,018</u>	<u>3,431,620</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	320,584	212,996	285,155
Recycling	110,000	91,340	100,816
Lagoons and wells	174,995	117,043	121,497
	<u>605,579</u>	<u>421,379</u>	<u>507,468</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	14,000	14,113	13,000
Social assistance	65,094	65,094	65,094
	<u>79,094</u>	<u>79,207</u>	<u>78,094</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	<u>131,692</u>	<u>238,420</u>	<u>272,765</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	67,450	68,836	64,024
Water resources and conservation	19,339	17,839	17,839
Regional development	27,268	12,716	22,226
Industrial development	769,313	756,456	737,688
Tourism	38,815	38,360	32,706
Other	2,000	-	-
	<u>924,185</u>	<u>894,207</u>	<u>874,483</u>

RURAL MUNICIPALITY OF GIMLI

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
RECREATION AND CULTURAL SERVICES			
Community centers and halls	56,960	106,345	50,292
Swimming pools and beaches	117,175	112,473	123,022
Skating and curling rinks	985,170	934,183	1,017,770
Parks and playgrounds	49,330	48,117	41,492
Libraries	182,499	196,640	183,019
Other cultural facilities	35,032	49,032	30,848
	<u>1,426,166</u>	<u>1,446,790</u>	<u>1,446,443</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	<u>2,632,938</u>	<u>2,505,261</u>	<u>2,136,974</u>
TOTAL EXPENSES	<u><u>11,766,668</u></u>	<u><u>11,731,988</u></u>	<u><u>10,640,848</u></u>

RURAL MUNICIPALITY OF GIMLI

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2014

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	6,613,313	6,399,524	-	-	-	-	-	-	-	-
Grants in lieu of taxation	79,822	72,091	-	-	-	-	-	-	-	-
User fees	143,012	118,998	-	-	227,116	433,740	125,511	102,610	-	-
Grants - Province of Manitoba	1,068,081	599,303	-	-	58,119	47,838	12,408	10,007	-	-
Grants - Other	-	110,000	-	-	-	-	-	-	-	-
Permits, licences and fees	77,580	78,147	-	-	3,050	4,650	-	-	-	-
Investment revenue	67,220	52,287	16,860	22,457	27,569	17,349	-	-	-	-
Other revenue	419,376	544,377	-	-	-	86,063	-	-	-	-
Water and sewer	1,046,604	1,046,604	-	-	-	-	-	-	-	-
Total revenue	7,421,800	6,928,123	16,860	22,457	315,854	589,640	137,919	112,617	-	-
EXPENSES										
Personnel services	628,205	563,491	218,175	206,046	1,000,478	1,207,225	153,365	240,069	-	-
Contract services	52,675	27,651	404,220	296,382	345,731	180,462	161,317	174,512	33,707	32,594
Utilities	56,244	58,416	21,935	18,734	163,673	153,177	2,512	2,592	-	-
Maintenance materials & supplies	416,315	438,558	122,852	86,361	1,900,137	1,246,250	53,535	40,150	-	-
Grants & contributions	36,400	39,120	-	-	-	-	-	-	45,500	45,500
Amortization	19,422	20,140	47,503	84,398	624,055	631,992	50,650	50,145	-	-
Interest on long term debt	24,941	27,899	-	-	30,944	12,514	-	-	-	-
Bad debts expense	32,819	25,805	-	-	-	-	-	-	-	-
Total expenses	1,267,021	1,201,080	814,685	691,921	4,065,018	3,431,620	421,379	507,468	79,207	78,094
SURPLUS (DEFICIT)	6,154,779	5,727,043	(797,825)	(669,464)	(3,749,164)	(2,841,980)	(283,460)	(394,851)	(79,207)	(78,094)

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

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

For the Year Ended December 31, 2014

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	6,613,313	6,399,524
Grants in lieu of taxation	-	-	-	-	-	-	-	-	79,822	72,091
User fees	103,257	125,827	-	-	1,247,028	1,269,303	-	-	1,845,924	2,050,478
Grants - Province of Manitoba	-	-	-	-	79,251	76,820	-	-	1,217,859	733,968
Grants - Other	54,183	69,946	-	-	53,099	53,262	-	-	107,282	233,208
Permits, licences and fees	11,925	34,554	-	-	-	-	-	-	92,555	117,351
Investment revenue	9,522	8,775	-	-	29,627	27,717	8,239	3,959	159,037	132,544
Other revenue	20,000	20,000	-	-	4,211	13,600	-	-	443,587	664,040
Water and sewer	-	-	-	-	-	-	3,938,612	6,147,943	2,892,008	5,101,339
Total revenue	198,887	259,102	-	-	1,413,216	1,440,702	3,946,851	6,151,902	3,451,387	5,504,543
EXPENSES										
Personnel services	148,453	140,382	14,738	14,922	515,890	504,813	930,994	849,493	3,610,298	3,726,441
Contract services	51,830	67,811	473,972	470,419	2,833	2,183	63,884	57,728	1,590,169	1,309,742
Utilities	3,624	3,643	26,126	27,039	141,060	131,273	145,414	12,010	560,588	406,884
Maintenance materials & supplies	34,024	60,294	245,422	250,890	518,314	540,938	9,730	-	3,300,329	2,663,441
Grants & contributions	-	-	17,715	1,321	101,637	83,453	-	-	201,252	169,394
Amortization	489	635	116,234	109,892	167,056	181,245	669,019	585,979	1,694,428	1,664,426
Interest on long term debt	-	-	-	-	-	2,538	686,220	631,764	742,105	674,715
Bad debts expense	-	-	-	-	-	-	-	-	32,819	25,805
Total expenses	238,420	272,765	894,207	874,483	1,446,790	1,446,443	2,505,261	2,136,974	1,731,988	0,640,848
SURPLUS (DEFICIT)	(39,533)	(13,663)	(894,207)	(874,483)	(33,574)	(5,741)	1,441,590	4,014,928	1,719,399	4,863,695

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

RURAL MUNICIPALITY OF GIMLI

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2014

	Core Government		Controlled Entities		Government Partnerships		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Property taxes	6,613,313	6,399,524	-	-	-	-	6,613,313	6,399,524
Grants in lieu of taxation	79,822	72,091	-	-	-	-	79,822	72,091
User fees	916,481	1,088,854	821,816	835,895	107,627	125,729	1,845,924	2,050,478
Grants - Province of Manitoba	1,153,749	668,148	-	1,570	64,110	64,250	1,217,859	733,968
Grants - Other	-	110,000	-	-	107,282	123,208	107,282	233,208
Permits, licences and fees	92,555	117,351	-	-	-	-	92,555	117,351
Investment revenue	159,037	132,544	-	-	-	-	159,037	132,544
Other revenue	443,587	664,040	-	-	-	-	443,587	664,040
Water and sewer	2,892,008	5,101,339	-	-	-	-	2,892,008	5,101,339
Total revenue	12,350,552	14,353,891	821,816	837,465	279,019	313,187	13,451,387	15,504,543
EXPENSES								
Personnel services	3,373,675	3,504,316	-	-	236,623	222,125	3,610,298	3,726,441
Contract services	1,192,620	912,494	395,236	395,065	2,313	2,183	1,590,169	1,309,742
Utilities	531,844	376,695	23,740	25,181	5,004	5,008	560,588	406,884
Maintenance materials & supplies	3,032,740	2,394,107	206,543	210,675	61,046	58,659	3,300,329	2,663,441
Grants & contributions	201,252	169,394	-	-	-	-	201,252	169,394
Amortization	1,577,143	1,555,958	113,683	105,861	3,602	2,607	1,694,428	1,664,426
Interest on long term debt	742,105	674,715	-	-	-	-	742,105	674,715
Bad debts expense	32,819	25,805	-	-	-	-	32,819	25,805
Total expenses	10,684,198	9,613,484	739,202	736,782	308,588	290,582	11,731,988	10,640,848
SURPLUS (DEFICIT)	1,666,354	4,740,407	82,614	100,683	(29,569)	22,605	1,719,399	4,863,695

RURAL MUNICIPALITY OF GIMLI

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2014

	General Reserve	Machinery Replacement Reserve	Industrial Park Reserve	Building Fire Equipment Reserve	Capital Levy Reserve
	\$	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and temporary investments	-	-	-	247,477	-
Due from other funds	1,634,999	419,640	562,496	188,317	75,837
	<u>1,634,999</u>	<u>419,640</u>	<u>562,496</u>	<u>435,794</u>	<u>75,837</u>
REVENUE					
Investment revenue	32,533	5,956	9,522	3,537	1,437
TRANSFERS					
Transfers from (to) operating fund	53,903	(118,000)	(76,899)	(22,500)	(4,400)
CHANGE IN FUND BALANCES					
	(21,370)	123,956	86,421	26,037	5,837
FUND SURPLUS, BEGINNING OF YEAR					
	<u>1,656,369</u>	<u>295,684</u>	<u>476,075</u>	<u>185,854</u>	<u>70,000</u>
FUND SURPLUS, END OF YEAR					
	<u>1,634,999</u>	<u>419,640</u>	<u>562,496</u>	<u>435,794</u>	<u>75,837</u>

**RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**

For the Year Ended December 31, 2014

	LUU of Gimli General Reserve	Rural Special Services Area Reserve	Capital Reserve	Drainage Reserve	Gas Tax Reserve	Construction Reserve	Road Maintenance and Handi Transit Vehicle Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	-	-	-	-	-	-	-
Due from other funds	87	89	986,174	986,174	1,286,809	249,657	-
	<u>87</u>	<u>89</u>	<u>986,174</u>	<u>986,174</u>	<u>1,286,809</u>	<u>249,657</u>	<u>-</u>
REVENUE							
Investment revenue	1	1	14,716	14,716	21,032	6,714	183
	<u>-</u>	<u>-</u>	<u>(244,000)</u>	<u>(244,000)</u>	<u>(297,275)</u>	<u>117,534</u>	<u>15,857</u>
TRANSFERS							
Transfers from (to) operating fund	1	1	258,716	258,716	318,307	(110,820)	(15,674)
CHANGE IN FUND BALANCES							
	86	88	727,458	727,458	968,502	360,477	15,674
FUND SURPLUS, BEGINNING OF YEAR							
	<u>87</u>	<u>89</u>	<u>986,174</u>	<u>986,174</u>	<u>1,286,809</u>	<u>249,657</u>	<u>-</u>

RURAL MUNICIPALITY OF GIMLI
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2014

	125th Anniversary Reserve	Recreation Fund	Pool Reserve	UD of Gimli Utility Reserve	UD of Gimli Replacement Utility Reserve	South Beach Utility Reserve Fund	Centre Ave W Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	-	1,281,716	-	-	-	-	-
Due from other funds	11,078	-	7,666	282,940	96,247	24,976	24,976
	<u>11,078</u>	<u>1,281,716</u>	<u>7,666</u>	<u>282,940</u>	<u>96,247</u>	<u>24,976</u>	<u>24,976</u>
REVENUE							
Investment revenue	218	24,195	150	5,548	1,888	490	490
TRANSFERS							
Transfers from (to) operating fund	-	-	-	-	-	-	-
CHANGE IN FUND BALANCES	218	24,195	150	5,548	1,888	490	490
FUND SURPLUS, BEGINNING OF YEAR	10,860	1,257,521	7,516	277,392	94,359	24,486	24,486
FUND SURPLUS, END OF YEAR	<u>11,078</u>	<u>1,281,716</u>	<u>7,666</u>	<u>282,940</u>	<u>96,247</u>	<u>24,976</u>	<u>24,976</u>

**RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**

For the Year Ended December 31, 2014

	Pelican Beach Reserve	Multiplex Reserve	2014 Actual	2013 Actual
	\$	\$	\$	\$
FINANCIAL ASSETS				
Cash and temporary investments	-	-	1,529,193	1,490,896
Due from other funds	8,296	265,914	6,313,113	5,573,272
	<u>8,296</u>	<u>265,914</u>	<u>7,842,306</u>	<u>7,064,168</u>
REVENUE				
Investment revenue	163	5,214	150,358	126,672
TRANSFERS				
Transfers from (to) operating fund	-	-	(627,780)	(1,019,076)
CHANGE IN FUND BALANCES	163	5,214	778,138	1,145,748
FUND SURPLUS, BEGINNING OF YEAR	<u>8,133</u>	<u>260,700</u>	<u>7,064,168</u>	<u>5,918,420</u>
FUND SURPLUS, END OF YEAR	<u>8,296</u>	<u>265,914</u>	<u>7,842,306</u>	<u>7,064,168</u>

RURAL MUNICIPALITY OF GIMLI
 SCHEDULE OF TRUST FUNDS

Schedule 7

For the Year Ended December 31, 2014

	Health Care Fund \$	Stefanson Memorial Fund \$	2014 Actual \$	2013 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	59,556	102,993	162,549	159,884
Accounts receivable	(53,027)	-	(53,027)	(53,027)
	<u>6,529</u>	<u>102,993</u>	<u>109,522</u>	<u>106,857</u>
REVENUE				
Investment income	<u>945</u>	<u>1,720</u>	<u>2,665</u>	<u>2,683</u>
Excess of revenue over expenses	<u>945</u>	<u>1,720</u>	<u>2,665</u>	<u>2,683</u>
Fund balance, beginning of year	<u>5,584</u>	<u>101,273</u>	<u>106,857</u>	<u>104,174</u>
Fund balance, end of year	<u>6,529</u>	<u>102,993</u>	<u>109,522</u>	<u>106,857</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
For the Year Ended December 31, 2014

	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS						
Accounts receivable (note 3)	95,412	8,271	42,185	276,948	422,816	567,869
Deposits	-	-	-	-	-	4,884
Due from other funds	793,994	208,748	255,776	1,546,825	2,805,343	2,820,823
	<u>889,406</u>	<u>217,019</u>	<u>297,961</u>	<u>1,823,773</u>	<u>3,228,159</u>	<u>3,393,576</u>
LIABILITIES						
Accounts payable and accrued liabilities (note 6)	2,605	1,517	20,021	325,533	349,676	101,293
Long-term debt (note 8)	-	255,356	382,419	10,751,127	11,388,902	11,869,620
Due to other funds	1,071,316	267,739	395,621	3,249,142	4,983,818	4,801,174
	<u>1,073,921</u>	<u>524,612</u>	<u>798,061</u>	<u>14,325,802</u>	<u>16,722,396</u>	<u>16,772,087</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (schedule 1)	572,071	927,517	816,341	28,370,539	30,686,468	29,212,567
Inventories	121,352	-	-	48,340	169,692	94,516
	<u>693,423</u>	<u>927,517</u>	<u>816,341</u>	<u>28,418,879</u>	<u>30,856,160</u>	<u>29,307,083</u>
FUND SURPLUS	<u>508,908</u>	<u>619,924</u>	<u>316,241</u>	<u>15,916,850</u>	<u>17,361,923</u>	<u>15,928,572</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2014

Schedule 9

	LUD OF GIMLI UTILITY		
	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE			
WATER			
Water fees	333,250	327,498	326,557
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Penalties	1,500	1,817	1,627
Other income	1,000	825	8,590
	<u>7,500</u>	<u>7,642</u>	<u>15,217</u>
TOTAL REVENUE	<u>340,750</u>	<u>335,140</u>	<u>341,774</u>
EXPENSES			
WATER			
Purification and treatment	210,227	199,702	212,365
Transportation services	122,000	86,782	10,207
	<u>332,227</u>	<u>286,484</u>	<u>222,572</u>
WATER AMORTIZATION AND INTEREST			
Amortization	25,800	25,752	25,752
SEWER			
Collection system costs	-	315	-
TOTAL EXPENSES	<u>358,027</u>	<u>312,551</u>	<u>248,324</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(17,277)	22,589	93,450
FUND SURPLUS, BEGINNING OF YEAR	<u>486,319</u>	<u>486,319</u>	<u>392,869</u>
FUND SURPLUS, END OF YEAR	<u>469,042</u>	<u>508,908</u>	<u>486,319</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2014

Schedule 9

	PELICAN BEACH UTILITY		
	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE			
WATER			
Water fees	28,006	29,020	27,292
PROPERTY TAXES	31,768	31,768	31,768
OTHER REVENUE			
Connection charges	600	1,400	810
Penalties	150	140	119
	750	1,540	929
TOTAL REVENUE	60,524	62,328	59,989
EXPENSES			
GENERAL			
Administration	6,034	6,034	5,856
WATER			
Transmission and distribution	15,606	21,453	15,007
Transportation services	300	1,153	262
	15,906	22,606	15,269
WATER AMORTIZATION AND INTEREST			
Amortization	28,900	28,879	28,879
Interest on long-term debt	23,000	22,937	25,857
	51,900	51,816	54,736
TOTAL EXPENSES	73,840	80,456	75,861
EXCESS OF EXPENSES OVER REVENUE	(13,316)	(18,128)	(15,872)
FUND SURPLUS, BEGINNING OF YEAR	638,052	638,052	653,924
FUND SURPLUS, END OF YEAR	624,736	619,924	638,052

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2014

Schedule 9

	INDUSTRIAL PARK UTILITY		
	2014	2014	2013
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	123,104	109,962	120,453
SEWER			
Lagoon tipping fees	-	(20)	-
PROPERTY TAXES			
	5,599	5,600	5,600
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Connection charges	-	400	-
Penalties	400	622	403
Other income	200	-	-
	5,600	6,022	5,403
TOTAL REVENUE	134,303	121,564	131,456
EXPENSES			
GENERAL			
Administration	2,586	2,586	2,511
WATER			
Purification and treatment	3,388	5,171	-
Transmission and distribution	85,000	37,931	36,251
Transportation services	25,000	57,479	1,541
	113,388	100,581	37,792
WATER AMORTIZATION AND INTEREST			
Amortization	22,600	22,581	22,582
Interest on long-term debt	32,900	32,866	31,068
	55,500	55,447	53,650
TOTAL EXPENSES	171,474	158,614	93,953
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(37,171)	(37,050)	37,503
FUND SURPLUS, BEGINNING OF YEAR	353,291	353,291	315,788
FUND SURPLUS, END OF YEAR	316,120	316,241	353,291

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2014

Schedule 9

	REGIONAL SEWER SYSTEM UTILITY		
	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE			
SEWER			
Sewer fees	1,329,520	1,362,366	1,126,551
GOVERNMENT TRANSFERS			
Capital	-	1,040,670	3,473,972
OTHER REVENUE			
Penalties	5,000	6,444	4,965
Other income	1,000	864	-
	6,000	7,308	4,965
TOTAL REVENUE	2,344,756	3,419,580	5,614,724
EXPENSES			
SEWER			
Collection system costs	788,097	717,186	628,761
Treatment and disposal costs	1,000	4,500	6,470
Transportation services	18,000	9,730	-
	807,097	731,416	635,231
SEWER AMORTIZATION AND INTEREST			
Amortization	592,000	591,807	508,766
Interest on long-term debt	630,500	630,417	574,839
	1,222,500	1,222,224	1,083,605
TOTAL EXPENSES	2,029,597	1,953,640	1,718,836
EXCESS OF REVENUE OVER EXPENSES	315,159	1,465,940	3,895,888
FUND SURPLUS, BEGINNING OF YEAR	14,450,910	14,450,910	10,555,022
FUND SURPLUS, END OF YEAR	14,766,069	15,916,850	14,450,910

RURAL MUNICIPALITY OF GIMLI

Schedule 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2014

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	Government Partnerships	PSAB Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE									
Property taxes	6,608,612	-	-	-	-	-	-	-	6,608,612
Grants in lieu of taxation	79,822	-	-	-	-	-	-	-	79,822
User fees	679,201	-	-	-	-	-	818,000	6,660	1,503,861
Grants - Province of Manitoba	888,421	-	-	-	-	-	1,500	64,110	954,031
Grants - Other	316,395	-	-	-	-	-	-	53,099	369,494
Permits, licences and fees	86,113	-	-	-	-	-	-	-	86,113
Investment revenue	20,000	-	-	-	-	-	-	-	20,000
Other revenue	549,955	-	-	-	-	-	-	-	549,955
Transfers	185,000	-	-	-	(185,000)	-	-	-	-
Water and sewer	(1,046,604)	2,880,333	-	-	-	-	-	-	1,833,729
	8,366,915	2,880,333	-	-	(185,000)	-	819,500	123,869	12,005,617
EXPENSES									
General government services	1,403,844	-	19,500	-	-	-	-	-	1,423,344
Protective services	788,318	-	47,500	-	-	-	-	-	835,818
Transportation services	3,052,602	-	624,200	31,050	-	-	-	-	3,707,852
Environmental health services	554,929	-	50,650	-	-	-	-	-	605,579
Public health and welfare services	79,094	-	-	-	-	-	-	-	79,094
Regional planning and development	131,692	-	-	-	-	-	-	-	131,692
Resource conservation and industrial development	197,085	-	2,600	-	-	-	-	-	200,000
Recreation and cultural services	1,137,822	-	164,050	-	-	-	724,500	124,294	1,426,166
Fiscal services	213,214	1,145,368	-	-	(1,358,582)	-	-	-	-
Transfers	808,316	455,500	-	-	(1,263,816)	-	-	-	-
Water and sewer	-	1,277,238	669,300	686,400	-	-	-	-	2,632,938
	8,366,916	2,878,106	1,577,800	717,450	(2,622,398)	-	724,500	124,294	11,766,668
SURPLUS (DEFICIT)	(1)	2,227	(1,577,800)	(717,450)	2,437,398	-	95,000	(425)	238,949

RURAL MUNICIPALITY OF GIMLI

Schedule 11

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2014

	2014 Actual \$	2013 Actual \$
BALANCE, BEGINNING OF YEAR	<u>1,133,664</u>	<u>1,006,468</u>
Add:		
Tax Levy (<i>schedule 12</i>)	12,160,448	11,821,580
Taxes added	136,150	133,895
Penalties and interest	150,311	139,092
Other Accounts Added	219,035	229,069
Taxes overpaid (refunds)	<u>372,054</u>	<u>341,624</u>
Sub-total	<u>14,171,662</u>	<u>13,671,728</u>
Deduct:		
Cash collections - current	10,702,436	10,455,451
Cash collections - arrears	827,873	710,865
Cancellations	18,206	18,548
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,409,006</u>	<u>1,353,200</u>
Sub-total	<u>12,957,521</u>	<u>12,538,064</u>
BALANCE, END OF YEAR	<u><u>1,214,141</u></u>	<u><u>1,133,664</u></u>

RURAL MUNICIPALITY OF GIMLI

Schedule 12

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2014

	Assessment	2014 Mill Rate	Levy	2013 Levy
Debt Charges:				
Frontage (note 9)			348,075	309,856
L.I.D. (note 10)			288,118	289,992
At large (note 11)			538,053	585,017
			<u>1,174,246</u>	<u>1,184,865</u>
Reserves:				
Reserve (note 12)			<u>153,436</u>	<u>153,469</u>
Other municipal levies:				
General municipal	38,387,740	11.468	<u>5,027,428</u>	<u>4,805,365</u>
Business tax (rate 1.36%)			122,053	121,930
Total municipal taxes (schedule 2)			<u>6,477,163</u>	<u>6,265,629</u>
Education Support Levy	69,750,990	11.390	794,464	788,698
Special levy:				
Evergreen School Division	427,157,770	11.445	<u>4,888,821</u>	<u>4,767,253</u>
Total education taxes			<u>5,683,285</u>	<u>5,555,951</u>
Total tax levy (schedule 11)			<u>12,160,448</u>	<u>11,821,580</u>

RURAL MUNICIPALITY OF GIMLI
ANALYSIS OF SCHOOL ACCOUNTS
For the Year Ended December 31, 2014

Schedule 13

	Opening Balance	2014 Current Requirement	2014 Current Payment	Ending Balance	2013 Ending Balance
	\$	\$	\$	\$	\$
Education Support Levy	<u>167,728</u>	<u>844,042</u>	<u>818,484</u>	<u>193,286</u>	<u>167,728</u>
Special Levies:					
Evergreen School Division	<u>724,434</u>	<u>3,729,547</u>	<u>3,532,863</u>	<u>921,118</u>	<u>724,434</u>
Sub-total	<u>724,434</u>	<u>3,729,547</u>	<u>3,532,863</u>	<u>921,118</u>	<u>724,434</u>
Total	<u>892,162</u>	<u>4,573,589</u>	<u>4,351,347</u>	<u>1,114,404</u>	<u>892,162</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	167,785	153,002	156,046
General administrative	1,255,559	1,114,019	1,045,034
	<u>1,423,344</u>	<u>1,267,021</u>	<u>1,201,080</u>
PROTECTIVE SERVICES			
Police	425,123	459,969	346,042
Fire	353,620	310,582	310,166
Other protective services	47,075	36,484	28,777
By-law enforcement	10,000	7,650	6,936
	<u>835,818</u>	<u>814,685</u>	<u>691,921</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	3,603,136	3,915,895	3,298,190
Air transport	92,341	81,577	75,967
Public transit	12,375	67,546	57,463
	<u>3,707,852</u>	<u>4,065,018</u>	<u>3,431,620</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	320,584	212,996	285,155
Recycling	110,000	91,340	100,816
Lagoons and wells	174,995	117,043	121,497
	<u>605,579</u>	<u>421,379</u>	<u>507,468</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	14,000	14,113	13,000
Social assistance	65,094	65,094	65,094
	<u>79,094</u>	<u>79,207</u>	<u>78,094</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	131,692	67,213	107,626
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	67,450	68,836	64,024
Water resources and conservation	19,339	17,839	17,839
Regional development	27,268	12,716	22,226
Industrial development	44,813	17,254	906
Tourism	38,815	38,360	32,706
Other	2,000	-	-
	<u>199,685</u>	<u>155,005</u>	<u>137,701</u>

RURAL MUNICIPALITY OF GIMLI

Schedule 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
RECREATION AND CULTURAL SERVICES			
Community centers and halls	56,960	106,345	50,292
Swimming pools and beaches	117,175	112,473	123,022
Skating and curling rinks	985,170	934,183	1,017,770
Parks and playgrounds	49,330	48,117	41,492
Libraries	58,205	59,259	57,576
Other cultural facilities	35,032	49,032	30,848
	<u>1,301,872</u>	<u>1,309,409</u>	<u>1,321,000</u>
TOTAL EXPENSES	<u>8,284,936</u>	<u>8,178,937</u>	<u>7,476,510</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF DEBENTURES PENDING
For the Year Ended December 31, 2014

Schedule 15

Authority	Purpose	Source of Funds	Authorized	Expended
08-0024	Thompson, Mercury, Aurora, Corona resurfacing	Own	470,760	409,922
08-0020	Loni Beach Gravity Sewer	Own	2,706,600	1,456,958
10-0012	South Beach Sewer	Own	1,662,219	752,936
12-0020	Expansion of the Gimli Fire Hall	Own	500,000	11,353
			<u>5,339,579</u>	<u>2,631,169</u>

