

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

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated 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 Consolidated 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 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.


Joann King
CAO



Year Ended December 31, 2016



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, 2016 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, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

July 12, 2017
Winnipeg, Manitoba

Reid & Associates

Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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**RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2016

	2016 Actual \$	2015 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	14,923,100	8,697,985
Accounts receivable (note 3)	2,889,444	4,935,286
	<u>17,812,544</u>	<u>13,633,271</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	4,444,715	3,889,439
Deferred revenue (note 7)	1,348,534	2,874,676
Long-term debt (note 8)	14,418,170	11,582,034
	<u>20,211,419</u>	<u>18,346,149</u>
NET DEBT	<u>(2,398,875)</u>	<u>(4,712,878)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	50,409,578	48,969,861
Inventories (note 4)	539,002	437,310
Prepaid expenses	68,920	65,026
	<u>51,017,500</u>	<u>49,472,197</u>
ACCUMULATED SURPLUS (note 18)	<u>48,618,625</u>	<u>44,759,319</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, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
Property taxes	7,525,401	7,527,505	6,764,573
Grants in lieu of taxation	108,435	108,435	98,946
User fees	1,988,079	2,110,595	2,173,157
Grants - Province of Manitoba	978,666	896,425	1,021,576
Grants - Other	458,557	2,016,183	202,040
Permits, licences and fees	79,828	107,723	112,192
Investment revenue	35,000	115,066	108,063
Other revenue	329,486	243,239	247,245
Water and sewer	2,039,349	2,172,793	3,440,344
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>13,542,801</u>	<u>15,297,964</u>	<u>14,168,136</u>
EXPENSES			
General government services	1,431,209	1,143,988	1,133,326
Protective services	842,114	806,474	746,707
Transportation services	4,234,773	3,725,054	3,716,564
Environmental health services	689,203	578,906	592,428
Public health and welfare services	83,111	100,760	80,643
Regional planning and development	342,513	277,052	281,422
Resource conservation and industrial development	993,599	960,278	932,948
Recreation and cultural services	1,604,874	1,511,180	1,610,446
Water and sewer	2,966,085	2,334,966	2,450,050
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>13,187,481</u>	<u>11,438,658</u>	<u>11,544,534</u>
ANNUAL SURPLUS	355,320	3,859,306	2,623,602
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>44,759,319</u>	<u>44,759,319</u>	<u>42,135,717</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>45,114,639</u>	<u>48,618,625</u>	<u>44,759,319</u>

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF NET DEBT
For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
ANNUAL SURPLUS	<u>355,320</u>	<u>3,859,306</u>	<u>2,623,602</u>
Acquisition of tangible capital assets	-	(3,151,792)	(7,038,539)
Amortization of tangible capital assets	1,707,559	1,712,075	1,654,926
Decrease (increase) in inventories	-	(101,692)	37,412
Increase in prepaid expense	-	(3,894)	(6,154)
CHANGE IN SURPLUS (DEFICIT)	<u>2,062,879</u>	<u>2,314,003</u>	<u>(2,728,753)</u>
NET DEBT BEGINNING OF YEAR	<u>(4,712,878)</u>	<u>(4,712,878)</u>	<u>(1,984,125)</u>
NET DEBT END OF YEAR	<u>(2,649,999)</u>	<u>(2,398,875)</u>	<u>(4,712,878)</u>

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	2016 Actual \$	2015 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	3,859,306	2,623,602
Changes in non-cash items:		
Amortization	<u>1,712,075</u>	<u>1,654,926</u>
	5,571,381	4,278,528
Net changes in non-cash working capital affecting operations <i>(note 21)</i>	<u>969,390</u>	<u>773,726</u>
	<u>6,540,771</u>	<u>5,052,254</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(3,151,792)</u>	<u>(7,038,539)</u>
FINANCING		
Long-term debt issued	2,836,136	-
Reduction in long-term debt	-	(590,810)
	<u>2,836,136</u>	<u>(590,810)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	6,225,115	(2,577,095)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>8,697,985</u>	<u>11,275,080</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>14,923,100</u>	<u>8,697,985</u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	14,718,456	8,497,215
Temporary investments	<u>204,644</u>	<u>200,770</u>
	<u>14,923,100</u>	<u>8,697,985</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, 2016

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:

	Consolidated	
	2016	2015
East Interlake Planning District	59.85 %	59.85 %
Evergreen Regional Library	56.13 %	56.13 %

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

Eastern Interlake Handi-van Inc.

61.91 %

61.91 %

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, 2016

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, 2016

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, 2016

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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
	\$	\$
Tax assets (<i>schedule 11</i>)	1,121,889	1,362,713
Government grants and receivables	1,147,009	2,777,110
Utility customers	400,934	401,793
Accrued interest	8,019	6,278
Organizations and individuals	267,464	477,007
Other governments	22,705	9,626
	<u>2,968,020</u>	<u>5,034,527</u>
Allowance for doubtful accounts	<u>(78,576)</u>	<u>(99,241)</u>
	<u>2,889,444</u>	<u>4,935,286</u>

4. INVENTORIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Gravel	117,612	85,131
Culverts	73,530	99,369
Fuel	47,399	47,718
Grader blades and shop supplies	43,208	51,186
Water and sewer supplies	247,480	146,124
Other inventory	9,773	7,782
	<u>539,002</u>	<u>437,310</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, 2016 the balance owing was \$ nil (2015 - \$ nil).

RURAL MUNICIPALITY OF GIMLI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Trade payable	886,701	1,272,245
Government payables	30,654	31,098
Accrued expenses	289,245	255,371
Accrued interest payable	83,506	20,588
School levies (<i>schedule 13</i>)	1,007,354	1,133,868
Deposits	239,640	149,128
Debentures levied in advance	1,411,846	600,423
Property tax prepayments	495,769	426,718
	<u>4,444,715</u>	<u>3,889,439</u>

7. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
	\$	\$
Deferred revenue	19,000	12,500
Unexpended gas tax funding	-	1,556,183
Unexpended pool funding	1,329,534	1,305,993
	<u>1,348,534</u>	<u>2,874,676</u>

Gas tax funding no longer qualifies for deferral under PS3410, this change has been applied prospectively

8. LONG-TERM DEBT

	<u>2016</u>	<u>2015</u>
	\$	\$
General Authority:		
Municipal debenture payable in annual instalments of \$13,433.92, including interest at 5.500%, due December 31, 2026.	101,260	108,715
Municipal debenture payable in annual instalments of \$29,148.48, including interest at 7.375%, due December 31, 2020.	97,902	118,324
Municipal debenture payable in annual instalments of \$5,734.40, including interest at 6.625%, due December 31, 2017.	5,378	10,422
Municipal debenture payable in annual instalments of \$38,864.64, including interest at 7.375%, due December 31, 2019.	101,298	130,536
Municipal debenture payable in annual instalments of \$32,337.18, including interest at 3.06%, due February 28, 2025.	251,078	275,000
Municipal debenture payable in annual instalments of \$11,646.66, including interest at 4.59%, due December 31, 2021	50,651	59,550
Municipal debenture payable in annual instalments of \$98,764.67, including interest at 4.48%, due October 1, 2033.	1,158,019	1,202,894
	<u>1,765,586</u>	<u>1,905,441</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

Utility Funds:

Municipal debenture payable in annual instalments of \$115,822 including interest at 4.89%, due December 31, 2031	1,211,183	1,265,140
Municipal debenture payable in annual instalments of \$34,351.48 including interest at 5.625%, due December 31, 2034.	382,647	394,792
Municipal debenture payable in annual instalments of \$4,435.43, including interest at 5.500%, due December 31, 2026.	33,433	35,894
Municipal debenture payable in annual instalments of \$143,620.50, including interest at 3.89%, due September 1, 2036.	1,971,000	-
Municipal debenture payable in annual instalments of \$98,366.26, including interest at 4.230%, due June 1, 2041.	1,500,000	-
Municipal debenture payable in annual instalments of \$33,297.25, including interest at 7.250%, due December 31, 2020.	112,151	135,616
Municipal debenture payable in annual instalments of \$23,620.60, including interest at 7.500%, due December 31, 2020.	79,113	95,566
Municipal debenture payable in annual instalments of \$36,357.67, including interest at 6.625%, due December 31, 2022.	175,325	198,530
Municipal debenture payable in annual instalments of \$11,199.83, including interest at 6.250%, due December 31, 2028.	92,624	97,716
Municipal debenture payable in annual instalments of \$127,069.67, including interest at 7.750%, due December 31, 2019.	328,953	423,224
Municipal debenture payable in annual instalments of \$159,961.61, including interest at 6.125%, due December 31, 2033.	1,660,994	1,715,859
Municipal debenture payable in annual instalments of \$171,473.35, including interest at 5.750%, due December 31, 2032.	1,763,036	1,829,323
Municipal debenture payable in annual instalments of \$35,049.71, including interest at 5.750%, due December 31, 2032.	360,370	373,919
Municipal debenture payable in annual instalments of \$54,382.64, including interest at 5.625%, due December 31, 2031.	541,364	564,020
Municipal debenture payable in annual instalments of \$104,858.51, including interest at 5.625%, due December 31, 2031	1,043,837	1,087,522
Municipal debenture payable in annual instalments of \$78,829.70, including interest at 5.625%, due December 31, 2030.	750,039	784,727
Municipal debenture payable in annual instalments of \$55,894.03, including interest at 4.100%, due December 31, 2032	646,515	674,745
	<u>12,652,584</u>	<u>9,676,593</u>
	<u>14,418,170</u>	<u>11,582,034</u>

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

2017	774,651
2018	813,263
2019	859,907
2020	743,460
2021	696,611

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

9. DEBT CHARGES - FRONTAGE

Purpose and By-law	2016 Levy	2015 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
South Beach Sewer 12-0016	55,894	55,894
	309,856	309,856

10. DEBT CHARGES - L.I.D.

Purpose and By-law	Assessment	2016 Mill Rate	Levy	2015 Levy
			\$	\$
Centre Ave - 8-2002	2,949,530	5.749	16,957	16,957
Pelican Beach Sewer - 19-99	19,197,210	1.053	20,215	20,205
North Forcemain - 13-2000	1,123,420	12.616	14,173	14,173
Natural Gas Transmission - 16-2000	383,845,800	0.076	29,172	29,124
Sewage Pump Station - 2-2001	383,360,010	0.087	33,352	33,290
Centre Ave - 8-2002	383,632,400	0.034	13,043	12,977
Pelican Beach Sewer - 19-99	383,845,800	0.052	19,961	20,000
North Forcemain - 13-2000	383,845,800	0.025	9,597	9,473
Habour Expansion - 99-13	99,618,630	0.378	37,656	37,607
Sewage Plant - 09-0009A	144,719,770	0.489	70,768	70,716
Sewage Plant - 10-0006A	144,719,770	0.156	22,576	22,677
			287,470	287,199

RURAL MUNICIPALITY OF GIMLI**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2016

11. DEBT CHARGES - AT LARGE

<u>Purpose and By-law</u>	<u>Assessment</u>	<u>2016 Mill Rate</u>	<u>Levy</u>	<u>2015 Levy</u>
			\$	\$
Sewage Plant - 06-0003	483,464,430	0.161	77,838	77,978
Sewage Plant - 07-0008	483,464,430	0.214	103,461	103,232
Sewage Plant - 07-0009	483,464,430	0.111	53,665	53,610
Sewage Plant - 08-0006	483,464,430	0.072	34,809	34,559
Sewage Plant - 08-0007	483,464,430	0.350	169,213	168,805
Sewage Plant - 09-0009	519,526,460	0.168	87,280	87,351
Scwage Plant - 10-0006	519,526,460	0.022	11,429	11,456
Grader - 14-0021	519,526,460	0.062	32,211	-
			<u>569,906</u>	<u>536,991</u>

12. RESERVES

<u>Purpose and By-law</u>	<u>Assessment</u>	<u>2016 Mill Rate</u>	<u>Levy</u>	<u>2015 Levy</u>
			\$	\$
Machinery Replacement - 03-0022	483,464,430	0.214	103,461	103,676
Road Development - 07-0027	483,464,430	0.102	49,313	49,179
			<u>152,774</u>	<u>152,855</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

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 \$151,019 (2015 - \$141,384) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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, 2016

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. SEGMENTED INFORMATION

The Rural Municipality of Gimli 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 GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

17. 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:

	2016	2015
	\$	\$
Financial Position		
Financial Assets	180,267	227,354
Liabilities	20,506	22,991
	159,761	204,363
Non-financial Assets	29,514	41,646
Accumulated Surplus	189,275	246,009
Result of Operations		
Revenue	605,004	757,331
Expenses	661,740	640,713
Annual Surplus (Deficit)	(56,736)	116,618

18. ACCUMULATED SURPLUS

	2016	2015
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	3,700,291	2,934,062
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(887,841)	(4,816,105)
General Operating Tangible Capital Assets, net of related borrowings	14,061,612	12,367,602
Utility Operating Tangible Capital Assets, net of related borrowings	21,171,092	24,214,926
Reserve Funds	9,160,654	8,756,139
Accumulated surplus of municipality unconsolidated	47,205,808	43,456,624
Accumulated surpluses of consolidated controlled entities	1,298,080	1,153,724
Accumulated surpluses of consolidated government partnerships	114,737	148,971
Accumulated Surplus per Statement of Financial Position	48,618,625	44,759,319

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

19. 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, 2016:

- (a) Compensation paid to members of council amounted to \$144,738 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
Daniel Luprypa	30,587	4,595	35,182
Peter Peiluck	33,801	3,802	37,603
Richard Petrowski	23,456	2,507	25,963
Sigrun Thora Palson	26,661	2,298	28,959
Randy Woroniuk	30,233	3,966	34,199
	<u>144,738</u>	<u>17,168</u>	<u>161,906</u>

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

Name	Position	Amount
Bergman, Timothy	Public Works/Utility	55,429
Conley, Michael	Public Works/Utility	63,512
Cosgrove, Kelly	Administration	52,467
Franz, Kevin	Public Works	55,726
Hjelmeland, Darcy	Public Works	94,831
King, Joann	Administration	105,783
Kmet, Tom	Public Works	58,562
Marks, Ken	Public Works	50,029
Michaluk, Nicholas	Public Works	54,241
O'Hara, Stuart	Public Works	64,570
Strachan, Kristin	Administration	56,851
Woytowich, Barry	Public Works	50,793
Zapotochny, Tony	Public Works	65,801

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

20. 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: Description of Utility	Unamortized	Additions During Year	Amortization During Year	Unamortized
	Opening Balance			Ending Balance
LUD of Gimli	93,874	-	5,317	88,557
Pelican Beach	50,919	-	1,520	49,399
	<u>144,793</u>	<u>-</u>	<u>6,837</u>	<u>137,956</u>

Sewer Services: Description of Utility	Unamortized	Additions During Year	Amortization During Year	Unamortized
	Opening Balance			Ending Balance
Regional Sewer System	17,860,288	433,449	346,949	17,946,788

21. CHANGES IN WORKING CAPITAL

	2016	2015
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	2,045,842	(773,956)
Inventories	(101,692)	37,412
Prepaid expenses	(3,894)	(6,154)
Accounts payable and accrued liabilities	555,276	1,220,273
Deferred revenue	(1,526,142)	296,151
	<u>969,390</u>	<u>773,726</u>

RURAL MUNICIPALITY OF GIMLI

Schedule 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2016

	General Capital Assets					Infrastructure			2016 Actual	2015 Actual
	Land and Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets under Construction		
Cost										
Balance, beginning of year	5,550,442	6,831,588	7,541,330	392,706	958,528	16,618,586	34,159,906	7,100,836	79,153,922	72,138,881
Asset purchases	87,744	1,801,945	707,988	30,406	759,605	118,718	7,619,033	(7,062,407)	4,063,032	7,038,539
Disposals and write downs	-	-	1,923	-	911,240	-	-	-	913,163	23,498
Balance, end of year	5,638,186	8,633,533	8,247,395	423,112	806,893	16,737,304	41,778,939	38,429	82,303,791	79,153,922
Accumulated Amortization										
Balance, beginning of year	677,774	4,680,417	5,011,803	383,269	-	13,264,469	6,166,329	-	30,184,061	28,552,633
Amortization	53,758	232,932	429,743	8,939	-	317,359	669,344	-	1,712,075	1,654,926
Disposals and write downs	-	-	1,923	-	-	-	-	-	1,923	23,498
Balance, end of year	731,532	4,913,349	5,439,623	392,208	-	13,581,828	6,835,673	-	31,894,213	30,184,061
Net book value	<u>4,906,654</u>	<u>3,720,184</u>	<u>2,807,772</u>	<u>30,904</u>	<u>806,893</u>	<u>3,155,476</u>	<u>34,943,266</u>	<u>38,429</u>	<u>50,409,578</u>	<u>48,969,861</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2016

Schedule 2

	2016 Budget \$	2016 Actual \$	2015 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 12</i>)	7,465,401	7,461,843	6,718,044
Taxes added	60,000	65,662	46,529
	<u>7,525,401</u>	<u>7,527,505</u>	<u>6,764,573</u>
GRANTS IN LIEU OF TAXATION			
Federal government	4,132	4,132	4,321
Provincial government	6,326	6,326	5,230
Provincial government enterprises	97,977	97,977	89,395
	<u>108,435</u>	<u>108,435</u>	<u>98,946</u>
USER FEES			
Sales of service	513,202	520,012	600,565
Sales of goods	324,500	396,411	464,233
Rentals	269,105	275,954	256,649
Facility use fees	881,272	918,218	851,710
	<u>1,988,079</u>	<u>2,110,595</u>	<u>2,173,157</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	459,000	459,757	459,757
General support grant	63,573	66,149	65,006
VLT revenues	94,500	94,659	94,659
Conditional grants	136,593	166,351	140,406
Other provincial grant	225,000	109,509	261,748
	<u>978,666</u>	<u>896,425</u>	<u>1,021,576</u>
GRANTS - OTHER			
Federal government - gas tax funding	315,666	1,871,849	46,741
Other local governments	133,604	136,208	143,215
Other grant	9,287	8,126	12,084
	<u>458,557</u>	<u>2,016,183</u>	<u>202,040</u>
PERMITS, LICENCES AND FEES			
Permits	10,500	20,950	14,050
Licences	52,328	62,152	59,140
Fines	17,000	18,051	20,788
Subdivision fees	-	6,570	18,214
	<u>79,828</u>	<u>107,723</u>	<u>112,192</u>
INVESTMENT REVENUE			
Interest	35,000	25,723	20,942
Municipal debenture interest	-	89,343	87,121
	<u>35,000</u>	<u>115,066</u>	<u>108,063</u>
OTHER REVENUE			
Miscellaneous	189,486	88,581	96,116
Penalties and interest	140,000	154,658	151,129
	<u>329,486</u>	<u>243,239</u>	<u>247,245</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	2,039,349	2,172,793	3,440,344
TOTAL REVENUE	<u>13,542,801</u>	<u>15,297,964</u>	<u>14,168,136</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

Schedule 3

	2016 Budget \$	2016 Actual \$	2015 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	203,300	182,765	182,893
General administrative	1,227,909	961,223	950,433
	<u>1,431,209</u>	<u>1,143,988</u>	<u>1,133,326</u>
PROTECTIVE SERVICES			
Police	399,526	452,302	423,772
Fire	370,038	298,687	276,926
Other protective services	43,550	32,206	33,541
By-law enforcement	29,000	23,279	12,468
	<u>842,114</u>	<u>806,474</u>	<u>746,707</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	3,956,810	3,502,088	3,500,393
Air transport	148,708	86,561	69,102
Public transit	129,255	136,405	147,069
	<u>4,234,773</u>	<u>3,725,054</u>	<u>3,716,564</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	352,667	311,329	331,523
Recycling	150,000	139,204	87,820
Lagoons and wells	186,536	128,373	173,085
	<u>689,203</u>	<u>578,906</u>	<u>592,428</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	14,000	28,590	14,032
Social assistance	69,111	72,170	66,611
	<u>83,111</u>	<u>100,760</u>	<u>80,643</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	342,513	277,052	281,422
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	76,450	70,224	69,512
Water resources and conservation	18,349	17,839	17,839
Regional development	23,500	9,440	13,164
Industrial development	792,400	785,490	764,638
Tourism	80,900	77,285	67,795
Other	2,000	-	-
	<u>993,599</u>	<u>960,278</u>	<u>932,948</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
RECREATION AND CULTURAL SERVICES			
Community centers and halls	60,900	51,135	54,621
Swimming pools and beaches	87,000	86,003	182,647
Skating and curling rinks	1,150,260	1,084,438	1,069,929
Parks and playgrounds	66,075	59,285	62,425
Libraries	202,688	192,368	203,592
Other cultural facilities	37,951	37,951	37,232
	<u>1,604,874</u>	<u>1,511,180</u>	<u>1,610,446</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	<u>2,966,085</u>	<u>2,334,966</u>	<u>2,450,050</u>
TOTAL EXPENSES	<u><u>13,187,481</u></u>	<u><u>11,438,658</u></u>	<u><u>11,544,534</u></u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	7,527,505	6,764,573	-	-	-	-	-	-	-	-
Grants in lieu of taxation	108,435	98,946	-	-	-	-	-	-	-	-
User fees	162,179	155,618	-	-	360,785	437,061	147,114	139,297	-	-
Grants - Province of Manitoba	711,972	862,832	-	-	64,808	67,301	20,568	13,431	-	-
Grants - Other	1,871,849	46,741	-	-	24,011	24,668	-	-	-	-
Permits, licences and fees	80,203	79,928	-	-	5,450	4,000	-	-	-	-
Investment revenue	47,556	43,282	6,636	5,792	25,676	19,903	-	-	-	-
Other revenue	236,675	232,671	-	-	-	4,404	-	-	-	-
Water and sewer	1,046,604	1,046,604	-	-	-	-	-	-	-	-
Total revenue	9,699,770	7,237,987	6,636	5,792	480,730	557,337	167,682	152,728	-	-
EXPENSES										
Personnel services	437,894	470,450	168,047	238,321	1,121,445	955,946	270,502	326,909	-	-
Contract services	63,761	69,860	442,187	356,795	426,856	564,280	205,519	156,300	33,608	33,626
Utilities	55,563	60,812	22,287	18,550	163,503	166,373	2,377	2,233	-	-
Maintenance materials & supplies	480,379	475,560	130,424	123,144	1,295,006	1,344,708	51,598	59,035	59	-
Grants & contributions	51,982	41,365	-	-	-	-	-	-	67,093	47,017
Amortization	27,364	19,598	43,529	9,897	701,139	654,888	48,910	47,951	-	-
Interest on long term debt	18,947	21,764	-	-	17,105	19,106	-	-	-	-
Bad debts expense	8,098	(26,083)	-	-	-	11,263	-	-	-	-
Total expenses	1,143,988	1,133,326	806,474	746,707	3,725,054	3,716,564	578,906	592,428	100,760	80,643
SURPLUS (DEFICIT)	8,555,782	6,104,661	(799,838)	(740,915)	3,244,324	3,159,227	(411,224)	(439,700)	(100,760)	(80,643)

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

RURAL MUNICIPALITY OF GIMLI

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	7,527,505	6,764,573
Grants in lieu of taxation	-	-	-	-	-	-	-	-	108,435	98,946
User fees	84,199	164,837	-	-	1,356,318	1,276,344	-	-	2,110,595	2,173,157
Grants - Province of Manitoba	-	-	-	-	99,077	78,012	-	-	896,425	1,021,576
Grants - Other	59,850	70,158	-	-	60,473	60,473	-	-	2,016,183	202,040
Permits, licences and fees	22,070	28,264	-	-	-	-	-	-	107,723	112,192
Investment revenue	3,471	6,445	-	-	26,756	27,601	4,971	5,040	115,066	108,063
Other revenue	-	-	-	-	6,564	10,170	-	-	243,239	247,245
Water and sewer	-	-	-	-	-	-	3,219,397	4,486,948	2,172,793	3,440,344
Total revenue	169,590	269,704	-	-	1,549,188	1,452,600	3,224,368	4,491,988	5,297,964	4,168,136
EXPENSES										
Personnel services	154,330	140,249	17,287	15,333	664,592	560,829	874,059	1,004,670	3,708,156	3,712,707
Contract services	54,625	68,377	489,446	484,914	3,609	2,518	41,064	67,928	1,760,675	1,804,598
Utilities	3,606	3,721	20,004	26,093	137,457	136,310	80,554	92,638	485,351	506,730
Maintenance materials & supplies	64,180	68,696	299,922	276,774	500,835	673,531	1,407	127	2,823,810	3,021,575
Grants & contributions	-	-	18,966	17,748	97,862	97,143	-	-	235,903	203,273
Amortization	311	379	114,653	112,086	106,825	140,115	669,344	670,012	1,712,075	1,654,926
Interest on long term debt	-	-	-	-	-	-	668,538	614,675	704,590	655,545
Bad debts expense	-	-	-	-	-	-	-	-	8,098	(14,820)
Total expenses	277,052	281,422	960,278	932,948	1,511,180	1,610,446	2,334,966	2,450,050	1,438,658	1,544,534
SURPLUS (DEFICIT)	(107,462)	(11,718)	(960,278)	(932,948)	38,008	(157,846)	889,402	2,041,938	3,859,306	2,623,602

* 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, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Property taxes	7,527,505	6,764,573	-	-	-	-	7,527,505	6,764,573
Grants in lieu of taxation	108,435	98,946	-	-	-	-	108,435	98,946
User fees	1,069,919	1,120,838	911,597	846,816	129,079	205,503	2,110,595	2,173,157
Grants - Province of Manitoba	813,609	938,938	-	-	82,816	82,638	896,425	1,021,576
Grants - Other	1,871,849	46,741	-	-	144,334	155,299	2,016,183	202,040
Permits, licences and fees	107,723	112,192	-	-	-	-	107,723	112,192
Investment revenue	115,066	108,063	-	-	-	-	115,066	108,063
Other revenue	243,239	242,841	-	-	-	4,404	243,239	247,245
Water and sewer	2,172,793	3,440,344	-	-	-	-	2,172,793	3,440,344
Total revenue	14,030,138	12,873,476	911,597	846,816	356,229	447,844	15,297,964	14,168,136
EXPENSES								
Personnel services	3,419,129	3,440,284	-	-	289,027	272,423	3,708,156	3,712,707
Contract services	1,340,321	1,395,728	415,816	404,739	4,538	4,131	1,760,675	1,804,598
Utilities	462,987	477,922	17,333	23,640	5,031	5,168	485,351	506,730
Maintenance materials & supplies	2,514,770	2,736,321	224,810	197,659	84,230	87,595	2,823,810	3,021,575
Grants & contributions	240,203	203,273	(4,300)	-	-	-	235,903	203,273
Amortization	1,590,856	1,536,098	113,582	111,015	7,637	7,813	1,712,075	1,654,926
Interest on long term debt	704,590	655,545	-	-	-	-	704,590	655,545
Bad debts expense	8,098	(14,820)	-	-	-	-	8,098	(14,820)
Total expenses	10,280,954	10,430,351	767,241	737,053	390,463	377,130	11,438,658	11,544,534
SURPLUS (DEFICIT)	3,749,184	2,443,125	144,356	109,763	(34,234)	70,714	3,859,306	2,623,602

RURAL MUNICIPALITY OF GIMLI

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	General Reserve \$	Machinery Replacement Reserve \$	Industrial Park Reserve \$	Building Reserve \$	Fire Equipment Reserve \$	Capital Levy Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	-	-	-	277,576	-
Due from other funds	1,846,700	551,676	335,495	226,357	263,623	102,745
	<u>1,846,700</u>	<u>551,676</u>	<u>335,495</u>	<u>226,357</u>	<u>541,199</u>	<u>102,745</u>
REVENUE						
Investment revenue	18,386	6,133	3,471	2,376	6,636	1,069
Other revenue	-	-	-	-	3,286	-
	<u>18,386</u>	<u>6,133</u>	<u>3,471</u>	<u>2,376</u>	<u>9,922</u>	<u>1,069</u>
TRANSFERS						
Transfers from (to) operating fund	(156,900)	12,000	(16,531)	(26,000)	(30,500)	(6,570)
CHANGE IN FUND BALANCES	175,286	(5,867)	20,002	28,376	40,422	7,639
FUND SURPLUS, BEGINNING OF YEAR	<u>1,671,414</u>	<u>557,543</u>	<u>315,493</u>	<u>197,981</u>	<u>500,777</u>	<u>95,106</u>
FUND SURPLUS, END OF YEAR	<u><u>1,846,700</u></u>	<u><u>551,676</u></u>	<u><u>335,495</u></u>	<u><u>226,357</u></u>	<u><u>541,199</u></u>	<u><u>102,745</u></u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	LUD of Gimli General Reserve \$	Rural Special Services Area Reserve \$	Drainage Capital Reserve \$	Gas Tax Reserve \$	Road Maintenance and Construction Reserve \$	Handi Transit Vehicle Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	-	-	-	-	-
Due from other funds	89	91	1,209,492	1,214,077	841,973	-
	<u>89</u>	<u>91</u>	<u>1,209,492</u>	<u>1,214,077</u>	<u>841,973</u>	<u>-</u>
REVENUE						
Investment revenue	1	1	13,314	17,118	6,229	-
Other revenue	-	-	-	-	-	-
	<u>1</u>	<u>1</u>	<u>13,314</u>	<u>17,118</u>	<u>6,229</u>	<u>-</u>
TRANSFERS						
Transfers from (to) operating fund	-	-	-	359,224	(269,491)	-
CHANGE IN FUND BALANCES	<u>1</u>	<u>1</u>	<u>13,314</u>	<u>(342,106)</u>	<u>275,720</u>	<u>-</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>88</u>	<u>90</u>	<u>1,196,178</u>	<u>1,556,183</u>	<u>566,253</u>	<u>-</u>
FUND SURPLUS, END OF YEAR	<u><u>89</u></u>	<u><u>91</u></u>	<u><u>1,209,492</u></u>	<u><u>1,214,077</u></u>	<u><u>841,973</u></u>	<u><u>-</u></u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2016

Schedule 6

	125th Anniversary Reserve \$	Recreation Pool Fund Reserve \$	LUD of Gimli Utility Reserve \$	LUD of Gimli Replacement Utility Reserve \$	South Beach Utility Reserve Fund \$	Centre Ave W Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	1,329,534	-	-	-	-
Due from other funds	11,334	-	7,843	289,771	98,473	25,553
	<u>11,334</u>	<u>1,329,534</u>	<u>7,843</u>	<u>289,771</u>	<u>98,473</u>	<u>25,553</u>
REVENUE						
Investment revenue	123	23,541	85	3,436	1,071	278
Other revenue	-	-	-	-	-	-
	<u>123</u>	<u>23,541</u>	<u>85</u>	<u>3,436</u>	<u>1,071</u>	<u>278</u>
TRANSFERS						
Transfers from (to) operating fund	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	123	23,541	85	3,436	1,071	278
FUND SURPLUS, BEGINNING OF YEAR	11,211	1,305,993	7,758	286,335	97,402	25,275
FUND SURPLUS, END OF YEAR	11,334	1,329,534	7,843	289,771	98,473	25,553

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2016

Schedule 6

	Pelican Beach Reserve \$	Multiplex Reserve \$	2016 Actual \$	2015 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	-	-	1,607,110	1,576,372
Due from other funds	8,496	519,756	7,553,544	7,179,767
	<u>8,496</u>	<u>519,756</u>	<u>9,160,654</u>	<u>8,756,139</u>
REVENUE				
Investment revenue	101	3,092	106,461	102,602
Other revenue	-	-	3,286	19,191
	<u>101</u>	<u>3,092</u>	<u>109,747</u>	<u>121,793</u>
TRANSFERS				
Transfers from (to) operating fund	-	(160,000)	(294,768)	(792,040)
CHANGE IN FUND BALANCES	101	163,092	404,515	913,833
FUND SURPLUS, BEGINNING OF YEAR	8,395	356,664	8,756,139	7,842,306
FUND SURPLUS, END OF YEAR	<u>8,496</u>	<u>519,756</u>	<u>9,160,654</u>	<u>8,756,139</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2016

Schedule 7

	Health Care Fund \$	Stefanson Memorial Fund \$	2016 Actual \$	2015 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	7,284	103,110	110,394	108,481
Accounts receivable	-	389	389	3,409
	<u>7,284</u>	<u>103,499</u>	<u>110,783</u>	<u>111,890</u>
REVENUE				
Investment income	87	1,910	1,997	2,368
EXPENSES				
Other trust expense	-	3,104	3,104	-
Excess (deficiency) of revenue over expenses	87	(1,194)	(1,107)	2,368
Fund balance, beginning of year	7,197	104,693	111,890	109,522
Fund balance, end of year	7,284	103,499	110,783	111,890

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Schedule 8

For the Year Ended December 31, 2016

	LUD of Gimli	Pelican Beach	Industrial Park	Regional Sewer System	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS						
Accounts receivable (note 3)	67,438	2,307	39,161	296,509	405,415	412,182
Due from other funds	2,071,266	235,663	743,725	4,228,406	7,279,060	4,878,392
	<u>2,138,704</u>	<u>237,970</u>	<u>782,886</u>	<u>4,524,915</u>	<u>7,684,475</u>	<u>5,290,574</u>
LIABILITIES						
Accounts payable and accrued liabilities (note 6)	52,372	283	4,728	1,562,400	1,619,783	1,172,071
Long-term debt (note 8)	-	82,238	300,750	13,427,615	13,810,603	10,879,487
Due to other funds	2,125,808	408,644	885,530	3,780,030	7,200,012	9,080,732
	<u>2,178,180</u>	<u>491,165</u>	<u>1,191,008</u>	<u>18,770,045</u>	<u>22,630,398</u>	<u>21,132,290</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (schedule 1)	522,571	869,758	771,179	32,818,187	34,981,695	35,094,413
Inventories	183,447	-	-	64,033	247,480	146,124
	<u>706,018</u>	<u>869,758</u>	<u>771,179</u>	<u>32,882,220</u>	<u>35,229,175</u>	<u>35,240,537</u>
FUND SURPLUS	<u>666,542</u>	<u>616,563</u>	<u>363,057</u>	<u>18,637,090</u>	<u>20,283,252</u>	<u>19,398,821</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

Schedule 9

	LUD OF GIMLI UTILITY		
	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
WATER			
Water fees	<u>374,000</u>	<u>376,764</u>	<u>363,330</u>
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Penalties	2,000	1,879	2,097
Other income	<u>2,000</u>	<u>2,515</u>	<u>2,295</u>
	<u>9,000</u>	<u>9,394</u>	<u>9,392</u>
TOTAL REVENUE	<u>383,000</u>	<u>386,158</u>	<u>372,722</u>
EXPENSES			
WATER			
Purification and treatment	230,425	215,276	215,563
Transportation services	<u>117,000</u>	<u>71,208</u>	<u>49,699</u>
	<u>347,425</u>	<u>286,484</u>	<u>265,262</u>
WATER AMORTIZATION AND INTEREST			
Amortization	<u>24,450</u>	<u>24,416</u>	<u>25,084</u>
TOTAL EXPENSES	<u>371,875</u>	<u>310,900</u>	<u>290,346</u>
EXCESS OF REVENUE OVER EXPENSES	11,125	75,258	82,376
FUND SURPLUS, BEGINNING OF YEAR	<u>591,284</u>	<u>591,284</u>	<u>508,908</u>
FUND SURPLUS, END OF YEAR	<u>602,409</u>	<u>666,542</u>	<u>591,284</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

Schedule 9

	PELICAN BEACH UTILITY		
	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
WATER			
Water fees	30,000	29,995	29,945
PROPERTY TAXES	31,768	31,768	31,768
OTHER REVENUE			
Connection charges	-	2,520	1,240
Penalties	200	141	181
Other income	1,000	-	-
	1,200	2,661	1,421
TOTAL REVENUE	62,968	64,424	63,134
EXPENSES			
GENERAL			
Administration	6,440	6,440	6,215
WATER			
Transmission and distribution	16,430	15,810	15,963
Transportation services	5,000	535	10,102
	21,430	16,345	26,065
WATER AMORTIZATION AND INTEREST			
Amortization	28,900	28,879	28,880
Interest on long-term debt	8,200	8,200	9,895
	37,100	37,079	38,775
TOTAL EXPENSES	64,970	59,864	71,055
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(2,002)	4,560	(7,921)
FUND SURPLUS, BEGINNING OF YEAR	612,003	612,003	619,924
FUND SURPLUS, END OF YEAR	610,001	616,563	612,003

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

Schedule 9

	INDUSTRIAL PARK UTILITY		
	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
WATER			
Water fees	135,000	122,523	126,780
PROPERTY TAXES	5,600	5,600	5,600
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Connection charges	-	-	360
Penalties	700	813	717
Other income	300	-	-
	6,000	5,813	6,077
TOTAL REVENUE	146,600	133,936	138,457
EXPENSES			
GENERAL			
Administration	3,687	3,687	3,551
WATER			
Purification and treatment	45,103	4,894	47,187
Transmission and distribution	55,000	24,569	49,822
Transportation services	35,000	8,811	32,837
	135,103	38,274	129,846
WATER AMORTIZATION AND INTEREST			
Amortization	22,500	22,581	22,581
Interest on long-term debt	2,500	2,432	2,625
	25,000	25,013	25,206
TOTAL EXPENSES	163,790	66,974	158,603
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(17,190)	66,962	(20,146)
FUND SURPLUS, BEGINNING OF YEAR	296,095	296,095	316,241
FUND SURPLUS, END OF YEAR	278,905	363,057	296,095

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

Schedule 9

	REGIONAL SEWER SYSTEM UTILITY		
	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
SEWER			
Sewer fees	<u>1,477,149</u>	<u>1,181,593</u>	<u>1,310,372</u>
PROPERTY TAXES	<u>1,009,236</u>	<u>1,009,236</u>	<u>1,009,236</u>
GOVERNMENT TRANSFERS			
Capital	<u>-</u>	<u>433,449</u>	<u>1,406,096</u>
OTHER REVENUE			
Connection charges	-	5,000	-
Penalties	6,500	5,601	6,531
Other income	500	-	180,400
	<u>7,000</u>	<u>10,601</u>	<u>186,931</u>
TOTAL REVENUE	<u>2,493,385</u>	<u>2,634,879</u>	<u>3,912,635</u>
EXPENSES			
SEWER			
Collection system costs	1,082,950	643,762	732,154
Treatment and disposal costs	12,500	685	2,143
Transportation services	18,000	1,407	127
	<u>1,113,450</u>	<u>645,854</u>	<u>734,424</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	594,000	593,468	593,467
Interest on long-term debt	658,000	657,906	602,155
	<u>1,252,000</u>	<u>1,251,374</u>	<u>1,195,622</u>
TOTAL EXPENSES	<u>2,365,450</u>	<u>1,897,228</u>	<u>1,930,046</u>
EXCESS OF REVENUE OVER EXPENSES	127,935	737,651	1,982,589
FUND SURPLUS, BEGINNING OF YEAR	<u>17,899,439</u>	<u>17,899,439</u>	<u>15,916,850</u>
FUND SURPLUS, END OF YEAR	<u>18,027,374</u>	<u>18,637,090</u>	<u>17,899,439</u>

RURAL MUNICIPALITY OF GIMLI

Schedule 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General \$	Financial Plan Utilities \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Consolidated Entities \$	Government Partnerships \$	PSAB Budget \$
REVENUE									
Property taxes	7,525,401	-	-	-	-	-	-	-	7,525,401
Grants in lieu of taxation	108,435	-	-	-	-	-	-	-	108,435
User fees	959,505	-	-	-	-	-	876,500	152,074	1,988,079
Grants - Province of Manitoba	895,850	-	-	-	-	-	-	82,816	978,666
Grants - Other	315,666	-	-	-	-	-	-	142,891	458,557
Permits, licences and fees	79,828	-	-	-	-	-	-	-	79,828
Investment revenue	35,000	-	-	-	-	-	-	-	35,000
Other revenue	328,000	-	-	-	-	-	-	1,486	329,486
Transfers	(50,000)	-	-	-	50,000	-	-	-	-
Water and sewer	(1,046,604)	3,085,953	-	-	-	-	-	-	2,039,349
	<u>9,151,081</u>	<u>3,085,953</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>876,500</u>	<u>379,267</u>	<u>13,542,801</u>
EXPENSES									
General government services	1,384,809	-	27,400	19,000	-	-	-	-	1,431,209
Protective services	798,564	-	43,550	-	-	-	-	-	842,114
Transportation services	3,452,575	-	696,525	17,200	-	-	-	68,473	4,234,773
Environmental health services	640,203	-	49,000	-	-	-	-	-	689,203
Public health and welfare services	83,111	-	-	-	-	-	-	-	83,111
Regional planning and development	145,845	-	-	-	-	-	-	196,668	342,513
Resource conservation and industrial development	220,299	-	1,100	-	-	-	772,200	-	993,599
Recreation and cultural services	1,371,922	-	104,275	-	-	-	-	128,677	1,604,874
Fiscal services	216,166	1,145,369	-	-	(1,361,535)	-	-	-	-
Transfers	837,386	311,500	-	-	(1,148,886)	-	-	-	-
Water and sewer	-	1,627,535	669,850	668,700	-	-	-	-	2,966,085
	<u>9,150,880</u>	<u>3,084,404</u>	<u>1,591,700</u>	<u>704,900</u>	<u>(2,510,421)</u>	<u>-</u>	<u>772,200</u>	<u>393,818</u>	<u>13,187,481</u>
SURPLUS (DEFICIT)	<u>201</u>	<u>1,549</u>	<u>(1,591,700)</u>	<u>(704,900)</u>	<u>2,560,421</u>	<u>-</u>	<u>104,300</u>	<u>(14,551)</u>	<u>355,320</u>

RURAL MUNICIPALITY OF GIMLI
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2016

Schedule 11

	2016 Actual \$	2015 Actual \$
BALANCE, BEGINNING OF YEAR	<u>1,362,713</u>	<u>1,214,141</u>
Add:		
Tax Levy (<i>schedule 12</i>)	13,257,909	12,580,504
Taxes added	65,662	46,529
Penalties and interest	154,658	151,129
Other Accounts Added	<u>119,830</u>	<u>263,979</u>
Sub-total	<u>14,960,772</u>	<u>14,256,282</u>
Deduct:		
Cash collections - current	11,182,376	10,469,496
Cash collections - arrears	1,143,412	976,972
Cancellations	22,248	13,168
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,490,847</u>	<u>1,433,933</u>
Sub-total	<u>13,838,883</u>	<u>12,893,569</u>
BALANCE, END OF YEAR	<u><u>1,121,889</u></u>	<u><u>1,362,713</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2016

	Assessment	2016 Mill Rate	Levy	2015 Levy
Debt Charges:				
Frontage (note 9)			309,856	309,856
L.I.D. (note 10)			287,470	287,199
At large (note 11)			569,906	536,991
			<u>1,167,232</u>	<u>1,134,046</u>
Reserves:				
Reserve (note 12)			152,774	152,855
Other municipal levies:				
General municipal	83,464,430	12.454	6,018,830	5,310,047
Business tax (rate 1.36%)			123,007	121,096
Total municipal taxes (schedule 2)			<u>7,461,843</u>	<u>6,718,044</u>
Education Support Levy	72,171,630	10.500	757,803	810,895
Special levy:				
Evergreen School Division	470,997,710	10.697	5,038,263	5,051,565
Total education taxes			<u>5,796,066</u>	<u>5,862,460</u>
Total tax levy (schedule 11)			<u>13,257,909</u>	<u>12,580,504</u>

RURAL MUNICIPALITY OF GIMLI
ANALYSIS OF SCHOOL ACCOUNTS
For the Year Ended December 31, 2016

Schedule 13

	Opening Balance	2016 Current Requirement	Current Payment	Ending Balance	2015 Ending Balance
	\$	\$	\$	\$	\$
Education Support Levy	<u>193,996</u>	<u>803,310</u>	<u>822,988</u>	<u>174,318</u>	<u>193,996</u>
Special Levies:					
Evergreen School Division	<u>939,872</u>	<u>3,838,876</u>	<u>3,945,712</u>	<u>833,036</u>	<u>939,872</u>
Sub-total	<u>939,872</u>	<u>3,838,876</u>	<u>3,945,712</u>	<u>833,036</u>	<u>939,872</u>
Total	<u>1,133,868</u>	<u>4,642,186</u>	<u>4,768,700</u>	<u>1,007,354</u>	<u>1,133,868</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	203,300	182,765	182,893
General administrative	1,227,909	961,223	950,433
	<u>1,431,209</u>	<u>1,143,988</u>	<u>1,133,326</u>
PROTECTIVE SERVICES			
Police	399,526	452,302	423,772
Fire	370,038	298,687	276,926
Other protective services	43,550	32,206	33,541
By-law enforcement	29,000	23,279	12,468
	<u>842,114</u>	<u>806,474</u>	<u>746,707</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	3,956,810	3,502,088	3,500,393
Air transport	148,708	86,561	69,102
Public transit	60,782	58,907	73,975
	<u>4,166,300</u>	<u>3,647,556</u>	<u>3,643,470</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	352,667	311,329	331,523
Recycling	150,000	139,204	87,820
Lagoons and wells	186,536	128,373	173,085
	<u>689,203</u>	<u>578,906</u>	<u>592,428</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	14,000	28,590	14,032
Social assistance	69,111	72,170	66,611
	<u>83,111</u>	<u>100,760</u>	<u>80,643</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	145,845	91,219	112,558
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	76,450	70,224	69,512
Water resources and conservation	18,349	17,839	17,839
Regional development	23,500	9,440	13,164
Industrial development	20,200	18,249	27,585
Tourism	80,900	77,285	67,795
Other	2,000	-	-
	<u>221,399</u>	<u>193,037</u>	<u>195,895</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
RECREATION AND CULTURAL SERVICES			
Community centers and halls	60,900	51,135	54,621
Swimming pools and beaches	87,000	86,003	182,647
Skating and curling rinks	1,150,260	1,084,438	1,069,929
Parks and playgrounds	66,075	59,285	62,425
Libraries	74,011	65,236	68,420
Other cultural facilities	37,951	37,951	37,232
	<u>1,476,197</u>	<u>1,384,048</u>	<u>1,475,274</u>
TOTAL EXPENSES	<u>9,055,378</u>	<u>7,945,988</u>	<u>7,980,301</u>

**RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF DEBENTURES PENDING**

Schedule 15

For the Year Ended December 31, 2016

<u>Authority</u>	<u>Purpose</u>	<u>Source of Funds</u>	<u>Authorized</u>	<u>Expended</u>
12-0020	Expansion of the Gimli Fire Hall	Own	<u>1,670,965</u>	<u>1,670,965</u>

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2016

	General \$	Utility \$	2016 Total \$	2015 Total \$
CONSOLIDATED ANNUAL SURPLUS <i>(statement 2)</i>	2,974,875	884,431	3,859,306	2,623,602
Elimination of appropriations from reserves	12,000	-	12,000	269,785
Elimination of appropriations to reserves	(982,658)	-	(982,658)	(1,061,825)
Consolidation of reserve operations	(104,776)	(4,971)	(109,747)	(121,793)
Elimination of consolidated entity operations	110,122	-	110,122	(180,477)
Amortization of tangible capital assets	921,511	669,344	1,590,855	1,536,100
Increase in unexpended gas tax funding	(1,556,183)	-	(1,556,183)	269,374
Increase in unexpended gas pool funds	23,541	-	23,541	24,277
Principal portion of long term debt	(94,979)	(539,885)	(634,864)	(865,811)
Acquisitions of capital assets from operating funds	(1,085,927)	-	(1,085,927)	(2,138,972)
ESTIMATED EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	<u>217,526</u>	<u>1,008,919</u>	<u>1,226,445</u>	<u>354,260</u>

*** Please note that this is an estimate based on the adjustments presented above since it is possible that not every required adjustment for PSAB purposes that is different from and affects the results based on the municipal budget has necessarily been reflected.