

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

Rural Municipality of Gimli
Box 1246
Gimli, Manitoba
R0C 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 Murphy
CAO



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, 2017 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

August 8, 2018
Winnipeg, Manitoba

Reid & Associates
Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED FINANCIAL STATEMENTS
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RURAL MUNICIPALITY OF GIMLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	2017	2016
	Actual	Actual
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments	14,188,843	14,923,100
Accounts receivable <i>(note 3)</i>	5,442,812	2,889,444
	<u>19,631,655</u>	<u>17,812,544</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 6)</i>	3,475,198	4,444,715
Deferred revenue <i>(note 7)</i>	1,381,273	1,348,534
Long-term debt <i>(note 8)</i>	15,256,937	14,418,170
	<u>20,113,408</u>	<u>20,211,419</u>
NET DEBT	<u>(481,753)</u>	<u>(2,398,875)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	55,256,198	50,409,578
Inventories <i>(note 4)</i>	525,493	539,002
Prepaid expenses	73,914	68,920
	<u>55,855,605</u>	<u>51,017,500</u>
ACCUMULATED SURPLUS <i>(note 18)</i>	<u>55,373,852</u>	<u>48,618,625</u>

Approved on Behalf of the Council

_____ Mayor

_____ Councillor

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF GIMLI**CONSOLIDATED STATEMENT OF OPERATIONS****For the Year Ended December 31, 2017**

	2017 Budget \$	2017 Actual \$	2016 Actual \$
REVENUE			
Property taxes	8,103,927	8,295,287	7,527,505
Grants in lieu of taxation	110,751	110,751	108,435
User fees	2,073,209	2,383,473	2,110,595
Grants - Province of Manitoba	1,136,966	1,123,652	896,425
Grants - Other	387,553	388,665	1,942,575
Permits, licences and fees	90,383	127,947	107,723
Investment revenue	30,000	179,408	115,066
Other revenue	327,545	394,250	243,239
Water and sewer	2,060,679	6,888,640	2,172,793
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>14,321,013</u>	<u>19,892,073</u>	<u>15,224,356</u>
EXPENSES			
General government services	1,425,030	1,221,744	1,143,988
Protective services	1,027,004	1,087,011	806,474
Transportation services	4,372,622	4,483,709	3,717,393
Environmental health services	785,174	690,770	578,906
Public health and welfare services	87,211	122,540	100,760
Regional planning and development	262,768	249,437	244,733
Resource conservation and industrial development	1,016,675	1,029,363	960,278
Recreation and cultural services	1,623,932	1,634,683	1,477,552
Water and sewer	3,015,790	2,617,589	2,334,966
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>13,616,206</u>	<u>13,136,846</u>	<u>11,365,050</u>
ANNUAL SURPLUS	704,807	6,755,227	3,859,306
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>48,618,625</u>	<u>48,618,625</u>	<u>44,759,319</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>49,323,432</u></u>	<u><u>55,373,852</u></u>	<u><u>48,618,625</u></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, 2017

	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
ANNUAL SURPLUS	<u>704,807</u>	<u>6,755,227</u>	<u>3,859,306</u>
Acquisition of tangible capital assets	-	(6,941,861)	(3,151,792)
Proceeds on disposal of tangible capital assets	-	241,407	-
Amortization of tangible capital assets	1,951,811	1,967,243	1,712,075
Gain on sale of tangible capital assets	-	(113,409)	-
Decrease (increase) in inventories	-	13,509	(101,692)
Increase in prepaid expense	-	(4,994)	(3,894)
CHANGE IN NET FINANCIAL ASSETS	2,656,618	1,917,122	2,314,003
NET DEBT BEGINNING OF YEAR	<u>(2,398,875)</u>	<u>(2,398,875)</u>	<u>(4,712,878)</u>
NET DEBT END OF YEAR	<u><u>257,743</u></u>	<u><u>(481,753)</u></u>	<u><u>(2,398,875)</u></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, 2017

	2017 Actual \$	2016 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	6,755,227	3,859,306
Changes in non-cash items:		
Amortization	1,967,243	1,712,075
Gain on disposal of tangible capital assets	<u>(113,409)</u>	<u>-</u>
	8,609,061	5,571,381
Net changes in non-cash working capital affecting operations <i>(note 22)</i>	<u>(3,481,631)</u>	<u>969,390</u>
	5,127,430	6,540,771
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	241,407	-
Cash used to acquire tangible capital assets	<u>(6,941,861)</u>	<u>(3,151,792)</u>
	(6,700,454)	(3,151,792)
FINANCING		
Long-term debt issued	<u>838,767</u>	<u>2,836,136</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(734,257)	6,225,115
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>14,923,100</u>	<u>8,697,985</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>14,188,843</u></u>	<u><u>14,923,100</u></u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	13,980,393	14,718,456
Temporary investments	<u>208,450</u>	<u>204,644</u>
	<u>14,188,843</u>	<u>14,923,100</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, 2017

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	
	2017	2016
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, 2017

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, 2017

g) NON-FINANCIAL ASSETS

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

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

h) TANGIBLE CAPITAL ASSETS

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

General Tangible Capital Assets

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

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Infrastructure Assets

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

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

i) LEASES

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

j) INVENTORIES

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

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

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, 2017

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2017</u>	<u>2016</u>
	\$	\$
Tax assets (<i>schedule 10</i>)	1,264,507	1,121,889
Government grants and receivables	3,570,648	1,147,009
Utility customers	366,063	400,934
Accrued interest	-	8,019
Organizations and individuals	287,901	267,464
Other governments	9,956	22,705
	<u>5,499,075</u>	<u>2,968,020</u>
Allowance for doubtful accounts	<u>(56,263)</u>	<u>(78,576)</u>
	<u><u>5,442,812</u></u>	<u><u>2,889,444</u></u>

4. INVENTORIES

	<u>2017</u>	<u>2016</u>
	\$	\$
Gravel	131,026	117,612
Culverts	59,632	73,530
Fuel	39,831	47,399
Grader blades and shop supplies	41,896	43,208
Water and sewer supplies	248,375	247,480
Other inventory	4,733	9,773
	<u>525,493</u>	<u>539,002</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 2.375%. As at December 31, 2017 the balance owing was \$ nil (2016 - \$ nil).

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
	\$	\$
Trade payable	1,244,418	886,701
Government payables	33,757	30,654
Accrued expenses	344,249	289,245
Accrued interest payable	95,451	83,506
School levies	1,157,572	1,007,354
Deposits	58,140	239,640
Debentures levied in advance	-	1,411,846
Property tax prepayments	541,611	495,769
	<u>3,475,198</u>	<u>4,444,715</u>

7. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
	\$	\$
Deferred revenue	26,500	19,000
Unexpended pool funding	1,354,773	1,329,534
	<u>1,381,273</u>	<u>1,348,534</u>

8. LONG-TERM DEBT

	<u>2017</u>	<u>2016</u>
	\$	\$
General Authority:		
Municipal debenture payable in annual instalments of \$121,178.06, including interest at 3.84%, due December 31, 2036.	1,613,396	-
Municipal debenture payable in annual instalments of \$13,433.92, including interest at 5.500%, due December 31, 2026.	93,395	101,260
Municipal debenture payable in annual instalments of \$29,148.48, including interest at 7.375%, due December 31, 2020.	75,974	97,902
Municipal debenture payable in annual instalments of \$5,734.40, including interest at 6.625%, due December 31, 2017.	-	5,378
Municipal debenture payable in annual instalments of \$38,864.64, including interest at 7.375%, due December 31, 2019.	69,904	101,298
Municipal debenture payable in annual instalments of \$32,337.18, including interest at 3.06%, due February 28, 2025.	226,424	251,078
Municipal debenture payable in annual instalments of \$11,646.66, including interest at 4.59%, due December 31, 2021	41,345	50,651
Municipal debenture payable in annual instalments of \$98,764.67, including interest at 4.48%, due October 1, 2033.	1,111,134	1,158,019
	<u>3,231,572</u>	<u>1,765,586</u>

Utility Funds:

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Municipal debenture payable in annual instalments of \$115,822 including interest at 4.89%, due December 31, 2031	1,154,588	1,211,183
Municipal debenture payable in annual instalments of \$34,351.48 including interest at 5.625%, due December 31, 2034.	369,820	382,647
Municipal debenture payable in annual instalments of \$4,435.43, including interest at 5.500%, due December 31, 2026.	30,836	33,433
Municipal debenture payable in annual instalments of \$143,620.50, including interest at 3.89%, due September 1, 2036.	1,904,051	1,971,000
Municipal debenture payable in annual instalments of \$98,366.26, including interest at 4.230%, due June 1, 2041.	1,465,084	1,500,000
Municipal debenture payable in annual instalments of \$33,297.25, including interest at 7.250%, due December 31, 2020.	86,985	112,151
Municipal debenture payable in annual instalments of \$23,620.60, including interest at 7.500%, due December 31, 2020.	61,426	79,113
Municipal debenture payable in annual instalments of \$36,357.67, including interest at 6.625%, due December 31, 2022.	150,583	175,325
Municipal debenture payable in annual instalments of \$11,199.83, including interest at 6.250%, due December 31, 2028.	87,214	92,624
Municipal debenture payable in annual instalments of \$127,069.67, including interest at 7.750%, due December 31, 2019.	227,377	328,953
Municipal debenture payable in annual instalments of \$159,961.61, including interest at 6.125%, due December 31, 2033.	1,602,768	1,660,994
Municipal debenture payable in annual instalments of \$171,473.35, including interest at 5.750%, due December 31, 2032.	1,692,937	1,763,036
Municipal debenture payable in annual instalments of \$35,049.71, including interest at 5.750%, due December 31, 2032.	346,042	360,370
Municipal debenture payable in annual instalments of \$54,382.64, including interest at 5.625%, due December 31, 2031.	517,433	541,364
Municipal debenture payable in annual instalments of \$104,858.51, including interest at 5.625%, due December 31, 2031	997,694	1,043,837
Municipal debenture payable in annual instalments of \$78,829.70, including interest at 5.625%, due December 31, 2030.	713,399	750,039
Municipal debenture payable in annual instalments of \$55,894.03, including interest at 4.100%, due December 31, 2032	617,128	646,515
	<u>12,025,365</u>	<u>12,652,584</u>
	<u>15,256,937</u>	<u>14,418,170</u>

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

2018	872,500
2019	921,400
2020	807,300
2021	762,900
2022	789,900

Schedule of Debenture Pending

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Authority	Purpose	Amount Authorized
By-law 16-0013	Water Treatment and Distribution Upgrade	3,370,000
By-law 17-0003	Waste Water Treatment system upgrade	6,000,000

9. DEBT CHARGES - FRONTAGE

Purpose and By-law	2017 Levy	2016 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
Reg Sewer 16-0011	143,620	-
	<u>453,476</u>	<u>309,856</u>

10. DEBT CHARGES - L.I.D.

Purpose and By-law	Assessment	2017 Mill Rate	2017 Levy	2016 Levy
			\$	\$
Centre Ave - 8-2002	2,952,590	5.743	16,957	16,957
Pelican Beach Sewer - 19-99	19,206,120	1.052	20,205	20,215
North Forcemain - 13-2000	1,123,420	12.616	14,173	14,173
Natural Gas Transmission - 16-2000	392,229,160	0.074	29,026	29,172
Sewage Pump Station - 2-2001	391,743,370	0.085	33,298	33,352
Centre Ave - 8-2002	392,015,760	0.033	13,025	13,043
Pelican Beach Sewer - 19-99	392,229,160	0.051	20,004	19,961
North Forcemain - 13-2000	392,229,160	0.024	9,412	9,597
Habour Expansion - 99-13	99,982,670	0.376	37,593	37,656
Sewage Plant - 09-0009A	145,552,000	0.486	70,739	70,768
South Force Main 16-0009	36,460,350	1.349	49,186	-
Sewage Plant - 10-0006A	145,552,000	0.156	22,706	22,576
			<u>336,324</u>	<u>287,470</u>

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

As at December 31, 2017

11. DEBT CHARGES - AT LARGE

Purpose and By-law	Assessment	2017 Mill Rate	Levy	2016 Levy
			\$	\$
Sewage Plant - 06-0003	492,225,470	0.158	77,772	77,838
Sewage Plant - 07-0008	492,225,470	0.210	103,367	103,461
Sewage Plant - 07-0009	492,225,470	0.109	53,653	53,665
Sewage Plant - 08-0006	492,225,470	0.071	34,948	34,809
Sewage Plant - 08-0007	492,225,470	0.344	169,326	169,213
Fire Hall 16-0018	492,225,470	0.243	119,611	-
South Force Main16-0009B	528,247,300	0.093	49,101	-
Sewage Plant - 09-0009	528,247,300	0.165	87,161	87,280
Sewage Plant - 10-0006	528,247,300	0.022	11,620	11,429
Grader - 14-0021	528,247,300	0.061	32,223	32,211
			<u>738,782</u>	<u>569,906</u>

12. RESERVES

Purpose and By-law	Assessment	2017 Mill Rate	Levy	2016 Levy
			\$	\$
Machinery Replacement - 03-0022	492,225,470	0.211	103,860	103,461
Road Development - 07-0027	492,225,470	0.100	49,223	49,313
			<u>153,083</u>	<u>152,774</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

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 required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$155,377 (2016 - \$151,019) and are included in the statement of operations.

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

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

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, 2017

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 9 - 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, 2017

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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial Position		
Financial Assets	260,122	180,267
Liabilities	<u>24,407</u>	<u>20,506</u>
	235,715	159,761
Non-financial Assets	<u>83,951</u>	<u>29,514</u>
Accumulated Surplus	<u><u>319,666</u></u>	<u><u>189,275</u></u>
Result of Operations		
Revenue	671,023	478,732
Expenses	<u>540,633</u>	<u>535,468</u>
Annual Surplus (Deficit)	<u><u>130,390</u></u>	<u><u>(56,736)</u></u>

18. ACCUMULATED SURPLUS

	<u>2017</u>	<u>2016</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	5,281,639	3,700,290
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(2,335,546)	(887,840)
General Operating Tangible Capital Assets, net of related borrowings	13,458,775	14,061,612
Utility Operating Tangible Capital Assets, net of related borrowings	25,853,711	21,171,092
Reserve Funds	9,190,172	9,160,654
Invested in water and sewer systems	<u>2,324,726</u>	-
Accumulated surplus of municipality unconsolidated	<u>53,773,477</u>	<u>47,205,808</u>
Accumulated surpluses of consolidated controlled entities	1,406,395	1,298,080
Accumulated surpluses of consolidated government partnerships	<u>193,980</u>	<u>114,737</u>
Accumulated Surplus per Statement of Financial Position	<u><u>55,373,852</u></u>	<u><u>48,618,625</u></u>

19. TRUST FUNDS

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

The Rural Municipality of Gimli administers the following trusts:

	Balance, beginning of the year	Excess of Receipts over Disbursements	Balance, end of the year
Health Care Fund	7,284	(7,284)	-
Stefanson Memorial Fund	103,499	(24,123)	79,376
	<u>110,783</u>	<u>(31,407)</u>	<u>79,376</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

20. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of The *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount in excess of \$50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2017:

- (a) Compensation paid to members of council amounted to \$133,189 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	26,776	2,972	29,748
Peter Peiluck	28,518	3,011	31,529
Richard Petrowski	21,456	2,193	23,649
Sigrun Thora Palson	27,077	3,126	30,203
Randy Woroniuk	29,362	3,732	33,094
	<u>133,189</u>	<u>15,034</u>	<u>148,223</u>

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

Name	Position	Amount
Bergman, Timothy	Public Works/Utility	55,275
Conley, Michael	Public Works/Utility	70,333
Cosgrove, Kelly	Administration	58,903
Franz, Kevin	Public Works	56,165
Hjelmeland, Darcy	Public Works	98,892
Murphy, Joann	Administration	107,100
Kmet, Tom	Public Works	57,863
Marks, Ken	Public Works	50,361
Michaluk, Nicholas	Public Works	62,761
O'Hara, Stuart	Public Works	65,112
Hornby, Christopher	Public Works	56,827
Kraynyk, Gerald	Public Works	58,443
Woytowich, Barry	Public Works	51,092
Zapotochny, Tony	Public Works	65,148

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

21. 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			Unamortized
	Opening	Additions	Amortization	
Description of Utility	Balance	During Year	During Year	Ending Balance
LUD of Gimli	88,557	-	5,317	83,240
Pelican Beach	49,399	-	1,520	47,879
Industrial Park	-	2,324,726	-	2,324,726
	<u>137,956</u>	<u>2,324,726</u>	<u>6,837</u>	<u>2,455,845</u>

Sewer Services:	Unamortized			Unamortized
	Opening	Additions	Amortization	
Description of Utility	Balance	During Year	During Year	Ending Balance
Regional Sewer System	19,946,788	1,069,205	444,553	20,571,440

22. CHANGES IN WORKING CAPITAL

	<u>2017</u>	<u>2016</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(2,553,368)	2,045,842
Inventories	13,509	(101,692)
Prepaid expenses	(4,994)	(3,894)
Accounts payable and accrued liabilities	(969,517)	555,276
Deferred revenue	32,739	(1,526,142)
	<u>(3,481,631)</u>	<u>969,390</u>

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2017

	General Capital Assets					Infrastructure			2017	2016
	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	Actual	Actual
Cost										
Balance, beginning 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
Asset purchases	119,697	141,863	443,217	1,465	1,396,502	10,000	-	4,829,117	6,941,861	4,063,032
Disposals and write downs	127,998	-	53,248	-	-	-	31,123	(31,123)	181,246	913,163
Balance, end of year	5,629,885	8,775,396	8,637,364	424,577	2,203,395	16,747,304	41,747,816	4,898,669	89,064,406	82,303,791
Accumulated Amortization										
Balance, beginning of year	731,532	4,913,349	5,439,623	392,208	-	13,581,828	6,835,673	-	31,894,213	30,184,061
Amortization	56,027	283,787	473,979	10,376	-	322,472	820,602	-	1,967,243	1,712,075
Disposals and write downs	-	-	53,248	-	-	-	-	-	53,248	1,923
Balance, end of year	787,559	5,197,136	5,860,354	402,584	-	13,904,300	7,656,275	-	33,808,208	31,894,213
Net book value	4,842,326	3,578,260	2,777,010	21,993	2,203,395	2,843,004	34,091,541	4,898,669	55,256,198	50,409,578

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 11</i>)	8,001,927	7,997,675	7,461,843
Taxes added	102,000	297,612	65,662
	<u>8,103,927</u>	<u>8,295,287</u>	<u>7,527,505</u>
GRANTS IN LIEU OF TAXATION			
Federal government	4,612	4,612	4,132
Provincial government	6,692	6,692	6,326
Provincial government enterprises	99,447	99,447	97,977
	<u>110,751</u>	<u>110,751</u>	<u>108,435</u>
USER FEES			
Sales of service	549,108	661,848	520,012
Sales of goods	323,843	457,705	396,411
Rentals	271,252	292,443	275,954
Facility use fees	929,006	971,477	918,218
	<u>2,073,209</u>	<u>2,383,473</u>	<u>2,110,595</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	459,000	484,901	459,757
General support grant	63,573	66,149	66,149
VLT revenues	94,500	94,981	94,659
Conditional grants	144,402	152,597	166,351
Other provincial grant	375,491	325,024	109,509
	<u>1,136,966</u>	<u>1,123,652</u>	<u>896,425</u>
GRANTS - OTHER			
Federal government - gas tax funding	315,666	319,501	1,871,849
Other local governments	62,600	59,559	62,600
Other grant	9,287	9,605	8,126
	<u>387,553</u>	<u>388,665</u>	<u>1,942,575</u>
PERMITS, LICENCES AND FEES			
Permits	12,500	17,500	20,950
Licences	59,883	71,865	62,152
Fines	18,000	33,332	18,051
Subdivision fees	-	5,250	6,570
	<u>90,383</u>	<u>127,947</u>	<u>107,723</u>
INVESTMENT REVENUE			
Interest	30,000	66,495	25,723
Municipal debenture interest	-	112,913	89,343
	<u>30,000</u>	<u>179,408</u>	<u>115,066</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
OTHER REVENUE			
Gain on sale of tangible capital assets	-	113,409	-
Miscellaneous	177,545	137,637	88,581
Penalties and interest	150,000	143,204	154,658
	<u>327,545</u>	<u>394,250</u>	<u>243,239</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 8</i>)	<u>2,060,679</u>	<u>6,888,640</u>	<u>2,172,793</u>
TOTAL REVENUE	<u><u>14,321,013</u></u>	<u><u>19,892,073</u></u>	<u><u>15,224,356</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	203,300	182,390	182,765
General administrative	1,221,730	1,039,354	961,223
	<u>1,425,030</u>	<u>1,221,744</u>	<u>1,143,988</u>
PROTECTIVE SERVICES			
Police	466,618	477,780	452,302
Fire	487,686	550,909	298,687
Other protective services	41,600	35,156	32,206
By-law enforcement	31,100	23,166	23,279
	<u>1,027,004</u>	<u>1,087,011</u>	<u>806,474</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	4,092,117	4,205,424	3,502,088
Air transport	144,797	140,574	86,561
Public transit	135,708	137,711	128,744
	<u>4,372,622</u>	<u>4,483,709</u>	<u>3,717,393</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	340,196	285,273	311,329
Recycling	235,000	235,000	139,204
Lagoons and wells	209,978	170,497	128,373
	<u>785,174</u>	<u>690,770</u>	<u>578,906</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	15,500	50,929	28,590
Social assistance	71,711	71,611	72,170
	<u>87,211</u>	<u>122,540</u>	<u>100,760</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	262,768	249,437	244,733
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	76,450	57,356	70,224
Water resources and conservation	18,339	17,839	17,839
Regional development	34,325	13,700	9,440
Industrial development	797,400	874,959	785,490
Tourism	88,161	65,337	77,285
Other	2,000	172	-
	<u>1,016,675</u>	<u>1,029,363</u>	<u>960,278</u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
RECREATION AND CULTURAL SERVICES			
Administration	33,852	27,077	-
Community centers and halls	66,150	59,009	51,135
Swimming pools and beaches	102,320	82,712	86,003
Skating and curling rinks	1,141,096	1,197,893	1,084,438
Parks and playgrounds	75,482	67,489	59,285
Libraries	166,345	161,816	158,740
Other cultural facilities	38,687	38,687	37,951
	<u>1,623,932</u>	<u>1,634,683</u>	<u>1,477,552</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 8</i>)	<u>3,015,790</u>	<u>2,617,589</u>	<u>2,334,966</u>
TOTAL EXPENSES	<u><u>13,616,206</u></u>	<u><u>13,136,846</u></u>	<u><u>11,365,050</u></u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2017

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	8,295,287	7,527,505	-	-	-	-	-	-	-	-
Grants in lieu of taxation	110,751	108,435	-	-	-	-	-	-	-	-
User fees	154,292	162,179	9,759	-	497,726	360,785	116,576	147,114	-	-
Grants - Province of Manitoba	953,108	711,972	-	-	66,871	64,808	6,001	20,568	-	-
Grants - Other	319,501	1,871,849	-	-	14,788	16,350	-	-	-	-
Permits, licences and fees	105,197	80,203	-	-	4,550	5,450	-	-	-	-
Investment revenue	95,093	47,556	7,892	6,636	34,166	25,676	-	-	-	-
Other revenue	372,580	236,675	-	-	2,010	-	-	-	-	-
Water and sewer	(1,288,591)	(1,046,604)	-	-	-	-	-	-	-	-
Total revenue	<u>9,117,218</u>	<u>9,699,770</u>	<u>17,651</u>	<u>6,636</u>	<u>620,111</u>	<u>473,069</u>	<u>122,577</u>	<u>167,682</u>	<u>-</u>	<u>-</u>
EXPENSES										
Personnel services	421,744	437,894	194,433	168,047	1,073,906	1,121,445	263,044	270,502	-	-
Contract services	93,488	63,761	468,896	442,187	1,014,148	367,949	291,507	205,519	35,094	33,608
Utilities	58,964	55,563	29,025	22,287	170,262	163,503	2,189	2,377	-	-
Maintenance materials & supplies	547,914	480,379	242,337	130,424	1,439,571	1,295,006	55,029	51,598	-	59
Grants & contributions	53,511	51,982	-	-	53,397	51,246	-	-	87,446	67,093
Amortization	30,877	27,364	88,175	43,529	717,272	701,139	79,001	48,910	-	-
Interest on long term debt	14,558	18,947	64,145	-	15,153	17,105	-	-	-	-
Bad debts expense	688	8,098	-	-	-	-	-	-	-	-
Total expenses	<u>1,221,744</u>	<u>1,143,988</u>	<u>1,087,011</u>	<u>806,474</u>	<u>4,483,709</u>	<u>3,717,393</u>	<u>690,770</u>	<u>578,906</u>	<u>122,540</u>	<u>100,760</u>
SURPLUS (DEFICIT)	<u>7,895,474</u>	<u>8,555,782</u>	<u>(1,069,360)</u>	<u>(799,838)</u>	<u>(3,863,598)</u>	<u>(3,244,324)</u>	<u>(568,193)</u>	<u>(411,224)</u>	<u>(122,540)</u>	<u>(100,760)</u>

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

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2017

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	8,295,287	7,527,505
Grants in lieu of taxation	-	-	-	-	-	-	-	-	110,751	108,435
User fees	166,904	84,199	-	-	1,438,216	1,356,318	-	-	2,383,473	2,110,595
Grants - Province of Manitoba	-	-	-	-	97,672	99,077	-	-	1,123,652	896,425
Grants - Other	27,531	27,531	-	-	26,845	26,845	-	-	388,665	1,942,575
Permits, licences and fees	18,200	22,070	-	-	-	-	-	-	127,947	107,723
Investment revenue	4,403	3,471	-	-	32,209	26,756	5,645	4,971	179,408	115,066
Other revenue	-	-	-	-	19,660	6,564	-	-	394,250	243,239
Water and sewer	-	-	-	-	-	-	8,177,231	3,219,397	6,888,640	2,172,793
Total revenue	217,038	137,271	-	-	1,614,602	1,515,560	8,182,876	3,224,368	9,892,073	5,224,356
EXPENSES										
Personnel services	153,134	154,330	14,269	17,287	646,386	664,592	1,006,043	874,059	3,772,959	3,708,156
Contract services	2,670	625	538,232	489,446	3,180	3,609	46,777	41,064	2,493,992	1,647,768
Utilities	4,149	3,606	15,035	20,004	130,261	137,457	18,042	80,554	427,927	485,351
Maintenance materials & supplies	65,279	64,180	329,836	299,922	673,736	500,835	-	1,407	3,353,702	2,823,810
Grants & contributions	23,981	21,681	17,049	18,966	64,970	64,234	-	-	300,354	275,202
Amortization	224	311	114,942	114,653	116,150	106,825	820,602	669,344	1,967,243	1,712,075
Interest on long term debt	-	-	-	-	-	-	726,125	668,538	819,981	704,590
Bad debts expense	-	-	-	-	-	-	-	-	688	8,098
Total expenses	249,437	244,733	1,029,363	960,278	1,634,683	1,477,552	2,617,589	2,334,966	3,136,846	1,365,050
SURPLUS (DEFICIT)	(32,399)	(107,462)	(1,029,363)	(960,278)	(20,081)	38,008	5,565,287	889,402	6,755,227	3,859,306

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

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Property taxes	8,295,287	7,527,505	-	-	-	-	8,295,287	7,527,505
Grants in lieu of taxation	110,751	108,435	-	-	-	-	110,751	108,435
User fees	1,171,844	1,069,919	964,880	911,597	246,749	129,079	2,383,473	2,110,595
Grants - Province of Manitoba	1,040,826	813,609	-	-	82,826	82,816	1,123,652	896,425
Grants - Other	319,501	1,871,849	-	-	69,164	70,726	388,665	1,942,575
Permits, licences and fees	127,947	107,723	-	-	-	-	127,947	107,723
Investment revenue	179,408	115,066	-	-	-	-	179,408	115,066
Other revenue	393,903	243,239	-	-	347	-	394,250	243,239
Water and sewer	6,888,640	2,172,793	-	-	-	-	6,888,640	2,172,793
Total revenue	18,528,107	14,030,138	964,880	911,597	399,086	282,621	19,892,073	15,224,356
EXPENSES								
Personnel services	3,484,632	3,419,129	-	-	288,327	289,027	3,772,959	3,708,156
Contract services	2,025,660	1,227,414	464,406	415,816	3,926	4,538	2,493,992	1,647,768
Utilities	410,246	462,987	12,057	17,333	5,624	5,031	427,927	485,351
Maintenance materials & supplies	3,001,140	2,514,770	270,884	224,810	81,678	84,230	3,353,702	2,823,810
Grants & contributions	382,398	353,110	(5,000)	(4,300)	(77,044)	(73,608)	300,354	275,202
Amortization	1,835,690	1,590,856	114,218	113,582	17,335	7,637	1,967,243	1,712,075
Interest on long term debt	819,981	704,590	-	-	-	-	819,981	704,590
Bad debts expense	688	8,098	-	-	-	-	688	8,098
Total expenses	11,960,435	10,280,954	856,565	767,241	319,846	316,855	13,136,846	11,365,050
SURPLUS (DEFICIT)	6,567,672	3,749,184	108,315	144,356	79,240	(34,234)	6,755,227	3,859,306

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	General Reserve \$	Machinery Replacement Reserve \$	Industrial Park Reserve \$	Building Reserve \$	Fire Equipment Reserve \$	Capital Levy Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	-	-	-	304,793	-
Due from other funds	2,201,444	751,517	374,048	712,101	231,999	9,382
	<u>2,201,444</u>	<u>751,517</u>	<u>374,048</u>	<u>712,101</u>	<u>536,792</u>	<u>9,382</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
REVENUE						
Investment revenue	24,238	7,241	4,403	2,971	7,892	1,387
Other revenue	-	-	-	-	22,701	-
	<u>24,238</u>	<u>7,241</u>	<u>4,403</u>	<u>2,971</u>	<u>30,593</u>	<u>1,387</u>
TRANSFERS						
Transfers from (to) operating fund	(330,506)	(192,600)	(34,150)	(482,773)	35,000	94,750
CHANGE IN FUND BALANCES	354,744	199,841	38,553	485,744	(4,407)	(93,363)
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u><u>2,201,444</u></u>	<u><u>751,517</u></u>	<u><u>374,048</u></u>	<u><u>712,101</u></u>	<u><u>536,792</u></u>	<u><u>9,382</u></u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	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	90	92	1,181,586	632,258	923,499	-
	<u>90</u>	<u>92</u>	<u>1,181,586</u>	<u>632,258</u>	<u>923,499</u>	<u>-</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
REVENUE						
Investment revenue	1	1	15,875	15,935	11,050	-
Other revenue	-	-	-	-	-	-
	<u>1</u>	<u>1</u>	<u>15,875</u>	<u>15,935</u>	<u>11,050</u>	<u>-</u>
TRANSFERS						
Transfers from (to) operating fund	-	-	43,781	597,754	(70,476)	-
CHANGE IN FUND BALANCES	1	1	(27,906)	(581,819)	81,526	-
FUND SURPLUS, BEGINNING OF YEAR	89	91	1,209,492	1,214,077	841,973	-
FUND SURPLUS, END OF YEAR	<u>90</u>	<u>92</u>	<u>1,181,586</u>	<u>632,258</u>	<u>923,499</u>	<u>-</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	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	-	1,354,773	-	-	-	-
Due from other funds	11,483	-	7,946	293,574	99,765	25,889
	<u>11,483</u>	<u>1,354,773</u>	<u>7,946</u>	<u>293,574</u>	<u>99,765</u>	<u>25,889</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
REVENUE						
Investment revenue	149	25,239	103	3,803	1,292	336
Other revenue	-	-	-	-	-	-
	<u>149</u>	<u>25,239</u>	<u>103</u>	<u>3,803</u>	<u>1,292</u>	<u>336</u>
TRANSFERS						
Transfers from (to) operating fund	-	-	-	-	-	-
CHANGE IN FUND BALANCES	149	25,239	103	3,803	1,292	336
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u><u>11,483</u></u>	<u><u>1,354,773</u></u>	<u><u>7,946</u></u>	<u><u>293,574</u></u>	<u><u>99,765</u></u>	<u><u>25,889</u></u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2017

	Pelican Beach Reserve \$	Multiplex Reserve \$	2017 Actual \$	2016 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	-	-	1,659,566	1,607,110
Due from other funds	8,607	576,577	8,041,857	7,553,544
	<u>8,607</u>	<u>576,577</u>	<u>9,701,423</u>	<u>9,160,654</u>
LIABILITIES				
Due to other funds	-	511,250	511,250	-
REVENUE				
Investment revenue	111	6,821	128,848	106,461
Other revenue	-	-	22,701	3,286
	<u>111</u>	<u>6,821</u>	<u>151,549</u>	<u>109,747</u>
TRANSFERS				
Transfers from (to) operating fund	-	461,250	122,030	(294,768)
CHANGE IN FUND BALANCES				
	111	(454,429)	29,519	404,515
FUND SURPLUS, BEGINNING OF YEAR				
	<u>8,496</u>	<u>519,756</u>	<u>9,160,654</u>	<u>8,756,139</u>
FUND SURPLUS, END OF YEAR				
	<u>8,607</u>	<u>65,327</u>	<u>9,190,173</u>	<u>9,160,654</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2017

	LUD of Gimli	Pelican Beach	Industrial Park	Regional Sewer System	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS						
Accounts receivable <i>(note 3)</i>	71,214	3,274	1,584,138	1,097,110	2,755,736	405,415
Due from other funds	2,571,709	308,389	1,006,310	4,872,088	8,758,496	7,279,060
	<u>2,642,923</u>	<u>311,663</u>	<u>2,590,448</u>	<u>5,969,198</u>	<u>11,514,232</u>	<u>7,684,475</u>
LIABILITIES						
Accounts payable and accrued liabilities <i>(note 6)</i>	2,242	606	57,549	623,904	684,301	1,619,783
Long-term debt <i>(note 8)</i>	-	56,844	255,616	12,824,039	13,136,499	13,810,603
Due to other funds	2,512,484	474,622	3,537,660	4,564,357	11,089,123	7,200,012
	<u>2,514,726</u>	<u>532,072</u>	<u>3,850,825</u>	<u>18,012,300</u>	<u>24,909,923</u>	<u>22,630,398</u>
NON-FINANCIAL ASSETS						
Tangible capital assets <i>(schedule 1)</i>	498,155	841,273	4,003,573	33,647,209	38,990,210	34,981,695
Inventories	183,574	-	-	64,801	248,375	247,480
	<u>681,729</u>	<u>841,273</u>	<u>4,003,573</u>	<u>33,712,010</u>	<u>39,238,585</u>	<u>35,229,175</u>
FUND SURPLUS	<u>809,926</u>	<u>620,864</u>	<u>2,743,196</u>	<u>21,668,908</u>	<u>25,842,894</u>	<u>20,283,252</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS

Schedule 8

For the Year Ended December 31, 2017

	LUD OF GIMLI UTILITY		
	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>389,000</u>	<u>389,529</u>	<u>376,764</u>
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Penalties	2,000	1,850	1,879
Other income	2,000	2,435	2,515
	<u>9,000</u>	<u>9,285</u>	<u>9,394</u>
TOTAL REVENUE	<u>398,000</u>	<u>398,814</u>	<u>386,158</u>
EXPENSES			
WATER			
Purification and treatment	228,300	218,898	215,276
Transportation services	120,000	11,553	71,208
	<u>348,300</u>	<u>230,451</u>	<u>286,484</u>
WATER AMORTIZATION AND INTEREST			
Amortization	<u>24,500</u>	<u>24,416</u>	<u>24,416</u>
SEWER			
Collection system costs	<u>-</u>	<u>563</u>	<u>-</u>
TOTAL EXPENSES	<u>372,800</u>	<u>255,430</u>	<u>310,900</u>
EXCESS OF REVENUE OVER EXPENSES	25,200	143,384	75,258
FUND SURPLUS, BEGINNING OF YEAR	<u>666,542</u>	<u>666,542</u>	<u>591,284</u>
FUND SURPLUS, END OF YEAR	<u>691,742</u>	<u>809,926</u>	<u>666,542</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS

Schedule 8

For the Year Ended December 31, 2017

	PELICAN BEACH UTILITY		
	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>32,000</u>	<u>32,384</u>	<u>29,995</u>
PROPERTY TAXES	<u>31,768</u>	<u>31,768</u>	<u>31,768</u>
OTHER REVENUE			
Connection charges	-	720	2,520
Penalties	200	138	141
Other income	<u>1,500</u>	<u>-</u>	<u>-</u>
	<u>1,700</u>	<u>858</u>	<u>2,661</u>
TOTAL REVENUE	<u>65,468</u>	<u>65,010</u>	<u>64,424</u>
EXPENSES			
GENERAL			
Administration	<u>6,230</u>	<u>6,230</u>	<u>6,440</u>
WATER			
Transmission and distribution	19,870	19,621	15,810
Transportation services	<u>5,000</u>	<u>-</u>	<u>535</u>
	<u>24,870</u>	<u>19,621</u>	<u>16,345</u>
WATER AMORTIZATION AND INTEREST			
Amortization	28,500	28,485	28,879
Interest on long-term debt	<u>6,400</u>	<u>6,373</u>	<u>8,200</u>
	<u>34,900</u>	<u>34,858</u>	<u>37,079</u>
TOTAL EXPENSES	<u>66,000</u>	<u>60,709</u>	<u>59,864</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(532)	4,301	4,560
FUND SURPLUS, BEGINNING OF YEAR	<u>616,563</u>	<u>616,563</u>	<u>612,003</u>
FUND SURPLUS, END OF YEAR	<u><u>616,031</u></u>	<u><u>620,864</u></u>	<u><u>616,563</u></u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS

Schedule 8

For the Year Ended December 31, 2017

	INDUSTRIAL PARK UTILITY		
	2017 Budget \$	2017 Actual \$	2016 Actual \$
REVENUE			
WATER			
Water fees	<u>130,000</u>	<u>112,395</u>	<u>122,523</u>
PROPERTY TAXES	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>
GOVERNMENT TRANSFERS			
Capital	<u>-</u>	<u>2,324,726</u>	<u>-</u>
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Penalties	1,000	744	813
Other income	300	-	-
	<u>6,300</u>	<u>5,744</u>	<u>5,813</u>
TOTAL REVENUE	<u>141,900</u>	<u>2,448,465</u>	<u>133,936</u>
EXPENSES			
GENERAL			
Administration	<u>3,560</u>	<u>3,560</u>	<u>3,687</u>
WATER			
Purification and treatment	35,190	6,314	4,894
Transmission and distribution	50,000	27,156	24,569
Transportation services	35,000	6,489	8,811
	<u>120,190</u>	<u>39,959</u>	<u>38,274</u>
WATER AMORTIZATION AND INTEREST			
Amortization	22,600	22,581	22,581
Interest on long-term debt	2,300	2,226	2,432
	<u>24,900</u>	<u>24,807</u>	<u>25,013</u>
TOTAL EXPENSES	<u>148,650</u>	<u>68,326</u>	<u>66,974</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(6,750)</u>	<u>2,380,139</u>	<u>66,962</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>363,057</u>	<u>363,057</u>	<u>296,095</u>
FUND SURPLUS, END OF YEAR	<u>356,307</u>	<u>2,743,196</u>	<u>363,057</u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS

Schedule 8

For the Year Ended December 31, 2017

	REGIONAL SEWER SYSTEM UTILITY		
	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
SEWER			
Sewer fees	<u>1,485,179</u>	<u>2,939,861</u>	<u>1,181,593</u>
PROPERTY TAXES	<u>1,251,223</u>	<u>1,251,223</u>	<u>1,009,236</u>
GOVERNMENT TRANSFERS			
Capital	<u>-</u>	<u>1,069,206</u>	<u>433,449</u>
OTHER REVENUE			
Connection charges	-	-	5,000
Penalties	6,500	4,652	5,601
Other income	1,000	-	-
	<u>7,500</u>	<u>4,652</u>	<u>10,601</u>
TOTAL REVENUE	<u>2,743,902</u>	<u>5,264,942</u>	<u>2,634,879</u>
EXPENSES			
SEWER			
Collection system costs	938,740	770,478	643,762
Treatment and disposal costs	12,000	-	685
Transportation services	15,000	-	1,407
	<u>965,740</u>	<u>770,478</u>	<u>645,854</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	745,000	745,120	593,468
Interest on long-term debt	717,600	717,526	657,906
	<u>1,462,600</u>	<u>1,462,646</u>	<u>1,251,374</u>
TOTAL EXPENSES	<u>2,428,340</u>	<u>2,233,124</u>	<u>1,897,228</u>
EXCESS OF REVENUE OVER EXPENSES	<u>315,562</u>	<u>3,031,818</u>	<u>737,651</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>18,637,090</u>	<u>18,637,090</u>	<u>17,899,439</u>
FUND SURPLUS, END OF YEAR	<u>18,952,652</u>	<u>21,668,908</u>	<u>18,637,090</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2017

	Financial Plan General \$	Financial Plan Utilities \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Consolidated Entities \$	Government Partnerships \$	PSAB Budget \$
REVENUE									
Property taxes	8,103,927	-	-	-	-	-	-	-	8,103,927
Grants in lieu of taxation	110,751	-	-	-	-	-	-	-	110,751
User fees	978,225	-	-	-	-	-	923,000	171,984	2,073,209
Grants - Province of Manitoba	1,054,141	-	-	-	-	-	-	82,825	1,136,966
Grants - Other	315,666	-	-	-	-	-	-	71,887	387,553
Permits, licences and fees	90,383	-	-	-	-	-	-	-	90,383
Investment revenue	30,000	-	-	-	-	-	-	-	30,000
Other revenue	325,750	-	-	-	-	-	-	1,795	327,545
Transfers	(50,000)	-	-	-	50,000	-	-	-	-
Water and sewer	(1,288,591)	3,349,270	-	-	-	-	-	-	2,060,679
	<u>9,670,252</u>	<u>3,349,270</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>923,000</u>	<u>328,491</u>	<u>14,321,013</u>
EXPENSES									
General government services	1,379,530	-	30,900	14,600	-	-	-	-	1,425,030
Protective services	874,504	-	88,300	64,200	-	-	-	-	1,027,004
Transportation services	3,582,153	-	704,000	15,200	-	-	-	71,269	4,372,622
Environmental health services	706,174	-	79,000	-	-	-	-	-	785,174
Public health and welfare services	87,211	-	-	-	-	-	-	-	87,211
Regional planning and development	108,882	-	-	-	-	-	-	153,886	262,768
Resource conservation and industrial development	238,775	-	1,000	-	-	-	776,900	-	1,016,675
Recreation and cultural services	1,414,898	-	114,200	-	-	-	-	94,834	1,623,932
Fiscal services	339,446	1,387,356	-	-	(1,726,802)	-	-	-	-
Transfers	900,666	490,500	-	-	(1,391,166)	-	-	-	-
Water and sewer	-	1,468,890	820,600	726,300	-	-	-	-	3,015,790
	<u>9,632,239</u>	<u>3,346,746</u>	<u>1,838,000</u>	<u>820,300</u>	<u>(3,117,968)</u>	<u>-</u>	<u>776,900</u>	<u>319,989</u>	<u>13,616,206</u>
SURPLUS (DEFICIT)	<u>38,013</u>	<u>2,524</u>	<u>(1,838,000)</u>	<u>(820,300)</u>	<u>3,167,968</u>	<u>-</u>	<u>146,100</u>	<u>8,502</u>	<u>704,807</u>

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2017

	2017 Actual \$	2016 Actual \$
BALANCE, BEGINNING OF YEAR	<u>1,121,889</u>	<u>1,362,713</u>
Add:		
Tax Levy (<i>schedule 11</i>)	14,075,523	13,257,909
Taxes added	297,612	65,662
Penalties and interest	143,204	154,658
Other Accounts Added	<u>159,576</u>	<u>119,830</u>
Sub-total	<u>15,797,804</u>	<u>14,960,772</u>
Deduct:		
Cash collections - current	12,275,806	11,182,376
Cash collections - arrears	763,336	1,143,412
Cancellations	23,001	22,248
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,471,154</u>	<u>1,490,847</u>
Sub-total	<u>14,533,297</u>	<u>13,838,883</u>
BALANCE, END OF YEAR	<u><u>1,264,507</u></u>	<u><u>1,121,889</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2017

	Assessment	2017 Mill Rate	Levy	2016 Levy
Debt Charges:				
Frontage (note 9)			453,476	309,856
L.I.D. (note 10)			336,324	287,470
At large (note 11)			738,782	569,906
			<u>1,528,582</u>	<u>1,167,232</u>
Reserves:				
Reserve (note 12)			<u>153,083</u>	<u>152,774</u>
Other municipal levies:				
General municipal	92,225,470	12.566	<u>6,183,018</u>	<u>6,018,830</u>
Business tax (rate 1.36%)			132,992	123,007
Total municipal taxes (schedule 2)			<u>7,997,675</u>	<u>7,461,843</u>
Education Support Levy	78,740,200	10.500	826,773	757,803
Special levy:				
Evergreen School Division	483,257,680	10.867	<u>5,251,075</u>	<u>5,038,263</u>
Total education taxes			<u>6,077,848</u>	<u>5,796,066</u>
Total tax levy (schedule 10)			<u>14,075,523</u>	<u>13,257,909</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	203,300	182,390	182,765
General administrative	1,221,730	1,039,354	961,223
	<u>1,425,030</u>	<u>1,221,744</u>	<u>1,143,988</u>
PROTECTIVE SERVICES			
Police	466,618	477,780	452,302
Fire	487,686	550,909	298,687
Other protective services	41,600	35,156	32,206
By-law enforcement	31,100	23,166	23,279
	<u>1,027,004</u>	<u>1,087,011</u>	<u>806,474</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	4,092,117	4,205,424	3,502,088
Air transport	144,797	140,574	86,561
Public transit	64,439	64,494	58,907
	<u>4,301,353</u>	<u>4,410,492</u>	<u>3,647,556</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	340,196	285,273	311,329
Recycling	235,000	235,000	139,204
Lagoons and wells	209,978	170,497	128,373
	<u>785,174</u>	<u>690,770</u>	<u>578,906</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	15,500	50,929	28,590
Social assistance	71,711	71,611	72,170
	<u>87,211</u>	<u>122,540</u>	<u>100,760</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	108,882	99,346	91,219
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	76,450	57,356	70,224
Water resources and conservation	18,339	17,839	17,839
Regional development	34,325	13,700	9,440
Industrial development	20,500	18,394	18,249
Tourism	88,161	65,337	77,285
Other	2,000	172	-
	<u>239,775</u>	<u>172,798</u>	<u>193,037</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
RECREATION AND CULTURAL SERVICES			
Administration	33,852	27,077	-
Community centers and halls	66,150	59,009	51,135
Swimming pools and beaches	102,320	82,712	86,003
Skating and curling rinks	1,141,096	1,197,893	1,084,438
Parks and playgrounds	75,482	67,489	59,285
Libraries	71,511	65,278	65,236
Other cultural facilities	38,687	38,687	37,951
	<u>1,529,098</u>	<u>1,538,145</u>	<u>1,384,048</u>
TOTAL EXPENSES	<u><u>9,503,527</u></u>	<u><u>9,342,846</u></u>	<u><u>7,945,988</u></u>

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2017

						2017	2016
	General	LUD of	Pelican	Industrial	Regional	Total	Total
	\$	Gimli	Beach	Park	Sewer	\$	\$
	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED ANNUAL SURPLUS							
<i>(statement 2)</i>	1,195,585	143,384	4,301	2,380,139	3,031,818	6,755,227	3,859,306
Elimination of appropriations from reserves	1,282,535	-	-	-	-	1,282,535	12,000
Elimination of appropriations to reserves	(1,160,505)	-	-	-	-	(1,160,505)	(982,658)
Consolidation of reserve operations	(151,549)	-	-	-	-	(151,549)	(109,747)
Elimination of consolidated entity operations	(187,555)	-	-	-	-	(187,555)	110,122
Elimination of nominal surplus transfers	220,000	-	-	-	-	220,000	-
Amortization of tangible capital assets	1,015,088	24,416	28,485	22,581	745,120	1,835,690	1,590,855
Principal portion of long term debt	(157,558)	-	(25,394)	(45,135)	(603,576)	(831,663)	(634,864)
Proceeds on disposal of assets	141,407	-	-	-	-	141,407	-
Loss (gain) on disposal of assets	(100,057)	-	-	-	-	(100,057)	-
Change in unexpended gas tax funding	-	-	-	-	-	-	(1,556,183)
Change in unexpended pool funds	25,239	-	-	-	-	25,239	23,541
Acquisitions of capital assets from operating funds	(2,000,176)	-	-	(2,324,726)	(2,529,051)	(6,853,953)	(1,085,927)
ESTIMATED EXCESS OF REVENUES AND TRANSFERS OVER EXPEDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	122,454	167,800	7,392	32,859	644,311	974,816	1,226,445

