

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

RURAL MUNICIPALITY OF WHITEHEAD
TABLE OF CONTENTS
 For the year ended December 31, 2017

	Page
STATEMENT OF RESPONSIBILITY	3
AUDITORS' REPORT , dated January 14, 2019	4
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 19
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	20
Schedule 2 - Consolidated Schedule of Revenues	21 - 22
Schedule 3 - Consolidated Schedule of Expenses	23 - 24
Schedule 4 - Consolidated Statement of Operations by Program	25 - 26
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	27
Schedule 6 - Schedule of Changes in Reserve Fund Balances	28 - 29
Schedule 7 - Schedule of L.U.D. Operations	31
Schedule 8 - Schedule of Financial Position for Utility	31
Schedule 9 - Schedule of Utility Operations	32 - 35
Schedule 10 - Reconciliation of the Financial Plan to the Budget	36
Schedule 11 - Analysis of Taxes on Roll	37
Schedule 12 - Analysis of Tax Levy	38
Schedule 13 - Schedule of General Operating Fund Expenses	39 - 40
Schedule 14 - Reconciliation of Annual Surplus (Deficit)	41

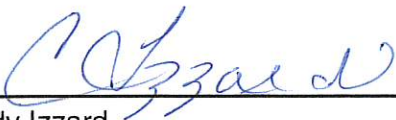
STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the Rural Municipality of Whitehead and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

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.

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Sensus Partnership of Chartered Professional Accountants, as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditors' Report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Cindy Izzard
Chief Administrative Officer



INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of:
Rural Municipality of Whitehead
Alexander, Manitoba

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Rural Municipality of Whitehead, which comprise of the statement of financial position as at December 31, 2017 and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, the consolidated financial statements present fairly, in all material respects, the financial position of Rural Municipality of Whitehead as at December 31, 2017, and its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Brandon, Manitoba
January 14, 2019


Chartered Professional Accountants

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash (Note 3)	\$ 1,273,234	\$ 1,516,238
Amounts receivable (Note 4)	2,061,891	1,377,061
	<u>3,335,125</u>	<u>2,893,299</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	733,903	520,668
Temporary borrowing (Note 19)		331,772
Severance and sick leave payable	14,453	10,445
Deferred revenue (Note 2)	23,020	46,500
Landfill closure and post closure liabilities (Note 7)	88,929	81,198
Long-term debt (Note 8)	2,398,970	2,203,115
Obligations under capital lease (Note 10)	289,772	
	<u>3,549,047</u>	<u>3,193,698</u>
NET DEBT	<u>(213,922)</u>	<u>(300,399)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	11,459,010	9,605,469
Inventories (Note 5)	25,370	60,034
Prepaid expenses	14,532	13,113
	<u>11,498,912</u>	<u>9,678,616</u>
ACCUMULATED SURPLUS	<u>\$ 11,284,990</u>	<u>\$ 9,378,217</u>

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF OPERATIONS
 For the year ended December 31, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
REVENUE			
Property taxes	\$ 1,632,265	\$ 1,652,579	\$ 1,550,495
Grants in lieu of taxation	39,446	39,261	38,959
User fees	227,611	127,782	112,746
Permits, licences and fines	1,500	10,290	20,881
Investment income	15,726	24,293	26,161
Other revenue	43,010	54,323	59,780
Water and sewer	150,450	2,094,138	1,723,685
Grants - Province of Manitoba	100,500	212,256	193,393
Grants - Other	1,639,896	134,544	130,967
Total revenue (Schedules 2, 4 and 5)	3,850,404	4,349,466	3,857,067
EXPENSES			
General government services	413,443	405,396	396,623
Protective services	262,457	232,730	329,972
Transportation services	770,063	853,289	762,866
Environmental health services	68,917	49,960	44,972
Public health and welfare services	11,072	14,314	13,492
Regional planning and development	7,500	27,098	6,288
Resource conservation and industrial development	128,760	104,732	116,882
Recreation and cultural services	49,546	39,540	48,869
Water and sewer services	697,129	715,634	621,580
Total expenses (Schedules 3, 4 and 5)	2,408,887	2,442,693	2,341,544
ANNUAL SURPLUS	\$ 1,441,517	1,906,773	1,515,523
ACCUMULATED SURPLUS, BEGINNING OF YEAR		9,378,217	7,862,694
ACCUMULATED SURPLUS, END OF YEAR		\$ 11,284,990	\$ 9,378,217

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the year ended December 31, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
ANNUAL SURPLUS	\$ 1,441,517	\$ 1,906,773	\$ 1,515,523
Acquisition of tangible capital assets	(180,000)	(2,406,021)	(1,583,417)
Amortization of tangible capital assets	391,449	391,449	310,870
Loss on sale of tangible capital assets		61,031	7,588
Proceeds on sale of tangible capital assets		100,000	7,824
Decrease in inventories		34,664	4,744
Decrease (increase) in prepaid expenses		(1,419)	4,632
	211,449	(1,820,296)	(1,247,759)
CHANGE IN NET FINANCIAL ASSETS	\$ 1,652,966	86,477	267,764
NET DEBT, BEGINNING OF YEAR		(300,399)	(568,163)
NET DEBT, END OF YEAR		\$ (213,922)	\$ (300,399)

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2017

	2017	2016
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,906,773	\$ 1,515,523
Changes in non-cash items:		
Amounts receivable	(684,830)	1,340,589
Inventories	34,664	7,644
Prepays	(1,419)	4,632
Accounts payable and accrued liabilities	217,242	(1,721,086)
Deferred revenue	(23,480)	44,004
Landfill closure and post closure liabilities	7,731	7,158
Loss on sale of tangible capital assets	61,031	7,588
Amortization	391,449	310,870
	<u>1,909,161</u>	<u>1,516,922</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	100,000	7,824
Cash used to acquire tangible capital assets	(2,406,021)	(1,583,417)
	<u>(2,306,021)</u>	<u>(1,575,593)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	351,000	263,878
Debt repayment	(155,144)	(120,123)
Advances (repayment) of obligation under capital lease	289,772	(103,901)
Advances on temporary borrowing	(331,772)	331,772
	<u>153,856</u>	<u>371,626</u>
INCREASE (DECREASE) IN CASH	<u>(243,004)</u>	<u>312,955</u>
CASH, BEGINNING OF YEAR	<u>1,516,238</u>	<u>1,203,283</u>
CASH, END OF YEAR	<u>\$ 1,273,234</u>	<u>\$ 1,516,238</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

1. STATUS OF THE RURAL MUNICIPALITY OF WHITEHEAD

The incorporated Rural Municipality of Whitehead ("the Municipality") is a municipal government that was created on December 22, 1883 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 one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 Municipality has no controlled organizations.

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:

- Southwest Weed District - 22% (2016 - 22%)
- Whitehead Elton Regional Water Co-op Inc. - 45% (2016 - 45%)
- Souris Valley Recreation Commission - 11% (2016 - 11%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipality 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 Note 16 - Trust Funds.

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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Landfill Closure and Post Closure Liabilities

The municipality is currently operating a Class 2 landfill site in the RM of Whitehead. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

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.

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	Indefinite
Land improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets (continued)

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 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.

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.

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.

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, stipulation 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 stipulation an equivalent amount of revenue is recognized as the liability is settled.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

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.

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.

3. CASH

Cash is comprised of the following:

	2017	2016
Cash	\$ 1,273,234	\$ 1,516,238

The Municipality has designated \$963,103 (2016- \$837,323) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2017	2016
Utility customers (Schedule 8)	\$ 1,430,514	\$ 666,144
Taxes on roll (Schedule 11)	315,672	365,852
Other governments	260,071	324,954
Government grants	46,114	
Organizations and individuals	9,520	20,111
	<u>\$ 2,061,891</u>	<u>\$ 1,377,061</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

5. INVENTORIES

	2017	2016
Inventories for use:		
Gravel	\$ 4,688	\$ 46,800
Chemicals - Southwest Weed District	9,881	4,139
Chemicals - Whitehead Elton Regional Water Co-op Inc.	10,801	9,095
	<u>\$ 25,370</u>	<u>\$ 60,034</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Accounts payable	\$ 512,651	\$ 280,026
School levies	175,219	199,421
Accrued expenses	26,413	41,221
Accrued interest payable	19,620	
	<u>\$ 733,903</u>	<u>\$ 520,668</u>

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

Operating Landfill Site

The Municipality is currently operating a Class 2 landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2017	2016
Estimated closure and post closure costs over the next nine years	\$ 191,735	\$ 191,735
Discount rate	5.625 %	5.625 %
Discount costs	<u>\$ 117,164</u>	<u>\$ 110,926</u>
Expected year capacity will be reached	2026	2026
Capacity (tonnes):		
Used to date	75.9	73.2
Remaining	24.1	26.8
Total	100	100
Percent utilized	75.90 %	73.20 %
Liability based on percentage	<u>\$ 88,929</u>	<u>\$ 81,198</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

8. LONG TERM DEBT

	2017	2016
General Authority		
Westoba Credit Union Ltd. bank loan, payable at \$25,000 annually including interest at 2.70%, maturing November 2021.	\$ 97,158	\$ 118,821
Royal Bank of Canada fixed rate term loan, payment of \$37,655 annually including interest at 3.04%, maturing January 2024.	234,245	263,878
	\$ 331,403	\$ 382,699
Utility Funds		
Debenture, payable at \$78,762 annually including interest at 5.625%, maturing December 2027.	590,137	633,277
Debenture, payable at \$80,357 annually including interest at 4.75%, maturing December 2030.	766,331	808,295
Debenture, payable at \$34,372 annually including interest at 4.125%, maturing December 2031.	360,099	378,844
Debenture, payable at \$25,463 annually including interest at 3.84%, maturing December 2036.	351,000	
	2,067,567	1,820,416
	\$ 2,398,970	\$ 2,203,115

Principal payments due in the next five years are as follows:

2018	\$ 186,383
2019	181,865
2020	189,674
2021	201,650
2022	181,471
	\$ 941,043

9. DEBENTURES PENDING

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
		\$

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

10. OBLIGATION UNDER CAPITAL LEASE

The Municipality leased a 2017 John Deere Grader through Brandt Tractor Ltd. with semi-annual payments of \$60,513 net of GST from 2018 - 2020.

2018	\$ 121,026
2019	121,026
2020	60,513
	<hr/>
Total minimum lease	\$ 302,565
Less amount representing future interest at 2.99%	(12,793)
	<hr/>
Balance of obligation	<u>\$ 289,772</u>

Interest expense includes \$4,542 (2016 - \$NIL) with respect to this obligation.

Assets under capital lease include vehicles, machinery and road construction equipment.

	2017	2016
Cost of leased tangible capital assets	\$ 389,772	\$
Accumulated amortization of leased tangible capital assets	(19,489)	
	<hr/>	
	<u>\$ 370,283</u>	<u>\$</u>

Amortization expense includes \$19,489 (2016 - \$NIL) on leased tangible capital assets.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

11. RETIREMENT BENEFITS

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2.0% 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 \$22,628 (2016 - \$21,145) 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 has 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 requirements. As a result, solvency funding is no longer required by MEPP.

12. FINANCIAL INSTRUMENTS

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

13. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

14. ACCUMULATED SURPLUS

	2017	2016
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 917,552	\$ 811,465
Utility Operating Fund(s) - Nominal Surplus (Deficit)	192,942	(136,302)
TCA net of related borrowings	6,598,235	5,160,937
Reserve Funds	963,103	837,323
	<hr/>	<hr/>
Accumulated Surplus of Municipality Unconsolidated	8,671,832	6,673,423
Accumulated Surpluses of Consolidated Entities	2,613,158	2,704,794
	<hr/>	<hr/>
Accumulated Surplus per Consolidated Statement of Financial Position	\$ 11,284,990	\$ 9,378,217

15. PUBLIC SECTOR COMPENSATION DISCLOSURE

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

- a) Compensation paid to members of council amounted to \$64,253 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Heather Curle	\$ 10,554	\$ 720	\$ 11,274
Darryl Speers	8,984	997	9,981
Allen Sutherland	8,754	977	9,731
John Bokkel	7,909	1,043	8,952
Trevor Tuttosi	7,944	851	8,795
Bruce Locke	7,364	620	7,984
Rodney McKay	7,344	600	7,944
Jeremy Johnston	1,800		1,800
Mary Jo Mathews	1,800		1,800
Thomas Maxwell	1,800		1,800
	<hr/>	<hr/>	<hr/>
	\$ 64,253	\$ 5,808	\$ 70,061

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Cindy Izzard	Chief Administrative Officer	\$ 73,277
Cory Rodger	Public Works Foreman	60,651
Jim Chessman	Grader Operator	55,076

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

16. TRUST FUNDS

The Municipality administers the following trust funds:

	Balance, beginning of year	Excess (deficiency) of receipts over disbursements	Balance, end of year
Cemetery Trust	\$ 6,993	\$ 19	\$ 7,012
Ogilvie Trust	6,960	105	7,065
McKay Trust	954	13	967
Cenotaph Trust	2,803	42	2,845
Weed Trust	347	5	352
	<u>\$ 18,057</u>	<u>\$ 184</u>	<u>\$ 18,241</u>

17. SEGMENTED INFORMATION

The Rural Municipality of Whitehead provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource 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 WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2017

18. 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. The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2017	2016
Financial Position		
Financial assets	\$ 560,345	\$ 559,715
Liabilities	<u>143,203</u>	<u>111,263</u>
Net financial assets	417,142	448,452
Non-financial assets	<u>2,196,016</u>	<u>2,256,342</u>
Accumulated surplus (deficit)	<u>\$ 2,613,158</u>	<u>\$2,704,794</u>
Result of Operations		
Revenues	\$ 224,950	\$ 229,246
Expenses	<u>328,800</u>	<u>289,648</u>
Intercompany revenue and expense eliminations	12,214	11,599
Annual surplus (deficit)	<u>\$ (91,636)</u>	<u>\$ (48,803)</u>

19. TEMPORARY BORROWING

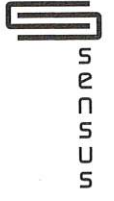
Temporary borrowing represents a demand promissory note through Westoba Credit Union Ltd. The total amount borrowed was \$921,500 plus interest at 3.10% to be repaid in January 2017. The amount was borrowed for the construction of the water expansion project. The temporary borrowing was secured by a general security agreement. The remaining balance of \$331,772 was repaid subsequent to year end.

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2017

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	2017	2016	
Cost										
Opening costs	\$ 62,961	331,133	1,603,514	17,900	45,417	8,418,614	9,592,933	\$ 20,072,472	\$ 18,554,109	
Additions during the year			396,985	3,775		209,695	1,795,566	2,406,021	1,583,417	
Disposals and write downs			(268,385)					(268,385)	(65,054)	
Transfers					(45,417)	45,417				
Closing costs	62,961	331,133	1,732,114	21,675		8,673,726	11,388,499	22,210,108	20,072,472	
Accumulated Amortization										
Opening accum'd amort		148,152	569,291	15,208		8,151,201	1,583,151	10,467,003	10,205,775	
Amortization		7,447	111,342	2,400		15,215	255,045	391,449	310,870	
Disposals and write downs			(107,354)					(107,354)	(49,642)	
Closing accum'd amortization		155,599	573,279	17,608		8,166,416	1,838,196	10,751,098	10,467,003	
Net Book Value of Tangible Capital Assets	\$ 62,961	175,534	1,158,835	4,067		507,310	9,550,303	\$ 11,459,010	\$ 9,605,469	

Water and sewer underground networks contributed to the Municipality totals \$5,446,133 and were capitalized at their fair value at the time of their receipt.

The Municipality has 434 km of roads that were capitalized at a nominal value of \$7,812,000.



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
For the year ended December 31, 2017

	2017 Actual	2016 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,597,055	\$ 1,509,229
Taxes added	62,828	46,777
Discounts	(7,304)	(5,511)
	<u>1,652,579</u>	<u>1,550,495</u>
Grants in lieu of taxation:	<u>39,261</u>	<u>38,959</u>
User fees:		
Sales of service	105,324	89,678
Sales of goods	520	810
Rentals	21,938	22,258
	<u>127,782</u>	<u>112,746</u>
Permits, licences and fines:		
Permits	8,840	18,102
Licences	140	250
Fines	1,310	2,529
	<u>10,290</u>	<u>20,881</u>
Investment income:		
Cash and temporary investments	<u>24,293</u>	<u>26,161</u>
Other revenue:		
Penalties and interest	39,884	43,565
Gain on sale of tangible capital assets		499
Gain on sale of real estate held for sale		2,496
Miscellaneous	14,439	13,220
	<u>54,323</u>	<u>59,780</u>
Water and sewer		
Municipal utility	1,936,077	1,570,977
Consolidated water co-operatives	158,061	152,708
	<u>2,094,138</u>	<u>1,723,685</u>
Sub-total	<u>\$ 4,002,666</u>	<u>\$ 3,532,707</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)
For the year ended December 31, 2017

	2017 Actual	2016 Actual
Sub-total (Carry forward)	\$ 4,002,666	\$ 3,532,707
Grants - Province of Manitoba:		
General assistance payment	90,180	88,000
Conditional grants	122,076	105,393
	<u>212,256</u>	<u>193,393</u>
Grants - other:		
Federal government - gas tax funding	83,797	82,791
Other municipal governments	50,747	48,176
	<u>134,544</u>	<u>130,967</u>
Total revenue	<u>\$ 4,349,466</u>	<u>\$ 3,857,067</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
 For the year ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 65,860	\$ 61,880
General administrative	328,012	321,594
Other	11,524	13,149
	<u>405,396</u>	<u>396,623</u>
Protective services:		
Police		367
Fire	134,134	141,506
Emergency measures	7,093	
Other protection	91,503	188,099
	<u>232,730</u>	<u>329,972</u>
Transportation services:		
Road transport		
Administration and engineering	209,441	190,055
Road and street maintenance	566,147	422,214
Bridge maintenance		135,903
Street lighting	12,128	10,177
Other	4,542	
Loss on disposal of tangible capital assets	61,031	4,517
	<u>853,289</u>	<u>762,866</u>
Environmental health services:		
Waste collection and disposal	42,229	37,814
Other	7,731	7,158
	<u>49,960</u>	<u>44,972</u>
Public health and welfare services:		
Public health	8,799	7,977
Medical care	2,875	2,875
Social assistance	2,640	2,640
	<u>14,314</u>	<u>13,492</u>
Regional planning and development:		
Planning and zoning	25,659	4,918
Beautification and land rehabilitation	1,439	1,370
	<u>27,098</u>	<u>6,288</u>
Sub-total	<u>\$ 1,582,787</u>	<u>\$ 1,554,213</u>

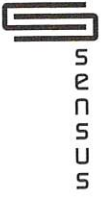
RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES - Continued
 For the year ended December 31, 2017

	2017 Actual	2016 Actual
Sub-total (Carry forward)	\$ 1,582,787	\$ 1,554,213
Resource conservation and industrial development:		
Rural area weed control	102,788	111,406
Veterinary services	1,944	1,906
Loss on disposal of tangible capital assets		3,570
	<u>104,732</u>	<u>116,882</u>
Recreation and cultural services		
Administration	17,884	20,611
Community centres and halls	14,990	19,830
Skating and curling rinks	6,666	8,428
	<u>39,540</u>	<u>48,869</u>
Water and sewer (Schedule 9)		
Municipal utility	449,891	409,515
Consolidated water co-operatives	265,743	212,065
	<u>715,634</u>	<u>621,580</u>
Total expenses	<u>\$ 2,442,693</u>	<u>\$ 2,341,544</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the year ended December 31, 2017

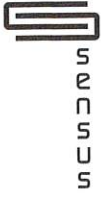
	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ 1,422,117	\$ 1,347,259								
Grants in lieu of taxation	39,261	38,959								
User fees	31,517	23,067	44,642	27,249	6,674	10,403	19,093	18,948		
Grants - other	88,713	82,791								
Permits, licences and fines	8,980	18,352	1,310	2,529						
Investment income	20,066	22,516								
Other revenue	54,178	59,336								
Water and sewer										
Prov of MB - unconditional grants	90,180	88,000	41,198		80,878	105,393				
Prov of MB - conditional grants										
Total revenue	1,755,012	1,680,280	87,150	29,778	87,552	115,796	19,093	18,948		
EXPENSES										
Personnel services	264,484	249,890	39,033	30,615	206,686	187,662	9,890	9,739	11,007	10,185
Contract services	85,747	90,729	72,271	167,745	85,178	80,406	30,903	26,769		
Utilities	6,954	6,357				1,657				
Maintenance, materials and supplies	34,423	40,887	52,969	77,247	415,981	425,349	1,269	1,139		
Grants and contributions	1,000	936								
Amortization	2,032	1,967	50,582	50,582	79,871	63,275	167	167	2,875	432
Interest on long term debt			17,875	3,783	4,542				432	
Other	10,756	5,857			61,031	4,517	7,731	7,158		
Total expenses	405,396	396,623	232,730	329,972	853,289	762,866	49,960	44,972	14,314	13,492
Surplus (Deficit)	\$ 1,349,616	\$ 1,283,657	(145,580)	(300,194)	(765,737)	(647,070)	(30,867)	(26,024)	(14,314)	(13,492)

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



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT 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							230,462	203,236	\$ 1,652,579	\$ 1,550,495
Grants in lieu of taxation		2,027	16,429	22,934	9,427	8,118			39,261	38,959
User fees			36,370	39,860	9,461	8,316			127,782	112,746
Grants - other									134,544	130,967
Permits, licences and fines			726	450	13	59	3,488	3,136	10,290	20,881
Investment income			145	439		5			24,293	26,161
Other revenue									54,323	59,780
Water and sewer							2,094,138	1,723,685	2,094,138	1,723,685
Prov of MB - unconditional grants									90,180	88,000
Prov of MB - conditional grants									122,076	105,393
Total revenue	2,027	2,027	53,670	63,683	18,901	16,498	2,328,088	1,930,057	4,349,466	3,857,067
EXPENSES										
Personnel services			25,073	26,402	9,124	8,105	121,503	78,649	675,793	591,062
Contract services	25,659	4,918	3,434	2,760	7,012	16,591		10,965	321,211	411,068
Utilities			391	577	5,858	315	18,591	19,982	31,794	28,888
Maintenance, materials and supplies	1,439	1,370	18,291	27,839	12,435	15,586	214,753	166,049	751,560	755,466
Grants and contributions			54,472	52,072	4,839	8,234			63,186	64,117
Amortization			3,071	3,583	248		255,045	190,865	391,448	310,871
Interest on long term debt							105,742	155,070	128,159	158,853
Other				3,649	24	38			79,542	21,219
Total expenses	27,098	6,288	104,732	116,882	39,540	48,869	715,634	621,580	2,442,693	2,341,544
Surplus (Deficit)	(27,098)	(4,261)	(51,062)	(53,199)	(20,639)	(32,371)	1,612,454	1,308,477	\$ 1,906,773	\$ 1,515,523



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 5 - 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	\$ 1,652,579	\$ 1,550,495					\$ 1,652,579	\$ 1,550,495
Grants in lieu of taxation	39,261	38,959					39,261	38,959
User fees	107,608	85,337			20,174	27,409	127,782	112,746
Grants - other	88,713	82,791			45,831	48,176	134,544	130,967
Permits, licences and fines	10,290	20,881	739	509			10,290	20,881
Investment income	23,554	25,652	145	444			24,293	26,161
Other revenue	54,178	59,336					54,323	59,780
Water and sewer	1,936,077	1,570,977	158,061	152,708			2,094,138	1,723,685
Prov of MB - unconditional grants	90,180	88,000					90,180	88,000
Prov of MB - conditional grants	122,076	105,393					122,076	105,393
Total revenue	4,124,516	3,627,821	224,950	229,246	224,950	229,246	4,349,466	3,857,067
EXPENSES								
Personnel services	531,315	487,001	144,478	104,061			675,793	591,062
Contract services	317,431	407,941	3,780	3,127			321,211	411,068
Utilities	12,500	12,601	19,294	16,287			31,794	28,888
Maintenance, materials and supplies	683,258	681,129	68,302	74,337			751,560	755,466
Grants and contributions	63,186	64,117					63,186	64,117
Amortization	299,197	222,843	92,251	88,028			391,448	310,871
Interest on long term debt	127,488	158,732	671	121			128,159	158,853
Other	79,518	17,532	24	3,687			79,542	21,219
Total expenses	2,113,893	2,051,896	328,800	289,648	328,800	289,648	2,442,693	2,341,544
Surplus (Deficit)	\$ 2,010,623	\$ 1,575,925	(103,850)	(60,402)	(103,850)	(60,402)	\$ 1,906,773	\$ 1,515,523

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2017

	Employee Severance Reserve	2017 Equipment Replacement Reserve	New General Reserve	Sub Total
REVENUE				
Investment income	529	481	\$	1,010
Other income				
Total revenue	529	481		1,010
EXPENSES				
Investment charges				
Other expenses				
Total expenses				
NET REVENUES	529	481		1,010
TRANSFERS				
Debt repayment				
Transfers from operating fund		75,000	40,000	115,000
Transfers to operating fund				
Transfers from utility fund				
Transfers to utility fund				
Acquisition of tangible capital assets				
CHANGE IN RESERVE FUND BALANCES	529	75,481	40,000	116,010
FUND SURPLUS, BEGINNING OF YEAR	4,475	132,570	132,654	269,699
FUND SURPLUS, END OF YEAR	5,004	208,051	172,654	385,709



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2017

	2017			2016	
	Gas Tax Reserve	Fire Capital Reserve	Utility Replacement Reserve	Rural Water Deposit Reserve	Total
REVENUE					
Investment income		1,127		3,489	\$ 8,532
Other income	3,874	8,500			102,161
Total revenue	3,874	9,627		3,489	110,693
EXPENSES					
Investment charges					98,861
Other expenses					98,861
Total expenses					11,832
NET REVENUES	3,874	9,627		3,489	18,000
TRANSFERS					
Debt repayment					207,791
Transfers from operating fund	83,797	40,000			(122,771)
Transfers to operating fund		(32,126)			478,000
Transfers from utility fund			10,000	468,000	550,802
Transfers to utility fund			(10,000)	(440,597)	(900,079)
Acquisition of tangible capital assets	(126,294)				(126,294)
CHANGE IN RESERVE FUND BALANCES	(38,623)	17,501		30,892	(252,425)
FUND SURPLUS, BEGINNING OF YEAR	297,617	127,575	32,300	110,132	837,323
FUND SURPLUS, END OF YEAR	\$ 258,994	145,076	32,300	141,024	\$ 963,103



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Alexander
For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
REVENUE			
Taxation	\$ 44,000	\$ 44,000	\$ 44,000
Other revenue	22,500	25,620	26,405
Total revenue	<u>66,500</u>	<u>69,620</u>	70,405
EXPENSES			
General government			
Indemnities	6,250	5,799	5,750
Transportation services			
Road and street maintenance	32,750	21,848	17,129
Sidewalk and boulevard maintenance	1,242	700	101
Street lighting	8,500	11,361	8,289
Other	4,500	3,848	3,726
Regional planning and development			
Beautification and land rehabilitation	19,000	18,692	17,442
Other			100
Recreation and cultural services			
Community centres and halls	10,000	3,918	2,627
Total expenses	<u>82,242</u>	<u>66,166</u>	55,164
NET REVENUES	<u>(15,742)</u>	3,454	15,241
CHANGES IN L.U.D. BALANCES	<u>\$ (15,742)</u>	3,454	15,241
UNEXPENDED BALANCE, BEGINNING OF YEAR		20,922	5,681
UNEXPENDED BALANCE, END OF YEAR		<u>\$ 24,376</u>	<u>\$ 20,922</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2017

	2017			2016	
	Whitehead	Whitehead Elton Regional Water Co- operative Inc.	Total		Total
FINANCIAL ASSETS					
Cash and temporary investments	\$ 4,279	\$	\$ 4,279	\$	4,216
Amounts receivable	939,925	490,589	1,430,514		666,144
Due from other funds	944,204	490,589	1,434,793		36,734
					707,094
LIABILITIES					
Accounts payable and accrued liabilities	292,363	132,796	425,159		109,467
Long-term debt (Note 8)	2,067,567		2,067,567		1,820,416
Due to other funds	458,900		458,900		
Other					331,772
					2,261,655
NET DEBT	<u>2,818,830</u>	<u>132,796</u>	<u>2,951,626</u>		<u>(1,554,561)</u>
	<u>(1,874,626)</u>	<u>357,793</u>	<u>(1,516,833)</u>		
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	7,392,669	2,157,634	9,550,303		8,009,782
Inventories		10,801	10,801		9,095
Prepaid expenses		3,301	3,301		1,690
	7,392,669	2,171,736	9,564,405		8,020,567
FUND SURPLUS	<u>\$ 5,518,043</u>	<u>\$ 2,529,529</u>	<u>\$ 8,047,572</u>		<u>\$ 6,466,006</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead
 For the year ended December 31, 2017

	Budget	2017	2016
REVENUE			
Water			
Water fees	\$ 140,000	\$ 170,726	\$ 146,788
Bulk water fees	6,000	2,551	5,602
Sub-Total - Water	146,000	173,277	152,390
Sewer			
Sewer fees	1,500		
Sub-Total - Sewer	1,500		
Property taxes	230,462	230,462	203,236
Government transfers		1,290,449	853,152
Government transfers - operating			
Other			
Hydrant rentals	1,200	1,200	1,200
Connection charges		468,000	559,080
Investment income		63	57
Other income	1,750	3,088	5,098
Sub-Total - Other	2,950	472,351	565,435
Total revenue	\$ 380,912	\$ 2,166,539	\$ 1,774,213

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead
 For the year ended December 31, 2017

	Budget	2017	2016
EXPENSES			
General			
Administration	\$ 5,450	\$ 12,564	\$ 9,842
Billing and collection	5,000	1,421	
Sub-Total - General	<u>10,450</u>	<u>13,985</u>	9,842
Water General			
Purification and treatment	5,000	9,418	6,563
Transmission and distribution		1,500	
Water purchases	110,000	149,835	110,979
Connection costs	25,000		17,638
Sub-Total - Water General	<u>140,000</u>	<u>160,753</u>	135,180
Water Amortization and Interest			
Amortization		165,865	106,420
Interest on long term debt		105,071	154,949
Sub-Total - Water Amortization & Interest		<u>270,936</u>	261,369
Sewer General			
Treatment and disposal cost	10,000	4,217	3,124
Sewer Amortization and Interest			
Total expenses	<u>160,450</u>	<u>449,891</u>	409,515
NET OPERATING SURPLUS	<u>\$ 220,462</u>	<u>1,716,648</u>	1,364,698
TRANSFERS			
Transfers from (to) reserve funds		<u>(27,403)</u>	349,277
CHANGE IN UTILITY FUND BALANCE		1,689,245	1,713,975
FUND SURPLUS, BEGINNING OF YEAR		<u>3,828,798</u>	2,114,823
FUND SURPLUS, END OF YEAR		<u>\$ 5,518,043</u>	\$ 3,828,798

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead Elton Regional Water Co-
operative Inc.
For the year ended December 31, 2017

	Budget	2017	2016
REVENUE			
Water			
Water fees	\$	\$ 146,787	\$ 110,979
Sub-Total - Water		146,787	110,979
Government transfers			
Government transfers - capital		11,274	41,729
Sub-Total - Government transfers		11,274	41,729
Total revenue	\$	\$ 158,061	\$ 152,708

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead Elton Regional Water
Co-operative Inc.
For the year ended December 31, 2017

	Budget	2017	2016
EXPENSES			
General			
Utilities (telephone, electricity, etc)		18,591	15,395
Sub-Total - General		<u>18,591</u>	<u>15,395</u>
Water General			
Purification and treatment		157,301	112,104
Sub-Total - Water General		<u>157,301</u>	<u>112,104</u>
Water Amortization & Interest			
Amortization		89,180	84,445
Interest on long term debt		671	121
Sub-Total - Water Amortization & Interest		<u>89,851</u>	<u>84,566</u>
Total expenses		<u>265,743</u>	<u>212,065</u>
DEFICIT	\$	<u>(107,682)</u>	<u>(59,357)</u>
CHANGE IN UTILITY FUND BALANCE		(107,682)	(59,357)
FUND SURPLUS, BEGINNING OF YEAR		<u>2,637,211</u>	<u>2,696,568</u>
FUND SURPLUS, END OF YEAR	\$	<u><u>2,529,529</u></u>	<u><u>\$ 2,637,211</u></u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2017

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	L.U.D. of Alexander	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,357,803	230,462				44,000		\$ 1,632,265
Grants in lieu of taxation	39,446							39,446
User fees	58,650						166,961	227,611
Grants - Province of Manitoba	85,000					15,500		100,500
Grants - other	1,582,791						57,105	1,639,896
Permits, licences and fines	1,500							1,500
Investment income	15,000						726	15,726
Other revenue	37,852	150,450				5,000	158	43,010
Water and sewer								150,450
Transfers from accumulated surplus					(15,742)	15,742		
Transfers from reserves	67,655				(67,655)			
Total revenue	<u>3,245,697</u>	<u>380,912</u>			<u>(83,397)</u>	<u>82,242</u>	<u>224,950</u>	<u>3,850,404</u>
EXPENSES								
General government services	402,864		2,032		2,297	6,250		413,443
Protective services	194,000		50,582	17,875				262,457
Transportation services	643,200		79,870			46,992		770,063
Environmental health services	53,750		167			15,000		68,917
Public health and welfare services	10,640		432					11,072
Regional planning and development	7,500						50,260	7,500
Resource cons and industrial dev	78,500		248			14,000		128,760
Recreation and cultural services	22,500		165,865	105,071			12,798	49,546
Water and sewer services		160,450					265,743	697,129
Fiscal services:								
Transfer to capital	1,530,000		(1,530,000)	(293,117)				
Debt charges	62,655	230,462						
Short term interest					(237,791)			
Transfer to reserves	237,791				(2,297)			
Allowance for tax assets	2,297				(237,791)			
Total expenses	<u>3,245,697</u>	<u>390,912</u>	<u>(1,230,804)</u>	<u>(170,171)</u>	<u>(237,791)</u>	<u>82,242</u>	<u>328,801</u>	<u>2,408,887</u>
Surplus (Deficit)		<u>(10,000)</u>	<u>1,230,804</u>	<u>170,171</u>	<u>154,394</u>		<u>(103,851)</u>	<u>\$ 1,441,517</u>



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
 For the year ended December 31, 2017

	2017	2016
Balance, beginning of year	\$ 365,852	\$ 372,520
Add:		
Tax levy (Schedule 12)	3,534,242	3,358,445
Taxes added	39,746	41,661
Penalties or interest	39,884	43,565
Other accounts added	44,094	14,453
Sub-total	3,657,966	3,458,124
Deduct:		
Cash collections - current	3,024,193	2,743,948
Cash collections - arrears	283,608	332,940
Writeoffs	10,756	5,857
Tax discounts	7,304	5,511
E.P.T.C. - cash advance	382,285	376,536
Sub-total	3,708,146	3,464,792
Balance, end of year	\$ 315,672	\$ 365,852

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 12 - ANALYSIS OF TAX LEVY
 For the year ended December 31, 2017

	2017		2016	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D. Alexander	9,734,650	4.520	\$ 44,001	\$ 44,078
Sub-Total - L.U.D			<u>44,001</u>	<u>44,078</u>
Debt charges:				
L.I.D. - Water/Sewer			77,765	77,798
Other (Fire Department)	131,112,180	0.190	<u>25,614</u>	<u>24,489</u>
Sub-Total - Debt charges			<u>103,379</u>	<u>102,287</u>
Reserves:				
Machinery Replacement	131,112,180	0.560	73,423	48,977
Fire Replacement Reserve	131,112,180	0.300	39,334	34,799
Building Replacement				39,955
General	131,112,180	0.300	<u>39,334</u>	<u>123,731</u>
Sub-Total - Reserves			<u>152,091</u>	<u>123,731</u>
General Municipal - Rural Area	121,377,530	5.930	<u>719,769</u>	<u>776,013</u>
- At Large	131,112,180	3.250	<u>426,115</u>	<u>337,682</u>
Special levies:				
Kemville			11,508	10,708
Rural Water			<u>140,192</u>	<u>114,730</u>
Sub-Total - Special levies			<u>151,700</u>	<u>125,438</u>
Total municipal taxes (Schedule 2)			<u>1,597,055</u>	<u>1,509,229</u>
Education support levy	6,591,340	10.500	<u>69,209</u>	<u>68,571</u>
Special levy:				
Brandon School Division	112,744,880	14.910	1,681,026	1,603,965
Fort La Bosse	2,634,270	7.900	20,811	20,363
Southwest Horizon	15,733,030	10.560	<u>166,141</u>	<u>156,317</u>
Sub-Total - Special levies			<u>1,867,978</u>	<u>1,780,645</u>
Total education taxes			<u>1,937,187</u>	<u>1,849,216</u>
Total tax levy (Schedule 11)			<u>\$ 3,534,242</u>	<u>\$ 3,358,445</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the year ended December 31, 2017

	2017	2016
General government services:		
Legislative	\$ 65,860	\$ 61,880
General administrative	328,012	321,594
Other	11,525	13,149
	<u>405,397</u>	<u>396,623</u>
Protective services:		
Police		367
Fire	134,134	141,506
Emergency measures	7,093	
Other	91,503	188,099
	<u>232,730</u>	<u>329,972</u>
Transportation services:		
Road transport		
Administration and engineering	209,441	190,055
Road and street maintenance	566,147	422,214
Bridge maintenance		135,903
Street lighting	12,128	10,177
Other	4,542	
Loss on disposal of tangible capital assets	61,031	4,517
	<u>853,289</u>	<u>762,866</u>
Environmental health services:		
Waste collection and disposal	42,229	37,814
Other	7,731	7,158
	<u>49,960</u>	<u>44,972</u>
Public health and welfare services:		
Public health	8,799	7,977
Medical care	2,875	2,875
Social assistance	2,640	2,640
	<u>14,314</u>	<u>13,492</u>
Regional planning and development:		
Planning and zoning	25,659	4,918
Beautification and land rehabilitation	1,439	1,370
	<u>27,098</u>	<u>6,288</u>
Sub-total	<u>\$ 1,582,788</u>	<u>\$ 1,554,213</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES - continued
 For the year ended December 31, 2017

	2017	2016
Sub-total (carry forward)	\$ 1,582,788	\$ 1,554,213
Resource conservation and industrial development:		
Rural area weed control	64,144	61,167
Veterinary services	1,944	1,906
	<u>66,088</u>	<u>63,073</u>
Recreation and cultural services:		
Administration	5,684	8,436
Community centres and halls	14,990	19,830
Skating and curling rinks	6,666	8,428
	<u>27,340</u>	<u>36,694</u>
Total expenses	<u><u>\$ 1,676,216</u></u>	<u><u>\$ 1,653,980</u></u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 17 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2017

	2017		2016	
	General	Utility	Total	Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 102,633	\$ 329,245	\$ 431,878	\$ 585,610
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	238,797	478,000	716,797	758,593
Eliminate revenue - transfers from reserves	(158,420)	(450,597)	(609,017)	(1,121,711)
Increase revenue - reserve funds interest	18,000		18,000	110,693
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	16,046	(107,682)	(91,636)	(48,803)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	3,454		3,454	15,241
Increase expense - amortization of tangible capital assets	(133,333)	(165,865)	(299,198)	(222,842)
Decrease expense - principal portion of debenture debt or capital lease	151,296	103,848	255,144	224,024
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(61,031)		(61,031)	(4,018)
Eliminate revenue - proceeds on new debenture debt or capital lease	(389,772)	(351,000)	(740,772)	(263,878)
Eliminate revenue - proceeds on sale of tangible capital assets	(100,000)		(100,000)	(4,921)
Eliminate expense - acquisitions of tangible capital assets	610,137	1,773,017	2,383,154	1,487,535
NET SURPLUS PER STATEMENT OF OPERATIONS	\$ 297,807	\$ 1,608,966	\$ 1,906,773	\$ 1,515,523

