

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2017**

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
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**For the year ended December 31, 2017**

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## **STATEMENT OF RESPONSIBILITY**

The accompanying consolidated financial statements are the responsibility of the management of the Rural Municipality of West Interlake 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.

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Larissa Love  
Chief Administrative Officer

## INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of:  
Rural Municipality of West Interlake  
Eriksdale, Manitoba

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Rural Municipality of West Interlake, 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 West Interlake 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  
September 24, 2018

  
Chartered Professional Accountants

Partnership of Chartered Professional Accountants  
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**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2017**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 832,274	\$ 2,114,803
Amounts receivable (Note 4)	1,504,242	1,390,148
Portfolio investments (Note 5)	1,240,747	
Real estate properties held for sale (Note 2)	5,575	1,575
	<u>3,582,838</u>	<u>3,506,526</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 8)		51,696
Accounts payable and accrued liabilities (Note 7)	155,123	190,317
Deferred revenue (Note 2)	19,500	15,000
Long-term debt (Note 9)	1,431,258	1,517,080
	<u>1,605,881</u>	<u>1,774,093</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,976,957</u>	<u>1,732,433</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	4,006,216	3,862,097
Inventories (Note 6)	38,925	35,418
Prepaid expenses	45,413	51,205
	<u>4,090,554</u>	<u>3,948,720</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 6,067,511</u>	<u>\$ 5,681,153</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 11)</b>		

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
 For the year ended December 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
<b>REVENUE</b>			
Property taxes	\$ 1,879,658	\$ 1,842,340	\$ 1,676,163
Grants in lieu of taxation	132,521	132,520	78,750
User fees	122,882	168,643	153,495
Permits, licences and fines	11,859	12,392	18,692
Investment income	706	37,576	43,945
Other revenue	82,231	136,855	102,877
Water and sewer	65,900	67,137	69,646
Grants - Province of Manitoba	259,304	383,003	311,730
Grants - Other	475,208	247,432	253,999
<b>Total revenue (Schedules 2, 4 and 5)</b>	<b>3,030,269</b>	<b>3,027,898</b>	<b>2,709,297</b>
<b>EXPENSES</b>			
General government services	519,470	646,082	669,977
Protective services	361,995	330,241	266,322
Transportation services	1,035,237	958,052	937,887
Environmental health services	405,482	267,238	311,239
Public health and welfare services	26,828	22,640	57,902
Regional planning and development	88,363	104,053	86,348
Resource conservation and industrial development	102,032	70,390	73,275
Recreation and cultural services	124,945	129,495	147,630
Water and sewer services	125,551	113,349	129,764
<b>Total expenses (Schedules 3, 4 and 5)</b>	<b>2,789,903</b>	<b>2,641,540</b>	<b>2,680,344</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 240,366</b>	<b>386,358</b>	<b>28,953</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>5,681,153</b>	<b>5,652,200</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 6,067,511</b>	<b>\$ 5,681,153</b>

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

	2017 Budget (Note 14)	2017 Actual	2016 Actual
<b>ANNUAL SURPLUS</b>	\$ 240,366	\$ 386,358	\$ 28,953
Acquisition of tangible capital assets	(1,538,125)	(378,257)	(539,904)
Amortization of tangible capital assets	225,721	225,721	214,258
Gain on sale of tangible capital assets		(7,384)	(2,037)
Proceeds on sale of tangible capital assets		15,800	10,262
Decrease (increase) in inventories		(3,507)	5,187
Decrease (increase) in prepaid expenses		5,793	(19,704)
	<u>(1,312,404)</u>	<u>(141,834)</u>	<u>(331,938)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u>\$ (1,072,038)</u>	244,524	(302,985)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>1,732,433</u>	<u>2,035,418</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u>\$ 1,976,957</u>	<u>\$ 1,732,433</u>

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 For the year ended December 31, 2017

	2017	2016
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 386,358	\$ 28,953
Changes in non-cash items:		
Amounts receivable	(114,094)	1,500,844
Inventories	(3,507)	5,186
Prepays	5,793	(19,704)
Accounts payable and accrued liabilities	(35,194)	(2,098,444)
Deferred revenue	4,500	(8,100)
Severance and sick leave payable		343
Gain on sale of tangible capital assets	(7,384)	(2,037)
Amortization	225,721	214,258
	<u>462,193</u>	<u>(378,701)</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	15,800	10,262
Cash used to acquire tangible capital assets	(378,257)	(539,904)
	<u>(362,457)</u>	<u>(529,642)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments	(1,240,747)	
Acquisition of real estate properties	(4,000)	(1,575)
	<u>(1,244,747)</u>	<u>(1,575)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt		1,600,000
Debt repayment	(85,822)	(82,920)
Advances on bank indebtedness	(51,696)	1,089
	<u>(137,518)</u>	<u>1,518,169</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<u>(1,282,529)</u>	608,251
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	2,114,803	1,506,552
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u>\$ 832,274</u>	<u>\$ 2,114,803</u>



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

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**1. STATUS OF THE RURAL MUNICIPALITY OF WEST INTERLAKE**

The incorporated Rural Municipality of West Interlake (“the Municipality”) is a Municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The Rural Municipality of West Interlake reflects the amalgamation of the former Rural Municipality of Siglunes and Rural Municipality of Eriksdale. The Municipality provides or funds municipal services such as police, fire, public works, planning, 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. 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 controlled organizations include:

**Eriksdale 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:

- Coldwell Eriksdale Waste Disposal Grounds - 37% (2016 - 37%)
- Parkland Regional Library Service - 4% (2016 - 4%)
- Western Interlake Planning District Board - 42.32% (2016 - 42.32%)

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 17.

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**Cash and Temporary Investments**

Cash and temporary investments include cash and temporary investments which comprise term deposits and guaranteed investment certificates.

**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.

**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.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Tangible Capital Assets (continued)**

**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

**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.

**Inventories**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**Deferred Revenue**

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

**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 AND TEMPORARY INVESTMENTS**

Cash and temporary investments are comprised of the following:	<b>2017</b>	<b>2016</b>
Cash	\$ 766,574	\$ 2,072,963
Temporary Investments	65,700	41,840
	<u>\$ 832,274</u>	<u>\$ 2,114,803</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$2,453,015 (2016 - \$2,389,233) to reserves for debt principal repayments and tangible capital asset acquisitions of which \$611,052 (2016 - \$589,475) is held in cash and temporary investments and \$1,240,747 (2016 - \$0) in portfolio investments with the remainder representing the unfunded balance of \$601,216 (2016 - \$1,799,758). See Schedule 6 – Schedule of Change in Reserve Fund Balances.

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

**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2017	2016
Taxes on roll (Schedule 11)	\$ 694,900	\$ 757,733
Government grants	938,383	1,026,864
Utility customers (Schedule 8)	39,815	26,011
Accrued interest	11,983	
Organizations and individuals	35,419	105,251
Other governments	611,613	302,160
	<u>2,332,113</u>	<u>2,218,019</u>
Less allowance for doubtful amounts	(827,871)	(827,871)
	<u>\$ 1,504,242</u>	<u>\$ 1,390,148</u>

**5. PORTFOLIO INVESTMENTS**

	2017	2016
Non redeemable term deposits	\$ 1,240,747	\$

The aggregate market value of the marketable securities at December 31, 2017 is \$1,240,747 (2016 - \$0). The Municipality has designated \$1,240,747 (2016 - \$0) to reserves for debt principal repayment and tangible capital asset acquisitions. See Schedule 6 - Schedule of Change in Reserve Fund Balances. Portfolio investments earned \$15,970 in investment income during the year (2016 - \$0).

**6. INVENTORIES**

	2017	2016
<b>Inventories for use:</b>		
Culverts	\$ 38,925	\$ 35,418

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2017	2016
Accounts payable	\$ 109,088	\$ 129,201
Accrued expenses	46,035	61,116
	<u>\$ 155,123</u>	<u>\$ 190,317</u>

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

**8. BANK INDEBTEDNESS**

The Municipality was in a bank indebtedness position in the prior year in its Rural Municipality of Eriksdale general operating bank account that was closed during the 2017 year. The Municipality has an authorized line of credit on its Rural Municipality of West Interlake general operating bank account at Noventis Credit Union Ltd. in the amount of \$1,700,000 with interest at 2.375% (2016 - 2.125%). The lines of credit are secured by a general security agreement and the current year tax revenue.

**9. LONG TERM DEBT**

	2017	2016
<b>General Authority</b>		
Ward 2 debenture, payable at \$138,920 annually including interest at 3.50%, maturing December 2030.	\$ 1,431,258	\$ 1,517,080

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

2018	\$	88,826
2019		91,935
2020		95,153
2021		98,483
2022		101,930
		476,327
	\$	476,327

**10. DEBENTURES PENDING**

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

**11. COMMITMENTS**

The Municipality committed to an Ashern Wastewater System upgrade during the year with an anticipated project cost of \$343,250 to be done under the Clean Water and Wastewater Fund. The project will be funded with contributions of \$85,813 from the Province of Manitoba, \$171,625 from the Federal Government, and the remainder covered by the Municipality. As of the financial statement date \$31,172 had been spent on the project with an additional \$29,232 spent subsequent to year end.

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

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## **12. 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 \$31,492 (2016 - \$33,272) 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.

## **13. 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.

## **14. 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 WEST INTERLAKE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2017**

**15. ACCUMULATED SURPLUS**

	2017	2016
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 960,540	\$ 880,739
Utility Operating Fund(s) - Nominal Surplus	24,350	6,357
TCA net of related borrowings	2,390,048	2,174,207
Reserve Funds	2,453,015	2,389,233
	<hr/>	<hr/>
Accumulated Surplus of Municipality Unconsolidated	5,827,953	5,450,536
	<hr/>	<hr/>
Accumulated Surpluses of Consolidated Entities	239,558	230,617
	<hr/>	<hr/>
Accumulated Surplus per Consolidated Statement of Financial Position	\$ 6,067,511	\$ 5,681,153
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**16. 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 \$78,140 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>
Randy Helgason	\$ 9,410	\$ 2,402	11,812
Merle Day	10,840	3,986	14,826
Keith Lundale	10,860	4,304	15,164
John Wainwright	8,380	2,840	11,220
John Bezemer	8,890	3,722	12,612
Carroll Hull	9,550	2,937	12,487
Art Jonasson	7,610	4,555	12,165
Kenneth Budge - LUD	4,200		4,200
Larry Williamson - LUD	4,200		4,200
Sandra McDougall - LUD	4,200		4,200
	<hr/>	<hr/>	<hr/>
	\$ 78,140	\$ 24,746	\$ 102,886
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Cameron Godfrey	W1 Grader Operator	\$ 50,576
Daniel LaBrash	W2 WDG/Utility/Public Works	50,715
Larissa Love	CAO	78,920
Leslie Ratte	W2 Utility/Public Works	51,385



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

**17. TRUST FUNDS**

The Municipality administers the following trust funds:

	Balance, beginning of year	Excess (deficiency) of receipts over disbursements	Balance, end of year
McEwen Park Trust	\$ 36,886	\$ 1,055	\$ 37,941
	<u>\$ 36,886</u>	<u>\$ 1,055</u>	<u>\$ 37,941</u>

**18. PUBLIC UTILITIES 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.

**19. SEGMENTED INFORMATION**

The Rural Municipality of West Interlake 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 WEST INTERLAKE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2017

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**20. 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
<b>Financial Position</b>		
Financial assets	\$ 69,280	\$ 104,072
Liabilities	31,875	62,233
Net financial assets	<u>37,405</u>	<u>41,839</u>
Non-financial assets	<u>124,435</u>	<u>109,974</u>
Accumulated surplus	<u>\$ 161,840</u>	<u>\$ 151,813</u>
 <b>Result of Operations</b>		
Revenues	\$ 178,354	\$ 233,668
Expenses	220,700	223,290
Intercompany revenue and expense eliminations	<u>52,373</u>	<u>68,133</u>
Annual surplus	<u>\$ 10,027</u>	<u>\$ 78,511</u>

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

Cost	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		
Operating costs	\$ 1,097,858	1,247,607	1,960,258	84,253	263,458	6,311,395	2,121,140	\$ 13,085,969	\$ 12,578,474		
Additions during the year	26,817	77,333	63,834		124,636	80,963	4,674	378,257	539,904		
Disposals and write downs	(5,384)		(10,703)					(16,087)	(32,409)		
Transfers	59,263	297,659			(356,922)						
Closing costs	1,178,554	1,622,599	2,013,389	84,253	31,172	6,392,358	2,125,814	13,448,139	13,085,969		
<b>Accumulated Amortization</b>											
Opening accum'd amortization	65,816	1,007,489	1,230,591	61,196		5,769,440	1,089,340	9,223,872	9,033,798		
Amortization	9,796	24,759	125,819	4,816		27,701	32,830	225,721	214,258		
Disposals and write downs			(7,670)					(7,670)	(24,184)		
Closing accum'd amortization	75,612	1,032,248	1,348,740	66,012		5,797,141	1,122,170	9,441,923	9,223,872		
Net Book Value of Tangible Capital Assets	\$ 1,102,942	590,351	664,649	18,241	31,172	595,217	1,003,644	\$ 4,006,216	\$ 3,862,097		

Water and sewer underground networks contributed to the Municipality totals \$2,099,389 and were capitalized at their fair value at the time of their receipt.



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

	2017 Actual	2016 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 1,839,657	\$ 1,593,489
Taxes added	2,683	82,674
	<u>1,842,340</u>	<u>1,676,163</u>
<b>Grants in lieu of taxation:</b>	<u>132,520</u>	<u>78,750</u>
<b>User fees:</b>		
Sales of service	103,241	70,554
Rentals	65,402	82,941
	<u>168,643</u>	<u>153,495</u>
<b>Permits, licences and fines:</b>		
Permits	11,459	17,276
Licences	933	1,416
	<u>12,392</u>	<u>18,692</u>
<b>Investment income:</b>		
Cash and temporary investments	<u>37,576</u>	<u>43,945</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	7,384	5,262
Penalties and interest	97,028	88,931
Miscellaneous	19,728	8,199
Donations	12,715	485
	<u>136,855</u>	<u>102,877</u>
<b>Water and sewer</b>		
Municipal utility	<u>67,137</u>	<u>69,646</u>
<b>Grants - Province of Manitoba:</b>		
Municipal operating grants	120,873	129,437
Conditional grants	262,130	182,293
	<u>383,003</u>	<u>311,730</u>
<b>Grants - other:</b>		
Federal government - gas tax funding	120,585	119,138
Federal government - other	23,977	
Other municipal governments	102,870	134,861
	<u>247,432</u>	<u>253,999</u>
<b>Total revenue</b>	<u>\$ 3,027,898</u>	<u>\$ 2,709,297</u>

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

	2017 Actual	2016 Actual
<b>General government services:</b>		
Legislative	\$ 130,623	\$ 130,009
General administrative	505,408	519,222
Other	10,051	20,746
	<u>646,082</u>	<u>669,977</u>
<b>Protective services:</b>		
Fire	97,406	78,315
Emergency measures	172,279	145,383
Other protection	60,556	42,624
	<u>330,241</u>	<u>266,322</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	396,609	417,265
Road and street maintenance	529,404	490,739
Street lighting	29,071	26,110
Other	2,968	3,773
	<u>958,052</u>	<u>937,887</u>
<b>Environmental health services:</b>		
Waste collection and disposal	242,937	292,796
Recycling	23,666	17,930
Other	635	513
	<u>267,238</u>	<u>311,239</u>
<b>Public health and welfare services:</b>		
Public health	5,381	5,667
Medical care	11,948	46,924
Social assistance	5,311	5,311
	<u>22,640</u>	<u>57,902</u>
<b>Regional planning and development:</b>		
Planning and zoning	80,263	78,485
Beautification and land rehabilitation	23,790	7,863
	<u>104,053</u>	<u>86,348</u>
<b>Sub-total</b>	<u>\$ 2,328,306</u>	<u>\$ 2,329,675</u>

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

	2017 Actual	2016 Actual
<b>Sub-total (Carry forward)</b>	<b>\$ 2,328,306</b>	<b>\$ 2,329,675</b>
<b>Resource conservation and industrial development:</b>		
Veterinary services	16,320	16,320
Water resources and conservation	15,585	15,395
Regional development	37,083	40,583
Tourism	985	560
Other	417	417
	<u>70,390</u>	<u>73,275</u>
<b>Recreation and cultural services:</b>		
Administration	18,559	14,507
Community centres and halls	27,724	14,323
Skating and curling rinks	949	
Parks and playgrounds	10,207	9,899
Other recreational facilities	140	
Museums	957	16,437
Libraries	65,071	59,870
Other cultural facilities	5,888	7,818
Loss on withdrawal from organization		21,551
Loss on sale of tangible capital assets		3,225
	<u>129,495</u>	<u>147,630</u>
<b>Water and sewer (Schedule 9)</b>		
Municipal utility	<u>113,349</u>	<u>129,764</u>
<b>Total expenses</b>	<b>\$ 2,641,540</b>	<b>\$ 2,680,344</b>

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**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
<b>REVENUE</b>										
Property taxes	\$ 1,823,520	\$ 1,657,343								
Grants in lieu of taxation	132,520	78,750								
User fees	95,088	107,146	29,447	7,082	13,018	7,169	26,706	28,959	10,346	800
Grants - other	145,762	120,338					60,192	96,536	5,101	40,604
Permits, licences and fines	933	1,416			479			42	2,519	1,992
Investment income	36,885	43,689							4,328	
Other revenue	135,626	100,123								
Water and sewer										
Prov of MB - unconditional grants	120,873	129,437	111,676	82,248	102,489		20,508	36,356		
Prov of MB - conditional grants	19,130									
<b>Total revenue</b>	<b>2,491,207</b>	<b>2,257,372</b>	<b>141,123</b>	<b>89,330</b>	<b>115,507</b>	<b>7,169</b>	<b>107,885</b>	<b>161,893</b>		
<b>EXPENSES</b>										
Personnel services	343,825	346,497	49,977	32,627	290,721	310,316	23,317	33,038	10,346	10,178
Contract services	117,943	102,566	34,564	16,632	156,363	184,839	184,239	226,018	346	800
Utilities	6,215	20,291	19,743	18,218	49,317	41,135	3,147	2,435	5,101	40,604
Maintenance, materials and supplies	158,370	161,651	128,513	127,733	355,764	294,647	33,153	33,787	2,519	1,992
Grants and contributions	3,955	4,231	44,346	42,600	105,887	106,950	23,382	15,961	4,328	
Amortization	4,766	5,051	53,098	23,321						
Interest on long term debt										
Other	11,008	29,690		5,191						
<b>Total expenses</b>	<b>646,082</b>	<b>669,977</b>	<b>330,241</b>	<b>266,322</b>	<b>958,052</b>	<b>937,887</b>	<b>267,238</b>	<b>311,239</b>	<b>22,640</b>	<b>57,902</b>
<b>Surplus (Deficit)</b>	<b>\$ 1,845,125</b>	<b>\$ 1,587,395</b>	<b>(189,118)</b>	<b>(176,992)</b>	<b>(842,545)</b>	<b>(930,718)</b>	<b>(159,353)</b>	<b>(149,346)</b>	<b>(22,640)</b>	<b>(57,902)</b>

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

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**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
<b>REVENUE</b>										
Property taxes							18,820	18,820	\$ 1,842,340	\$ 1,676,163
Grants in lieu of taxation									132,520	78,750
User fees			4,384	3,139					168,643	153,495
Grants - other	21,971	17,305	19,507	19,820					247,432	253,999
Permits, licences and fines	11,459	17,276							12,392	18,692
Investment income	85	128	41	37	86	49			37,576	43,945
Other revenue	931	2,413	298	341					136,855	102,877
Water and sewer							67,137	69,646	67,137	69,646
Prov of MB - unconditional grants									120,873	129,437
Prov of MB - conditional grants		3,837	27,457	40,722					252,130	182,293
<b>Total revenue</b>	<b>34,446</b>	<b>40,959</b>	<b>41</b>	<b>37</b>	<b>51,732</b>	<b>64,071</b>	<b>85,957</b>	<b>88,466</b>	<b>3,027,898</b>	<b>2,709,297</b>
<b>EXPENSES</b>										
Personnel services	67,154	50,931	27,843	26,953	9,000	9,846	30,487	34,004	842,324	844,212
Contract services	3,550	3,566	1,749	3,834	17,838	7,669	20,622	29,016	547,214	584,318
Utilities	1,437	1,319		1,629	24,706	18,053	13,512	13,055	118,423	116,935
Maintenance, materials and supplies	10,420	14,216	1,038	560	6,290	22,410	15,628	20,620	714,277	716,228
Grants and contributions	21,226	16,289	39,343	39,882	61,859	58,564	32,831	32,675	128,902	120,958
Amortization			417	417	9,764	6,276			225,721	214,258
Interest on long term debt									53,098	23,321
Other	266	27			38	24,812	269	394	11,581	60,114
<b>Total expenses</b>	<b>104,053</b>	<b>86,348</b>	<b>70,390</b>	<b>73,275</b>	<b>129,495</b>	<b>147,630</b>	<b>113,349</b>	<b>129,764</b>	<b>2,641,540</b>	<b>2,680,344</b>
<b>Surplus (Deficit)</b>	<b>(69,607)</b>	<b>(45,389)</b>	<b>(70,349)</b>	<b>(73,238)</b>	<b>(77,763)</b>	<b>(83,559)</b>	<b>(27,392)</b>	<b>(41,298)</b>	<b>\$ 386,358</b>	<b>\$ 28,953</b>





**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**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
<b>REVENUE</b>								
Property taxes	\$ 1,842,340	\$ 1,676,163					\$ 1,842,340	\$ 1,676,163
Grants in lieu of taxation	132,520	78,750					132,520	78,750
User fees	145,835	129,189			22,808	24,306	168,643	153,495
Grants - other	145,762	120,338			101,670	133,661	247,432	253,999
Permits, licences and fines	933	1,416			11,459	17,276	12,392	18,692
Investment income	36,885	43,689	41	37	650	219	37,576	43,945
Other revenue	135,626	100,123			1,229	2,754	136,855	102,877
Water and sewer	67,137	69,646					67,137	69,646
Prov of MB - unconditional grants	120,873	129,437					120,873	129,437
Prov of MB - conditional grants	221,592	126,841			40,538	55,452	262,130	182,293
<b>Total revenue</b>	<b>2,849,503</b>	<b>2,475,592</b>	<b>41</b>	<b>37</b>	<b>178,354</b>	<b>233,668</b>	<b>3,027,898</b>	<b>2,709,297</b>
<b>EXPENSES</b>								
Personnel services	785,976	786,395			56,348	57,817	842,324	844,212
Contract services	445,351	481,907	1,074	1,017	100,789	101,394	547,214	584,318
Utilities	114,341	111,891		1,629	4,082	3,415	118,423	116,935
Maintenance, materials and supplies	689,237	684,651	53	8,167	24,987	31,577	714,277	716,228
Grants and contributions	97,429	89,331	7,438		24,035	23,460	128,902	120,958
Amortization	215,566	208,694			10,155	5,564	225,721	214,258
Interest on long term debt	53,098	23,321					53,098	23,321
Other	11,277	35,275		24,776	304	63	11,581	60,114
<b>Total expenses</b>	<b>2,412,275</b>	<b>2,421,465</b>	<b>8,565</b>	<b>35,589</b>	<b>220,700</b>	<b>223,290</b>	<b>2,641,540</b>	<b>2,680,344</b>
<b>Surplus (Deficit)</b>	<b>\$ 437,228</b>	<b>\$ 54,127</b>	<b>(8,524)</b>	<b>(35,552)</b>	<b>(42,346)</b>	<b>10,378</b>	<b>\$ 386,358</b>	<b>\$ 28,953</b>



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

	Rec Reserve	2017 Health Care Reserve - Siglunes	LUD of Ashern Reserve	Sub Total
<b>FINANCIAL ASSETS</b>				
Cash and temporary investments		\$ 3,179	\$	3,179
Due (to) from other funds	10,092	1,385	326,966	338,443
	<u>\$ 10,092</u>	<u>\$ 4,564</u>	<u>\$ 326,966</u>	<u>\$ 341,622</u>
<b>REVENUE</b>				
Investment income	92	77	2,785	2,954
Other income	10,000			10,000
Total revenue	<u>10,092</u>	<u>77</u>	<u>2,785</u>	<u>12,954</u>
<b>EXPENSES</b>				
Investment charges				
Other expenses				
Total expenses				
<b>NET REVENUES</b>	10,092	77	2,785	12,954
<b>TRANSFERS</b>				
Debt repayment				
Transfers from operating fund			105,102	105,102
Transfers to operating fund				
Transfers from utility fund				
Transfers to utility fund				
Acquisition of tangible capital assets				
<b>CHANGE IN RESERVE FUND BALANCES</b>	10,092	77	107,887	118,056
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		4,487	219,079	223,566
<b>FUND SURPLUS, END OF YEAR</b>	<u>10,092</u>	<u>4,564</u>	<u>326,966</u>	<u>\$ 341,622</u>



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

	2017					Sub Total
	Drainage Reserve - Siglunes	Handi Van Reserve - Siglunes	Community Services Reserve - Siglunes	Water Reserve - Siglunes	Sewer Reserve - Siglunes	
<b>FINANCIAL ASSETS</b>						
Cash and temporary investments	\$ 70,645	\$ 40,242	\$ 27,685	\$ 44,558	\$ 37,324	\$ 220,454
Due (to) from other funds	\$ 70,645	\$ 40,242	\$ 27,685	\$ 44,558	\$ 37,324	\$ 220,454
<b>REVENUE</b>						
Investment income	645	420	253	605	494	\$ 2,417
Other income						
Total revenue	645	420	253	605	494	2,417
<b>EXPENSES</b>						
Investment charges						
Other expenses						
Total expenses						
<b>NET REVENUES</b>	645	420	253	605	494	2,417
<b>TRANSFERS</b>						
Debt repayment						
Transfers from operating fund						
Transfers to operating fund						
Transfers from utility fund				(8,614)	(8,614)	(17,228)
Transfers to utility fund						
Acquisition of tangible capital assets						
<b>CHANGE IN RESERVE FUND BALANCES</b>	645	420	253	(8,009)	(8,120)	(14,811)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	70,000	39,822	27,432	52,567	45,444	235,265
<b>FUND SURPLUS, END OF YEAR</b>	70,645	40,242	27,685	44,558	37,324	220,454



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

	2017							
	Cemetery Reserve - Eriksdale	Eriksdale Utility General Reserve	Building and Land Reserve - Eriksdale	Gas Tax Reserve	General Reserve - Siglunes	Equipment Replacement Reserve - Siglunes	Fire Department Reserve - Siglunes	Sub Total
<b>FINANCIAL ASSETS</b>								
Cash and temporary investments	\$ 14,208	\$ 37,387	\$ 34,913	\$ 52,081	\$ 203,231	\$ 201,213	\$ 112,899	\$ 138,589
Due (to) from other funds	<u>300</u>			<u>744,096</u>				<u>1,261,739</u>
	\$ <u>14,508</u>	\$ <u>37,387</u>	\$ <u>34,913</u>	\$ <u>796,177</u>	\$ <u>203,231</u>	\$ <u>201,213</u>	\$ <u>112,899</u>	\$ <u>1,400,328</u>
<b>REVENUE</b>								
Investment income	\$ 188	487	1,807	5,358	2,378	1,836	1,897	\$ 13,951
Other income	<u>150</u>							<u>150</u>
Total revenue	<u>338</u>	<u>487</u>	<u>1,807</u>	<u>5,358</u>	<u>2,378</u>	<u>1,836</u>	<u>1,897</u>	<u>14,101</u>
<b>EXPENSES</b>								
Investment charges								
Other expenses								
Total expenses								
<b>NET REVENUES</b>	<u>338</u>	<u>487</u>	<u>1,807</u>	<u>5,358</u>	<u>2,378</u>	<u>1,836</u>	<u>1,897</u>	<u>14,101</u>
<b>TRANSFERS</b>								
Debt repayment								
Transfers from operating fund				120,585	(57,135)			120,585
Transfers to operating fund			(78,634)					(135,769)
Transfers from utility fund								
Transfers to utility fund				(51,916)				(51,916)
Acquisition of tangible capital assets								
<b>CHANGE IN RESERVE FUND BALANCES</b>	<u>338</u>	<u>487</u>	<u>(76,827)</u>	<u>74,027</u>	<u>(54,757)</u>	<u>1,836</u>	<u>1,897</u>	<u>(52,999)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>14,170</u>	<u>36,900</u>	<u>111,740</u>	<u>722,150</u>	<u>257,988</u>	<u>199,377</u>	<u>111,002</u>	<u>1,453,327</u>
<b>FUND SURPLUS, END OF YEAR</b>	\$ <u>14,508</u>	\$ <u>37,387</u>	\$ <u>34,913</u>	\$ <u>796,177</u>	\$ <u>203,231</u>	\$ <u>201,213</u>	\$ <u>112,899</u>	\$ <u>1,400,328</u>



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

	2017						2016
	General Reserve - Eriksdale	Equipment Reserve - Eriksdale	Road Replacement Reserve - Eriksdale	Health Care Reserve - Eriksdale	Fire Equipment Reserve - Eriksdale	Drainage Reserve - Eriksdale	Total
<b>FINANCIAL ASSETS</b>							
Cash and temporary investments	\$ 167,769	\$ 156,212	\$ 3,717	\$ 50,922	\$ 56,899	\$ 33,765	\$ 611,052
Due (to) from other funds				20,147	1,180		1,841,963
<b>Total revenue</b>	<b>\$ 167,769</b>	<b>\$ 156,212</b>	<b>\$ 3,717</b>	<b>\$ 71,069</b>	<b>\$ 58,079</b>	<b>\$ 33,765</b>	<b>\$ 2,453,015</b>
<b>REVENUE</b>							
Investment income	\$ 2,246	1,743	45	637	708	440	\$ 25,141
Other income					50		10,200
<b>Total revenue</b>	<b>2,246</b>	<b>1,743</b>	<b>45</b>	<b>637</b>	<b>758</b>	<b>440</b>	<b>35,341</b>
<b>EXPENSES</b>							
Investment charges							78
Other expenses							39
<b>Total expenses</b>							<b>117</b>
<b>NET REVENUES</b>	<b>2,246</b>	<b>1,743</b>	<b>45</b>	<b>637</b>	<b>758</b>	<b>440</b>	<b>35,341</b>
<b>TRANSFERS</b>							
Debt repayment							
Transfers from operating fund				15,737			241,424
Transfers to operating fund		(5,555)		(2,515)			(143,839)
Transfers from utility fund							(17,228)
Transfers to utility fund							(51,916)
Acquisition of tangible capital assets							
<b>CHANGE IN RESERVE FUND BALANCES</b>	<b>2,246</b>	<b>(3,812)</b>	<b>45</b>	<b>13,859</b>	<b>758</b>	<b>440</b>	<b>1,853</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>165,523</b>	<b>160,024</b>	<b>3,672</b>	<b>57,210</b>	<b>57,321</b>	<b>33,325</b>	<b>2,389,233</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 167,769</b>	<b>\$ 156,212</b>	<b>\$ 3,717</b>	<b>\$ 71,069</b>	<b>\$ 58,079</b>	<b>\$ 33,765</b>	<b>\$ 2,453,015</b>

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Ashern**  
 For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
<b>REVENUE</b>			
Taxation	\$ 212,099	\$ 210,370	\$ 208,000
GBG No. 3/14	49,029	51,250	51,250
Other revenue	11,500	22,804	2,876
<b>Total revenue</b>	<b>272,628</b>	<b>284,424</b>	<b>262,126</b>
<b>EXPENSES</b>			
General government			
Indemnities	16,670	13,100	13,100
Other general government	3,008	6,569	6,569
Transportation services			
Road and street maintenance	170,200	109,004	124,283
Sidewalk and boulevard maintenance		4,853	12,313
Street lighting	14,000	17,277	12,568
Environmental health			
Waste collection and disposal	16,000	9,820	11,983
Regional planning and development			
Beautification and land rehabilitation	2,000	355	1,300
Urban area weed control			232
Recreation and cultural services			
Parks and playgrounds	5,250	3,209	3,822
<b>Total expenses</b>	<b>227,128</b>	<b>164,187</b>	<b>186,170</b>
<b>NET REVENUES</b>	<b>45,500</b>	<b>120,237</b>	<b>75,956</b>
<b>TRANSFERS</b>			
Transfers from L.U.D. reserve			101,752
Transfers to L.U.D. reserve		(105,102)	(228,947)
Contribution to capital	(45,500)	(15,135)	(105,129)
<b>CHANGES IN L.U.D. BALANCES</b>	<b>\$</b>		<b>(156,368)</b>
<b>UNEXPENDED BALANCE, BEGINNING OF YEAR</b>			<b>156,368</b>
<b>UNEXPENDED BALANCE, END OF YEAR</b>	<b>\$</b>		<b>\$</b>

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

	2017		2016	
	Eriksdale	Ashern	Total	Total
<b>FINANCIAL ASSETS</b>				
Cash and temporary investments (Note 3)	\$	100	\$	100
Amounts receivable (Note 4)		39,815		39,815
Due from other funds	56,223		56,223	56,223
	<u>56,223</u>	<u>39,915</u>	<u>96,138</u>	<u>26,111</u>
<b>LIABILITIES</b>				
Due to other funds		71,788		71,788
		<u>71,788</u>		<u>71,788</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>56,223</u>	<u>(31,873)</u>	<u>24,350</u>	<u>6,357</u>
<b>NON-FINANCIAL ASSETS</b>				
Tangible capital assets (Schedule 1)	17,052	986,592	1,003,644	1,031,800
	<u>17,052</u>	<u>986,592</u>	<u>1,003,644</u>	<u>1,031,800</u>
<b>FUND SURPLUS</b>	<u>\$ 73,275</u>	<u>\$ 954,719</u>	<u>\$ 1,027,994</u>	<u>\$ 1,038,157</u>

**COMMITMENTS AND CONTINGENCIES (Note 11)**



**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Eriksdale**  
 For the year ended December 31, 2017

	Budget	2017	2016
<b>REVENUE</b>			
Property taxes	\$ 18,820	\$ 18,820	\$ 18,820
<b>Other</b>			
Connection charges			500
Sub-Total - Other			500
Total revenue	18,820	18,820	19,320
<b>EXPENSES</b>			
<b>General</b>			
Administration	3,000	1,726	2,400
Sub-Total - General	3,000	1,726	2,400
<b>Sewer General</b>			
Collection system costs	100	489	1,767
Lift station costs	5,400	5,326	3,547
Sub-Total - Sewer General	5,500	5,815	5,314
<b>Sewer Amortization and Interest</b>			
Amortization		817	661
Sub-Total - Sewer Amortization & Interest		817	661
Total expenses	8,500	8,358	8,375
<b>NET OPERATING SURPLUS</b>	\$ 10,320	10,462	10,945
<b>TRANSFERS</b>			
<b>CHANGE IN UTILITY FUND BALANCE</b>		10,462	10,945
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		62,813	51,868
<b>FUND SURPLUS, END OF YEAR</b>	\$	73,275	\$ 62,813



**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Ashern**  
**For the year ended December 31, 2017**

	Budget	2017	2016
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 62,000	\$ 60,646	\$ 62,180
Sub-Total - Water	62,000	60,646	62,180
<b>Other</b>			
Hydrant rentals		3,000	3,000
Penalties	3,400	3,491	3,353
Other income	500		613
Sub-Total - Other	3,900	6,491	6,966
Total revenue	\$ 65,900	\$ 67,137	\$ 69,146

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Ashern**  
 For the year ended December 31, 2017

	Budget	2017	2016
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 7,305	\$ 6,000	\$ 6,000
Sub-Total - General	<u>7,305</u>	<u>6,000</u>	<u>6,000</u>
<b>Water General</b>			
Purification and treatment	47,770	41,466	48,021
Other waster supply costs	7,600	2,660	7,167
Sub-Total - Water General	<u>55,370</u>	<u>44,126</u>	<u>55,188</u>
<b>Water Amortization &amp; Interest</b>			
Amortization		22,812	22,812
Sub-Total - Water Amortization & Interest		<u>22,812</u>	<u>22,812</u>
<b>Sewer General</b>			
Collection system costs	18,100	17,603	21,349
Treatment and disposal cost	3,000	2,177	3,906
Lift station costs	445	3,071	2,932
Sub-Total - Sewer General	<u>21,545</u>	<u>22,851</u>	<u>28,187</u>
<b>Sewer Amortization &amp; Interest</b>			
Amortization		9,202	9,202
Sub-Total - Water Amortization & Interest		<u>9,202</u>	<u>9,202</u>
Total expenses	<u>84,220</u>	<u>104,991</u>	<u>121,389</u>
<b>DEFICIT</b>	<u>\$ (18,320)</u>	<u>(37,854)</u>	<u>(52,243)</u>
<b>TRANSFERS</b>			
Transfers from reserve funds		<u>17,229</u>	
<b>CHANGE IN UTILITY FUND BALANCE</b>		<u>(20,625)</u>	<u>(52,243)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>975,344</u>	<u>1,027,587</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 954,719</u>	<u>\$ 975,344</u>

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**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	Consolidated Entities	PSAB Budget
<b>REVENUE</b>							
Property taxes	\$ 1,860,838	18,820					\$ 1,879,658
Grants in lieu of taxation	132,521						132,521
User fees	100,272					22,610	122,882
Grants - Province of Manitoba	238,562					20,742	259,304
Grants - other	315,125					160,083	475,208
Permits, licences and fines	400					11,459	11,859
Investment income	500					206	706
Other revenue	81,200					1,031	82,231
Water and sewer		65,900					65,900
Transfer from accumulated surplus	115,453			(115,453)			
Transfers from reserves	8,000			(8,000)			
<b>Total revenue</b>	<b>2,844,871</b>	<b>92,720</b>		<b>(123,453)</b>		<b>216,131</b>	<b>3,030,269</b>
<b>EXPENSES</b>							
General government services	513,420		4,766		1,284		519,470
Protective services	264,550		44,347	53,098			361,995
Transportation services	929,350		105,887				1,035,237
Environmental health services	255,030		16,932			133,520	405,482
Public health and welfare services	22,500		4,328			43,463	26,828
Regional planning and development	44,900					8,565	88,363
Resource cons and industrial dev	93,050		417				102,032
Recreation and cultural services	78,200	92,720	6,059			40,686	124,945
Water and sewer services			32,831				125,551
Fiscal services:							
Transfer to capital	385,687		(385,687)				
Transfer to utility							
Debtenture debt charges	138,920			(138,920)			
Transfer to reserves	118,000				(118,000)		
Allowance for tax assets	1,284				(1,284)		
<b>Total expenses</b>	<b>2,844,891</b>	<b>92,720</b>	<b>(170,120)</b>	<b>(85,822)</b>	<b>(118,000)</b>	<b>226,234</b>	<b>2,789,903</b>
<b>Surplus (Deficit)</b>	<b>\$ (20)</b>		<b>170,120</b>	<b>85,822</b>	<b>(5,453)</b>	<b>(10,103)</b>	<b>\$ 240,366</b>



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

	2017	2016
<b>Balance, beginning of year</b>	<b>\$ 757,733</b>	<b>\$ 708,775</b>
<b>Add:</b>		
Tax levy (Schedule 12)	3,170,387	2,893,402
Taxes added	2,683	82,674
Penalties or interest	97,028	88,931
<b>Sub-total</b>	<b>3,270,098</b>	<b>3,065,007</b>
<b>Deduct:</b>		
Cash collections - current	2,362,032	2,175,698
Cash collections - arrears	556,581	389,266
Writeoffs		13,555
Title value of tax titles acquired		34,173
E.P.T.C. - cash advance	414,318	403,357
<b>Sub-total</b>	<b>3,332,931</b>	<b>3,016,049</b>
<b>Balance, end of year</b>	<b>\$ 694,900</b>	<b>\$ 757,733</b>

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**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.):				
Ashern	18,015,730	11.773	\$ 212,099	\$ 183,047
Sub-Total - L.U.D			<u>212,099</u>	<u>183,047</u>
Debt charges:				
L.I.D.				100,335
Sub-Total - Debt charges				<u>100,335</u>
General Municipal - At Large	75,536,350	5.990	<u>452,463</u>	<u>230,352</u>
Special levies:				
Ward 1 - Sewer BL No. 2/06			18,820	18,820
Ward 1 - GBG BL No. 6/15			87,210	80,675
Ward 2 - LUD GBG BL No. 3/14			51,250	51,250
Deficit Recovery W2	49,357,800	0.433	21,372	22,054
Ward 1	26,178,550	16.104	421,579	388,544
Ward 2	49,357,800	4.620	228,033	201,323
Ward 2 - Rural	31,342,070	11.066	346,831	317,089
Sub-Total - Special levies			<u>1,175,095</u>	<u>1,079,755</u>
<b>Total municipal taxes (Schedule 2)</b>			<u>1,839,657</u>	<u>1,593,489</u>
Education support levy	12,656,430	10.500	<u>132,893</u>	<u>126,132</u>
Special levy:				
Lakeshore School Division	73,963,400	16.195	1,197,837	1,173,781
Sub-Total - Special levies			<u>1,197,837</u>	<u>1,173,781</u>
<b>Total education taxes</b>			<u>1,330,730</u>	<u>1,299,913</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 3,170,387</u>	<u>\$ 2,893,402</u>

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

	2017	2016
<b>General government services:</b>		
Legislative	\$ 130,623	\$ 130,009
General administrative	505,408	519,222
Other	10,051	20,746
	<b>646,082</b>	<b>669,977</b>
<b>Protective services:</b>		
Fire	97,406	78,315
Emergency measures	172,279	145,383
Other	60,556	42,624
	<b>330,241</b>	<b>266,322</b>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	396,609	432,265
Road and street maintenance	529,404	450,739
Street lighting	29,071	26,110
Other	2,968	3,773
	<b>958,052</b>	<b>912,887</b>
<b>Environmental health services:</b>		
Waste collection and disposal	158,237	253,899
Recycling	23,666	17,930
Other	635	513
	<b>182,538</b>	<b>272,342</b>
<b>Public health and welfare services:</b>		
Public health	5,381	5,667
Medical care	11,948	46,924
Social assistance	5,311	5,311
	<b>22,640</b>	<b>57,902</b>
<b>Regional planning and development:</b>		
Planning and zoning	36,799	28,240
Beautification and land rehabilitation	23,790	7,863
	<b>60,589</b>	<b>36,103</b>
<b>Sub-total</b>	<b>\$ 2,200,142</b>	<b>\$ 2,215,533</b>

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

	2017	2016
<b>Sub-total (carry forward)</b>	<b>\$ 2,200,142</b>	<b>\$ 2,215,533</b>
<b>Resource conservation and industrial development:</b>		
Veterinary services	16,320	16,320
Water resources and conservation	15,585	15,395
Regional development	35,956	37,937
Tourism	985	560
Other	417	417
	<u>69,263</u>	<u>70,629</u>
<b>Recreation and cultural services:</b>		
Administration	18,559	14,507
Community centres and halls	27,724	14,323
Skating and curling rinks	949	
Parks and playgrounds	10,207	9,899
Other recreational facilities	140	
Museums	957	16,437
Libraries	24,908	18,855
Other cultural facilities	5,888	7,818
	<u>89,332</u>	<u>81,839</u>
<b>Total expenses</b>	<u><u>\$ 2,358,737</u></u>	<u><u>\$ 2,368,001</u></u>

**RURAL MUNICIPALITY OF WEST INTERLAKE**  
**SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)**  
**For the year ended December 31, 2017**

	2017		2016	
	General	Utility	Total	Total
<b>MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ 98,506	17,993 \$	116,499 \$	1,249,316
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	241,424		241,424	418,085
Eliminate revenue - transfers from reserves	(195,755)	(17,228)	(212,983)	(430,778)
Increase revenue - reserve funds interest	35,341		35,341	14,546
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	8,941		8,941	51,126
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	120,237		120,237	75,956
Eliminate revenue - transfer from nominal surplus	(138,943)		(138,943)	(70,000)
Increase expense - amortization of tangible capital assets	(182,735)	(32,831)	(215,566)	(208,694)
Decrease expense - principal portion of debenture debt	85,822		85,822	82,920
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	7,384		7,384	5,000
Eliminate revenue - proceeds on new debenture debt	(15,800)		(15,800)	(1,600,000)
Eliminate revenue - proceeds on sale of tangible capital assets	349,328		349,328	(10,000)
Eliminate expense - acquisitions of tangible capital assets		4,674	4,674	451,476
<b>NET SURPLUS (DEFICIT) PER STATEMENT OF OPERATIONS</b>	<b>\$ 413,750</b>	<b>(27,392) \$</b>	<b>386,358 \$</b>	<b>28,953</b>

