

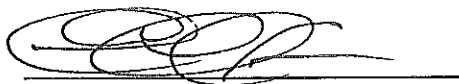
Rural Municipality of Rockwood
Box 902
Stonewall, Manitoba
R0C 2Z0

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Rockwood and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Reid & Associates as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Members 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.



Chris Luellman
CAO



REID & ASSOCIATES

Chartered Professional Accountants Inc.

Independent Auditors' Report

To the Members and members of Council of the
Rural Municipality of Rockwood

We have audited the accompanying financial statements of Rural Municipality of Rockwood, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion these financial statements present fairly, in all material respects, the financial position of Rural Municipality of Rockwood as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

October 19, 2017
Winnipeg, Manitoba

Reid & Associates

Chartered Professional Accountants Inc.

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

	Page
Consolidated Statement of Financial Position.....	6
Consolidated Statement of Operations.....	7
Consolidated Statement of Net Financial Assets.....	8
Consolidated Statement of Cash Flows.....	9
Notes to the Consolidated Financial Statements.....	10 - 24
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	25
Schedule 2 - Consolidated Schedule of Revenues.....	26 - 27
Schedule 3 - Consolidated Schedule of Expenses.....	28 - 29
Schedule 4 - Consolidated Schedule of Operations by Program.....	30 - 31
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results.....	32
Schedule 6 - Schedule of Change in Reserve Fund Balances.....	33 - 36
Schedule 7 - Consolidated Schedule of Trust Funds.....	37
Schedule 8 - Schedule of Financial Position for Utilities.....	38
Schedule 9 - Schedule of Utility Operations.....	39 - 46
Schedule 10 - Reconciliation of the Financial Plan to the Budget.....	47
Schedule 11 - Analysis of Taxes on Roll.....	48
Schedule 12 - Analysis of Tax Levy.....	49
Schedule 13 - Analysis of School Accounts.....	50
Schedule 14 - Schedule of General Operating Fund Expenses.....	51
Schedule 15 - Estimated Reconciliation of Annual Surplus.....	52

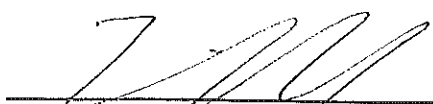
RURAL MUNICIPALITY OF ROCKWOOD


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

	2016 Actual \$	2015 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	7,109,676	7,454,801
Accounts receivable (note 3)	3,126,694	4,952,812
Portfolio investments (note 4)	55,306	80,509
	<u>10,291,676</u>	<u>12,488,122</u>
LIABILITIES		
Bank indebtedness	933,986	834,742
Accounts payable and accrued liabilities (note 6)	3,408,169	5,487,007
Deferred revenue (note 7)	4,611	1,398,663
Landfill closure and post closure liabilities (note 8)	41,283	37,721
Long-term debt (note 9)	259,228	147,448
	<u>4,647,277</u>	<u>7,905,581</u>
NET FINANCIAL ASSETS	<u>5,644,399</u>	<u>4,582,541</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	33,273,082	32,855,477
Inventories (note 5)	84,458	78,610
Prepaid expenses	45,282	46,206
	<u>33,402,822</u>	<u>32,980,293</u>
ACCUMULATED SURPLUS (note 18)	<u>39,047,221</u>	<u>37,562,834</u>

Approved on Behalf of the Council

 Reeve

 Councillor

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
Property taxes	3,853,122	3,824,260	3,682,735
Grants in lieu of taxation	290,842	395,988	444,986
User fees	638,471	942,227	730,840
Grants - Province of Manitoba	620,438	684,230	748,248
Grants - Other	819,643	2,322,595	1,076,582
Permits, licences and fees	1,407,350	1,286,220	1,346,065
Investment revenue	42,172	103,394	127,379
Other revenue	271,029	165,481	168,093
Water and sewer	1,593,750	1,453,909	5,006,878
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>9,536,817</u>	<u>11,178,304</u>	<u>13,331,806</u>
EXPENSES			
General government services	928,417	985,769	918,810
Protective services	774,172	686,569	680,391
Transportation services	4,090,884	4,087,920	3,646,249
Environmental health services	544,000	555,405	553,190
Public health and welfare services	5,000	4,241	4,241
Regional planning and development	281,498	309,230	248,180
Resource conservation and industrial development	129,537	135,043	132,444
Recreation and cultural services	761,094	1,028,627	983,866
Water and sewer	1,861,296	1,901,113	3,032,754
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>9,375,898</u>	<u>9,693,917</u>	<u>10,200,125</u>
ANNUAL SURPLUS	160,919	1,484,387	3,131,681
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>37,562,834</u>	<u>37,562,834</u>	<u>34,431,153</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>37,723,753</u>	<u>39,047,221</u>	<u>37,562,834</u>

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS****For the Year Ended December 31, 2016**

	2016 Budget \$	2016 Actual \$	2015 Actual \$
ANNUAL SURPLUS	160,919	1,484,387	3,131,681
Acquisition of tangible capital assets	-	(2,047,225)	(5,067,613)
Proceeds on disposal of tangible capital assets	225,000	284,984	130,339
Amortization of tangible capital assets	1,214,003	1,369,268	1,365,899
Loss (gain) on sale of tangible capital assets	160,000	(24,632)	(60,214)
Decrease (increase) in inventories	-	(5,848)	2,473
Decrease (increase) in prepaid expense	-	924	(4,349)
CHANGE IN SURPLUS (DEFICIT)	1,759,922	1,061,858	(501,784)
NET FINANCIAL ASSETS BEGINNING OF YEAR	4,582,541	4,582,541	5,084,325
NET FINANCIAL ASSETS END OF YEAR	6,342,463	5,644,399	4,582,541

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

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

	2016 Actual \$	2015 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	1,484,387	3,131,681
Changes in non-cash items:		
Amortization	1,369,268	1,365,899
Gain on disposal of tangible capital assets	(24,632)	(60,214)
	<u>2,829,023</u>	<u>4,437,366</u>
Net changes in non-cash working capital affecting operations (<i>note 21</i>)	<u>(1,648,134)</u>	<u>(1,008,741)</u>
	<u>1,180,889</u>	<u>3,428,625</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	284,984	130,339
Cash used to acquire tangible capital assets	<u>(2,047,225)</u>	<u>(5,067,613)</u>
	<u>(1,762,241)</u>	<u>(4,937,274)</u>
INVESTING		
Proceeds on sale of portfolio investments	<u>25,203</u>	<u>24,285</u>
FINANCING		
Long-term debt issued	111,780	-
Reduction in long-term debt	-	(32,867)
	<u>111,780</u>	<u>(32,867)</u>
DECREASE IN CASH AND TEMPORARY INVESTMENTS	<u>(444,369)</u>	<u>(1,517,231)</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>6,620,059</u>	<u>8,137,290</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>6,175,690</u></u>	<u><u>6,620,059</u></u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	6,155,369	6,514,627
Temporary investments	742,912	731,828
Externally restricted cash	211,395	208,346
Bank indebtedness	<u>(933,986)</u>	<u>(834,742)</u>
	<u><u>6,175,690</u></u>	<u><u>6,620,059</u></u>

The accompanying notes are an integral part of these financial statements

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

1. STATUS OF THE RURAL MUNICIPALITY OF ROCKWOOD

The incorporated Rural Municipality of Rockwood is a municipal government that was created on February 14, 1880 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Municipality owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) REPORTING ENTITY

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality.

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

	Consolidated	
	2016	2015
South Interlake Regional Library	58.00 %	58.00 %
Rockwood-Rosser Weed Control District	53.00 %	53.00 %
South Interlake Planning District Board	50.00 %	50.00 %
Rockwood Woodlands By-law Enforcement	50.00 %	50.00 %
Teulon-Rockwood Recreation Commission	50.00 %	50.00 %
Cartier Regional Water Co-op Inc	14.29 %	14.29 %
South Interlake Emergency Measures Board	20.00 %	20.00 %

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

Stonewall & District Handi-Van Service	24.00 %	24.00 %
Teulon & District Handi-Van	45.00 %	45.00 %
Stonewall Rockwood Fire Department	48.50 %	48.50 %

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

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

The Grosse Isle Utility is owned jointly with the Rural Municipality of Rosser; therefore, these financial statements only consolidate 50% of the Utility.

b) BASIS OF ACCOUNTING

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

c) CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) INVESTMENTS

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) REAL ESTATE PROPERTIES HELD FOR SALE

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

f) LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) NON-FINANCIAL ASSETS

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

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

h) TANGIBLE CAPITAL ASSETS

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

General Tangible Capital Assets

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

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

Infrastructure Assets

Roads, Streets, and Bridges

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

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

i) LEASES

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

j) INVENTORIES

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

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

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

k) REVENUE RECOGNITION

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

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

l) MEASUREMENT UNCERTAINTY

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2016	2015
	\$	\$
Tax assets (<i>schedule 11</i>)	658,238	508,274
Government grants and receivables	494,079	1,802,888
Utility customers	80,319	73,206
Accrued interest	1,400	3,313
Organizations and individuals	359,243	423,398
Other governments	1,566,327	2,167,147
	3,159,606	4,978,226
Allowance for doubtful accounts	(32,912)	(25,414)
	<u>3,126,694</u>	<u>4,952,812</u>

4. PORTFOLIO INVESTMENTS

	2016	2015
	\$	\$
Marketable securities		
Municipal debenture, bearing interest at 6.346% with principal and interest payments paid annually, due December 31, 2018.	55,306	80,509

5. INVENTORIES

	2016	2015
	\$	\$
Culverts	48,846	55,175
Chemicals (weed)	919	4,700
Grader blades	21,662	7,219
Street and road signage	12,442	10,927
Other	589	589
	<u>84,458</u>	<u>78,610</u>

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Accounts payable	482,144	3,390,025
Government payables	1,974,337	800,226
Accrued expenses	209,180	165,569
School levies (<i>schedule 13</i>)	-	228,794
Other governments	107,065	301,521
Deposits	608,493	585,868
Other	26,950	15,004
	<u>3,408,169</u>	<u>5,487,007</u>

7. DEFERRED REVENUE

	2016	2015
	\$	\$
Unexpended gas tax revenue	-	1,391,508
Unexpended grants	4,611	7,155
	<u>4,611</u>	<u>1,398,663</u>

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

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

8. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

Operating Landfill Sites:

The Municipality is currently operating a 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.

Estimated closure and post closure costs are calculated as follows:

Teulon Landfill	2016	2015
	\$	\$
Estimated closure and post closure costs	570,158	570,158
Discount rate applied	6.50 %	6.50 %
Discounted costs	68,871	65,167
Expected year landfill capacity to be reached	2050	2050
Expected end year for post closure care	N/A	N/A
Capacity (tonnes):		
Used to date	39,650	37,875
Remaining	60,350	62,125
Total	100,000	100,000
Percent utilized	39.65 %	37.88 %
Total	27,307	24,682
Komarno Landfill	2016	2015
	\$	\$
Estimated closure and post closure costs	307,395	307,395
Discount rate applied	6.50 %	6.50 %
Discounted costs	34,939	33,803
Expected year landfill capacity to be reached	2058	2058
Expected end year for post closure care	N/A	N/A
Capacity (tonnes):		
Used to date	16,000	15,429
Remaining	24,000	24,571
Total	40,000	40,000
Percent utilized	40.00 %	38.57 %
Total	13,976	13,039

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

9. LONG-TERM DEBT

	2016	2015
	\$	\$
Utility Funds:		
Municipal debenture payable in annual instalments of \$30,312 including interest at 6.3460%, due December 31, 2018.	55,306	80,509
Municipal debenture payable in annual instalments of \$32,438, including interest at 3.500%, due December 31, 2027**.	145,995	-
Municipal debenture payable in annual instalments of \$10,066, including interest at 4.6250%, due December 31, 2025**.	36,377	39,579
Municipal debenture payable in annual instalments of \$4,662, including interest at 5.000%, due December 31, 2020**.	8,266	10,092
Municipal debenture payable in annual instalments of \$9,825, including interest at 5.375%, due December 31, 2019**.	13,284	17,268
	<u>259,228</u>	<u>147,448</u>

**These debentures have been issued in the Grosse Isles Utility which is owned jointly with the Rural Municipality of Rosser. Therefore, the debentures are reflected in the consolidated statements based on the percentage ownership of the utility system.

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

2017	47,378
2018	49,944
2019	22,343
2020	18,374
2021	16,762

10. DEBT CHARGES - FRONTAGE

Purpose and By-law	2016 Levy	2015 Levy
	\$	\$
Stony Mountain Sewer and Water - 10/92	-	621
Balmoral Sewer and Water - 19/01	30,313	30,313
Grosse Isle	15,795	15,795
Gunton	35,085	35,085
	<u>81,193</u>	<u>81,814</u>

RURAL MUNICIPALITY OF ROCKWOOD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2016****11. RESERVES**

Purpose and By-law	Assessment	2016 Mill Rate	Levy	2015 Levy
			\$	\$
General Reserve	437,527,930	0.380	166,261	167,127
Machinery Replacement	437,527,930	0.422	184,637	185,823
Fire Equipment	437,527,930	0.211	92,318	93,103
Office Equipment	437,527,930	0.006	2,625	2,671
Road Construction			-	69,827
Public Works Equipment	437,527,930	0.021	9,188	9,158
Drainage	437,527,930	0.739	323,333	185,823
Parks and Playgrounds	437,527,930	0.011	4,813	4,579
Municipal Shop Reserve	437,527,930	0.106	46,378	46,551
			<u>829,553</u>	<u>764,662</u>

12. SPECIAL LEVIES

Purpose and By-law	Assessment	2016 Mill Rate	Levy	2015 Levy
			\$	\$
Waste Management			<u>183,024</u>	<u>170,628</u>

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

13. RETIREMENT BENEFITS

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$95,490 (2015 - \$88,974) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2015.

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

14. FINANCIAL INSTRUMENTS

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

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

15. BUDGET

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

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

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

16. SEGMENTED INFORMATION

The Rural Municipality of Rockwood provides a wide ranges of services to its residents.

Segment information has been provided in *Schedule 4* for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

17. GOVERNMENT PARTNERSHIPS

The municipality has several partnership agreements for municipal services. The consolidated financial statements include the municipality's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2016	2015
	\$	\$
Financial Position		
Financial Assets	6,112,080	21,117,936
Liabilities	16,056,256	27,738,991
	(9,944,176)	(6,621,055)
Non-financial Assets	58,868,341	53,931,475
Accumulated Surplus	48,924,165	47,310,420
Result of Operations		
Revenue	7,516,223	32,131,377
Expenses	5,902,477	4,767,057
Annual Surplus	1,613,746	27,364,320

18. ACCUMULATED SURPLUS

	2016	2015
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	2,395,918	1,050,336
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(12,667,300)	(11,766,646)
General Operating Tangible Capital Assets, net of related borrowings	8,173,871	8,190,385
Tangible Capital Assets, net of related borrowings	25,099,211	24,665,092
Reserve Funds	8,512,376	8,097,290
Accumulated surplus of municipality unconsolidated	31,514,076	30,236,457
Accumulated surpluses of consolidated government partnerships	7,533,145	7,326,377
Accumulated Surplus per Statement of Financial Position	39,047,221	37,562,834

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

19. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of The *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount in exceeding \$50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2016:

- (a) Compensation paid to members of council amounted to \$119,861 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$50,000 individually. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Jim Campbell	22,335	4,108	26,443
William Pinchin	14,993	2,172	17,165
William Matheson	14,150	1,702	15,852
Mark Hildebaugh	19,247	4,643	23,890
Terrence Hartle	17,288	3,955	21,243
Lyle Willis	13,959	3,205	17,164
Art Goudy	17,889	4,008	21,897
	119,861	23,793	143,654

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

Name	Position	Amount
Brian Hornick	Public Works	59,310
Greg Hryciw	Public Works	74,045
Keith Hynes	Public Works	70,086
Chris Luellman	CAO	99,774
Garry McClure	Public Works	66,189
Wayne Michaluk	Public Works	65,258
Jonna Peltz	Administration	72,964
Michael Powroznik	Public Works	61,297
Alan Schick	Public Works	86,788
Timothy Scott	Public Works	59,310
Ian Soroka	Public Works	58,673
Scott Taylor	Public Works	63,040
Ian Tesarski	Public Works	53,573

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

20. PUBLIC UTILITY BOARD

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

No capital grants have been deferred and amortized in these financial statements.

Water Services:		Unamortized		Unamortized
		Opening	Additions	Ending
Description of Utility		Balance	During Year	Balance
Stony Mountain		696,525	-	668,169
Balmoral		590,122	-	574,170
Grosse Isle		794,442	-	776,252
Gunton		1,879,999	-	1,839,999
		<u>3,961,088</u>	<u>-</u>	<u>3,858,590</u>

Sewer Services:		Unamortized		Unamortized
		Opening	Additions	Ending
Description of Utility		Balance	During Year	Balance
Stony Mountain		488,647	-	468,287
Balmoral		1,531,925	-	1,515,973
Grosse Isle		676,906	-	661,434
Gunton		1,879,999	-	1,839,999
		<u>4,577,477</u>	<u>-</u>	<u>4,485,693</u>

21. CHANGES IN WORKING CAPITAL

	2016	2015
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	1,826,118	(3,292,822)
Inventories	(5,848)	2,473
Prepaid expenses	924	(4,349)
Accounts payable and accrued liabilities	(2,078,838)	2,489,294
Deferred revenue	(1,394,052)	(206,638)
Landfill closure and post closure liabilities	3,562	3,301
	<u>(1,648,134)</u>	<u>(1,008,741)</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2016

	General Capital Assets					Infrastructure		2016	2015
	Land and Buildings and Land Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer Construction	Actual	Actual	
Cost									
Balance, beginning of year	925,930	2,587,532	4,680,828	200,596	-	18,448,291	28,681,959	2,338,393	57,863,529
Asset purchases	372,642	100,746	586,662	1,859	-	-	951,205	34,111	2,047,225
Disposals and write downs	63,575	4,303	422,228	457	-	-	-	-	490,563
Balance, end of year	1,234,997	2,683,975	4,845,262	201,998	-	18,448,291	29,633,164	2,372,504	59,420,191
Accumulated Amortization									
Balance, beginning of year	-	946,131	2,357,291	117,308	-	15,232,062	6,355,260	-	25,008,052
Amortization	920	79,499	349,679	27,777	-	360,196	551,197	-	1,369,268
Disposals and write downs	-	4,303	225,451	457	-	-	-	-	230,211
Balance, end of year	920	1,021,327	2,481,519	144,628	-	15,592,258	6,906,457	-	26,147,109
Net book value	1,234,077	1,662,648	2,363,743	57,370	-	2,856,033	22,726,707	2,372,504	33,273,082
									32,855,477

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

Schedule 2

	2016 Budget \$	2016 Actual \$	2015 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 12</i>)	3,693,122	3,693,375	3,599,022
Taxes added	160,000	130,885	83,713
	<u>3,853,122</u>	<u>3,824,260</u>	<u>3,682,735</u>
GRANTS IN LIEU OF TAXATION			
Federal government	212,094	317,240	367,456
Federal government enterprises	1,244	1,244	3,247
Provincial government	13,765	13,765	11,276
Provincial government enterprises	63,611	63,611	62,887
Other local governments	128	128	120
	<u>290,842</u>	<u>395,988</u>	<u>444,986</u>
USER FEES			
Sales of service	580,474	886,470	678,544
Sales of goods	2,100	1,710	1,853
Rentals	55,897	54,047	50,443
	<u>638,471</u>	<u>942,227</u>	<u>730,840</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	316,000	315,838	315,838
VLT revenues	121,000	120,350	120,350
Conditional grants	183,438	248,042	312,060
	<u>620,438</u>	<u>684,230</u>	<u>748,248</u>
GRANTS - OTHER			
Federal government - gas tax funding	430,000	1,871,613	623,417
Federal government - other	-	3,600	-
Other local governments	389,643	447,034	453,165
Other grant	-	348	-
	<u>819,643</u>	<u>2,322,595</u>	<u>1,076,582</u>
PERMITS, LICENCES AND FEES			
Permits	219,750	194,970	157,475
Licences	1,600	1,800	1,600
Aggregate mining and transportation fees	1,120,000	1,048,882	1,145,400
Leases	6,000	5,568	6,590
Subdivision fees	60,000	35,000	35,000
	<u>1,407,350</u>	<u>1,286,220</u>	<u>1,346,065</u>
INVESTMENT REVENUE			
Interest	41,672	103,394	127,313
Other interest	500	-	66
	<u>42,172</u>	<u>103,394</u>	<u>127,379</u>
OTHER REVENUE			
Gain on sale of tangible capital assets	160,000	24,632	60,214
Miscellaneous	56,029	86,952	50,755
Penalties and interest	55,000	53,897	57,124
	<u>271,029</u>	<u>165,481</u>	<u>168,093</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	1,231,171	707,719	799,542

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

Schedule 2

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Consolidated water co-operatives	362,579	746,190	4,207,336
	1,593,750	1,453,909	5,006,878
TOTAL REVENUE	9,536,817	11,178,304	13,331,806

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	150,000	150,770	148,085
General administrative	710,717	767,321	715,205
Other	67,700	67,678	55,520
	<u>928,417</u>	<u>985,769</u>	<u>918,810</u>
PROTECTIVE SERVICES			
Fire	679,487	586,355	583,565
Emergency measures	15,900	24,725	26,777
By-law enforcement	78,785	75,489	70,049
	<u>774,172</u>	<u>686,569</u>	<u>680,391</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	581,250	583,419	611,214
Road and street maintenance	3,288,624	3,286,913	2,826,709
Sidewalk and boulevard maintenance	30,500	16,745	8,893
Street lighting	40,000	35,633	32,813
Public transit	150,510	165,210	166,620
	<u>4,090,884</u>	<u>4,087,920</u>	<u>3,646,249</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	537,000	543,615	542,514
Lagoons and wells	7,000	11,790	10,676
	<u>544,000</u>	<u>555,405</u>	<u>553,190</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	5,000	4,241	4,241
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	281,498	309,230	248,180
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	128,537	135,043	132,444
Regional development	1,000	-	-
	<u>129,537</u>	<u>135,043</u>	<u>132,444</u>
RECREATION AND CULTURAL SERVICES			
Administration	3,000	2,606	2,391
Community centers and halls	150,000	145,416	162,018
Skating and curling rinks	25,000	25,000	21,000
Parks and playgrounds	10,000	224,021	187,569
Other recreational facilities	196,000	209,723	185,956
Libraries	375,094	421,570	424,547
Other cultural facilities	2,000	291	385
	<u>761,094</u>	<u>1,028,627</u>	<u>983,866</u>

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

Schedule 3

	2016 Budget \$	2016 Actual \$	2015 Actual \$
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	1,461,000	1,387,106	2,654,936
Consolidated water co-operatives	400,296	514,007	377,818
	<u>1,861,296</u>	<u>1,901,113</u>	<u>3,032,754</u>
TOTAL EXPENSES	<u>9,375,898</u>	<u>9,693,917</u>	<u>10,200,125</u>

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property taxes	3,824,260	3,682,735	-	-	-	-	-	-	-	-
Grants in lieu of taxation	395,988	444,986	-	-	-	-	-	-	-	-
User fees	88,348	81,041	35,964	37,179	-	-	-	-	-	-
Grants - Province of Manitoba	556,317	612,506	-	-	350,692	121,444	282,836	303,273	-	-
Grants - Other	1,871,613	623,417	-	-	19,080	18,510	-	-	-	-
Permits, licences and fees	1,098,850	1,198,990	112,925	102,036	48,400	46,450	-	-	-	-
Investment revenue	85,145	106,890	-	-	-	-	-	-	-	-
Other revenue	155,543	161,024	190	188	-	-	-	-	-	-
Water and sewer	(82,607)	(83,228)	506	138	802	660	-	(1,193)	-	-
Total revenue	7,993,457	6,828,361	149,585	139,541	418,974	187,064	282,836	302,080	-	-
EXPENSES										
Personnel services	511,237	513,961	178,576	184,775	908,108	925,485	108,171	83,616	-	-
Contract services	122,153	114,879	257,236	249,517	51,577	64,981	203,141	189,407	4,241	4,241
Utilities	-	-	4,457	4,483	1,406	1,452	-	-	-	-
Maintenance materials & supplies	244,197	210,354	127,426	98,166	2,540,525	2,078,342	244,093	280,167	-	-
Grants & contributions	(1,923)	8,390	-	-	-	-	-	-	-	-
Amortization	67,678	55,520	118,874	143,450	586,174	575,962	-	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other operating expense	42,427	15,706	-	-	130	27	-	-	-	-
Total expenses	985,769	918,810	686,569	680,391	4,087,920	3,646,249	555,405	553,190	4,241	4,241
SURPLUS (DEFICIT)	7,007,688	5,909,551	(536,984)	(540,850)	3,668,946	3,459,185	(272,569)	(251,110)	(4,241)	(4,241)

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

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2016	2015	2016	2015	2016	2015	2016	2015	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE									
Property taxes	-	-	-	-	-	-	3,824,260	3,682,735	
Grants in lieu of taxation	-	-	-	-	-	-	395,988	444,986	
User fees	1,125	11,818	88,033	90,501	95,229	85,584	942,227	730,840	
Grants - Province of Manitoba	-	-	-	-	108,833	117,232	684,230	748,248	
Grants - Other	32,274	32,274	25,089	25,089	232,294	247,316	2,322,595	1,076,582	
Permits, licences and fees	187,370	147,075	-	-	-	-	1,286,220	1,346,065	
Investment revenue	11,084	10,908	995	1,277	3,477	5,496	103,394	127,379	
Other revenue	1,370	813	479	1,835	6,781	4,816	165,481	168,093	
Water and sewer	-	-	-	8,060	-	-	790,176	882,680	
Total revenue	233,223	202,888	114,596	126,762	446,614	460,444	1,178,304	3,331,806	
EXPENSES									
Personnel services	162,772	165,662	43,554	42,826	269,526	240,420	375,165	275,261	2,432,006
Contract services	100,784	45,175	25,831	26,982	277,284	306,347	405,095	1,732,807	2,734,336
Utilities	3,268	3,295	799	866	44,716	44,588	232,744	184,679	239,363
Maintenance materials & supplies	40,789	32,456	58,803	58,706	119,706	101,047	281,077	209,725	3,068,963
Grants & contributions	-	-	-	-	279,723	249,956	41,095	74,545	332,891
Amortization	1,617	1,592	6,056	3,064	37,672	41,508	551,197	544,803	1,365,899
Interest on long term debt	-	-	-	-	-	-	14,740	10,934	10,934
Other operating expense	-	-	-	-	-	-	42,557	15,733	15,733
Total expenses	309,230	248,180	135,043	132,444	1,028,627	983,866	1,901,113	3,032,754	0,200,125
SURPLUS (DEFICIT)	(76,007)	(45,292)	(20,447)	(5,682)	(582,013)	(523,422)	(1,108,434)	(2,147,454)	3,131,681

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

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2016

	Core Government		Government Partnerships		Total
	2016	2015	2016	2015	
REVENUE	\$	\$	\$	\$	\$
Property taxes	3,824,260	3,682,735	-	-	3,824,260
Grants in lieu of taxation	395,988	444,986	-	-	395,988
User fees	673,489	480,909	268,738	249,931	942,227
Grants - Province of Manitoba	556,317	612,506	127,913	135,742	684,230
Grants - Other	1,871,613	623,417	450,982	453,165	2,322,595
Permits, licences and fees	1,098,850	1,198,990	187,370	147,075	1,286,220
Investment revenue	87,648	109,510	15,746	17,869	103,394
Other revenue	155,543	161,024	9,938	7,069	165,481
Water and sewer	707,719	799,542	-	-	707,719
Total revenue	9,371,427	8,113,619	1,806,877	5,218,187	1,178,304
EXPENSES					
Personnel services	1,834,211	1,781,004	722,898	651,002	2,557,109
Contract services	1,396,386	2,694,663	50,956	39,673	1,447,342
Utilities	179,819	147,331	107,571	92,032	287,390
Maintenance materials & supplies	3,107,755	2,630,607	548,861	438,356	3,656,616
Grants & contributions	318,895	332,891	-	-	318,895
Amortization	1,200,457	1,202,058	168,811	163,841	1,369,268
Interest on long term debt	13,858	10,343	882	591	14,740
Other operating expense	42,427	15,706	130	27	42,557
Total expenses	8,093,808	8,814,603	1,600,109	1,385,522	9,693,917
SURPLUS (DEFICIT)	1,277,619	(700,984)	206,768	3,832,665	1,484,387

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	General Reserve	Machinery Replacement Reserve	Fire Equipment Reserve	Community Enhancement Reserve	Admin Building Reserve	Teulon-Rockwood Centennial Hall Reserve	Dedication Fee Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	404,487	57,267	275,634	737,031	88,897	13,699	209,310
Portfolio investments	55,306	-	-	-	-	-	-
Due from other funds	57,336	267,908	424,706	-	(12,598)	-	35,000
	<u>517,129</u>	<u>325,175</u>	<u>700,340</u>	<u>737,031</u>	<u>76,299</u>	<u>13,699</u>	<u>244,310</u>
LIABILITIES							
Due to other funds	-	-	-	8,115	-	1,500	-
REVENUE							
Investment revenue	10,467	3,805	3,976	13,338	1,282	198	3,019
Water and sewer	-	-	-	-	-	-	-
	<u>10,467</u>	<u>3,805</u>	<u>3,976</u>	<u>13,338</u>	<u>1,282</u>	<u>198</u>	<u>3,019</u>
EXPENSES							
Transportation services	-	-	-	-	-	-	-
Recreation and cultural services	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS							
Transfers from (to) operating fund	(174,832)	(200,000)	(73,979)	8,115	(3,000)	-	(10,000)
Transfers from (to) utility fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	407,488	378,783	107,780	-	15,000	-	-
	<u>(232,656)</u>	<u>(178,783)</u>	<u>(33,801)</u>	<u>(8,115)</u>	<u>(12,000)</u>	<u>-</u>	<u>10,000</u>
CHANGE IN FUND BALANCES	(222,189)	(174,978)	(29,825)	5,223	(10,718)	198	13,019
FUND SURPLUS, BEGINNING OF YEAR	739,318	500,153	730,165	723,693	87,017	12,001	231,291
FUND SURPLUS, END OF YEAR	<u>517,129</u>	<u>325,175</u>	<u>700,340</u>	<u>728,916</u>	<u>76,299</u>	<u>12,199</u>	<u>244,310</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	Road Construction Reserve	Equipment Repair Reserve	Teulon- Rockwood Green Acres Park	Teulon Rockwood Waste Disposal Reserve	Drainage Reserve	Parks and Playgrounds	Gas Tax Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	123,661	13,770	62,926	81,308	305,089	50,193	211,395
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	-	34,376	-	22,847	-	101,600	1,502,169
	<u>123,661</u>	<u>48,146</u>	<u>62,926</u>	<u>104,155</u>	<u>305,089</u>	<u>151,793</u>	<u>1,713,564</u>
LIABILITIES							
Due to other funds	(322,982)	-	41,000	-	305,089	-	-
REVENUE							
Investment revenue	4,739	199	908	1,173	4,401	724	3,050
Water and sewer	<u>4,739</u>	<u>199</u>	<u>908</u>	<u>1,173</u>	<u>4,401</u>	<u>724</u>	<u>3,050</u>
EXPENSES							
Transportation services	-	-	-	-	-	-	-
Recreation and cultural services	-	-	-	-	-	15,000	-
Water and sewer	-	-	-	-	-	-	74,098
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>74,098</u>
TRANSFERS							
Transfers from (to) operating fund	(389,580)	(10,000)	-	(9,632)	332,290	(34,000)	(406,007)
Transfers from (to) utility fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	12,903
	<u>389,580</u>	<u>10,000</u>	<u>-</u>	<u>9,632</u>	<u>(332,290)</u>	<u>34,000</u>	<u>393,104</u>
CHANGE IN FUND BALANCES							
	394,319	10,199	908	10,805	(327,889)	19,724	322,056
FUND SURPLUS, BEGINNING OF YEAR	<u>52,324</u>	<u>37,947</u>	<u>21,018</u>	<u>93,350</u>	<u>327,889</u>	<u>132,069</u>	<u>1,391,508</u>
FUND SURPLUS, END OF YEAR	<u>446,643</u>	<u>48,146</u>	<u>21,926</u>	<u>104,155</u>	<u>-</u>	<u>151,793</u>	<u>1,713,564</u>

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	Sewer & Water Expansion Reserve	Aggregate Reserve	Stony Mountain Replacement	Balmoral Replacement	Transportatio n reserve	Grosse Isle Utility Reserve	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	178,698	1,102,538	173,601	36,655	-	16,275	4,142,434
Portfolio investments	-	-	-	-	-	-	55,306
Due from other funds	100,836	1,708,837	38,766	19,575	50,000	(4,000)	4,347,358
	279,534	2,811,375	212,367	56,230	50,000	12,275	8,545,098
LIABILITIES							
Due to other funds	-	-	-	-	-	-	32,722
REVENUE							
Investment revenue	2,578	15,905	2,503	529	-	-	72,794
Water and sewer	-	-	-	-	-	150	150
	2,578	15,905	2,503	529	-	150	72,944
EXPENSES							
Transportation services	-	21,919	-	-	-	-	21,919
Recreation and cultural services	-	-	-	-	-	-	15,000
Water and sewer	-	-	-	-	-	-	74,098
	-	21,919	-	-	-	-	111,017
TRANSFERS							
Transfers from (to) operating fund	(15,000)	(369,969)	48,281	-	(50,000)	-	(1,357,313)
Transfers from (to) utility fund	-	-	12,800	5,000	-	-	17,800
Acquisition of tangible capital assets	-	-	-	-	-	-	921,954
	15,000	369,969	(35,481)	5,000	50,000	-	453,159
CHANGE IN FUND BALANCES	17,578	363,955	(32,978)	5,529	50,000	150	415,086
FUND SURPLUS, BEGINNING OF YEAR	261,956	2,447,420	245,345	50,701	-	12,125	8,097,290
FUND SURPLUS, END OF YEAR	279,534	2,811,375	212,367	56,230	50,000	12,275	8,512,376

Reid & Associates Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	2015 Actual	\$
FINANCIAL ASSETS		
Cash and temporary investments	5,160,214	
Portfolio investments	80,509	
Due from other funds	3,761,161	
	<u>9,001,884</u>	
LIABILITIES		
Due to other funds	904,594	
REVENUE		
Investment revenue	85,541	
Water and sewer	90	
	<u>85,631</u>	
EXPENSES		
Transportation services	-	
Recreation and cultural services	15,000	
Water and sewer	-	
	<u>15,000</u>	
TRANSFERS		
Transfers from (to) operating fund	172,320	
Transfers from (to) utility fund	21,800	
Acquisition of tangible capital assets	189,946	
	<u>(340,466)</u>	
CHANGE IN FUND BALANCES		
	(269,835)	
FUND SURPLUS, BEGINNING OF YEAR		
	<u>8,367,125</u>	
FUND SURPLUS, END OF YEAR		
	<u>8,097,290</u>	

Reid & Associates Chartered Professional Accountants Inc.

**RURAL MUNICIPALITY OF ROCKWOOD
SCHEDULE OF TRUST FUNDS**

For the Year Ended December 31, 2016

Schedule 7

REVENUE				
Investment income	-	-	-	573
EXPENSES				
Other trust expense	-	-	-	98,677
Excess (deficiency) of revenue over expenses	-	-	-	(98,104)
Fund balance, beginning of year	-	-	-	98,104

RURAL MUNICIPALITY OF ROCKWOOD SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2016

Schedule 8

	Story Mountain	Balmoral	Grosse Isle	Gunton	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS						
Accounts receivable (note 3)	47,471	15,248	1,933	17,600	82,252	73,844
Due from other funds	(196,932)	(650,870)	-	(611,125)	(1,458,927)	(1,466,264)
	(149,461)	(635,622)	1,933	(593,525)	(1,376,675)	(1,392,420)
LIABILITIES						
Bank indebtedness	-	-	930,933	-	930,933	831,689
Accounts payable and accrued liabilities (note 6)	47,578	-	(3,111)	-	44,467	165,920
Long-term debt (note 9)	-	55,306	203,922	-	259,228	147,448
Due to other funds	775,265	124,953	849,775	162,838	1,912,831	1,771,545
	822,843	180,259	1,981,519	162,838	3,147,459	2,916,602
NON-FINANCIAL ASSETS						
Tangible capital assets (schedule 1)	3,740,329	4,023,589	3,389,323	5,799,199	16,952,440	17,203,861
Inventories	-	-	589	-	589	589
Prepaid expenses	194	1,714	381	728	3,017	3,018
	3,740,523	4,025,303	3,390,293	5,799,927	16,956,046	17,207,468
FUND SURPLUS	2,768,219	3,209,422	1,410,707	5,043,564	12,431,912	12,898,446

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 9

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2016

STONY MOUNTAIN UTILITY

	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
WATER			
Water fees	146,600	136,809	139,858
Bulk water fees	-	294	-
	<u>146,600</u>	<u>137,103</u>	<u>139,858</u>
SEWER			
Sewer fees	<u>61,500</u>	<u>52,441</u>	<u>55,013</u>
PROPERTY TAXES	-	-	621
OTHER REVENUE			
Hydrant rentals	12,000	12,000	12,000
Connection charges	-	400	450
Installation service	16,100	4,000	61,950
Penalties	2,600	2,793	2,372
Other income	<u>102,000</u>	<u>114,178</u>	<u>100,955</u>
	<u>132,700</u>	<u>133,371</u>	<u>177,727</u>
TOTAL REVENUE	<u>340,800</u>	<u>322,915</u>	<u>373,219</u>
EXPENSES			
GENERAL			
Administration	<u>39,000</u>	<u>45,233</u>	<u>42,109</u>
WATER			
Purification and treatment	8,000	9,481	8,860
Transmission and distribution	100,000	135,420	123,355
Transportation services	79,000	103,059	86,087
Connection costs	20,000	8,300	55,450
	<u>207,000</u>	<u>256,260</u>	<u>273,752</u>
WATER AMORTIZATION AND INTEREST			
Amortization	95,000	94,867	94,442
Interest on long-term debt	-	-	35
	<u>95,000</u>	<u>94,867</u>	<u>94,477</u>
SEWER			
Collection system costs	79,000	132,450	89,411
Treatment and disposal costs	4,000	711	14,754
Lift station costs	8,000	11,247	5,592
	<u>91,000</u>	<u>144,408</u>	<u>109,757</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 9

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
SEWER AMORTIZATION AND INTEREST			
Amortization	58,000	58,031	57,790
TOTAL EXPENSES	490,000	598,799	577,885
EXCESS OF EXPENSES OVER REVENUE	(149,200)	(275,884)	(204,666)
TRANSFERS			
Transfers from (to) utility fund	-	(12,800)	(12,800)
CHANGE IN UTILITY FUND BALANCE	(149,200)	(288,684)	(217,466)
FUND SURPLUS, BEGINNING OF YEAR	3,056,903	3,056,903	3,274,369
FUND SURPLUS, END OF YEAR	2,907,703	2,768,219	3,056,903

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 9

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2016

	BALMORAL UTILITY		
	2016	2016	2015
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	50,500	40,295	46,789
Bulk water fees	500	276	263
	<u>51,000</u>	<u>40,571</u>	<u>47,052</u>
SEWER			
Sewer fees	<u>48,500</u>	<u>39,562</u>	<u>44,176</u>
PROPERTY TAXES	<u>-</u>	<u>30,312</u>	<u>30,312</u>
OTHER REVENUE			
Hydrant rentals	2,800	2,800	2,800
Installation service	4,000	-	-
Penalties	800	709	928
Other income	<u>9,000</u>	<u>8,260</u>	<u>7,880</u>
	<u>16,600</u>	<u>11,769</u>	<u>11,608</u>
TOTAL REVENUE	<u>116,100</u>	<u>122,214</u>	<u>133,148</u>
EXPENSES			
GENERAL			
Administration	<u>8,000</u>	<u>7,906</u>	<u>6,072</u>
WATER			
Purification and treatment	4,500	6,357	4,010
Transmission and distribution	16,000	18,306	15,341
Transportation services	34,100	26,925	23,242
Connection costs	<u>5,000</u>	<u>-</u>	<u>-</u>
	<u>59,600</u>	<u>51,588</u>	<u>42,593</u>
WATER AMORTIZATION AND INTEREST			
Amortization	53,500	53,343	53,251
Interest on long-term debt	<u>5,100</u>	<u>5,109</u>	<u>6,613</u>
	<u>58,600</u>	<u>58,452</u>	<u>59,864</u>
SEWER			
Collection system costs	36,500	20,926	15,341
Treatment and disposal costs	7,000	1,800	-
Lift station costs	-	4,294	2,957
	<u>43,500</u>	<u>27,020</u>	<u>18,298</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>38,600</u>	<u>38,558</u>	<u>38,649</u>

RURAL MUNICIPALITY OF ROCKWOOD
SCHEDULE OF UTILITY OPERATIONS

Schedule 9

For the Year Ended December 31, 2016

TOTAL EXPENSES	<u>208,300</u>	<u>183,524</u>	<u>165,476</u>
EXCESS OF EXPENSES OVER REVENUE	(92,200)	(61,310)	(32,328)
TRANSFERS			
Transfers from (to) utility fund	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
CHANGE IN UTILITY FUND BALANCE	(92,200)	(66,310)	(37,328)
FUND SURPLUS, BEGINNING OF YEAR	<u>3,275,732</u>	<u>3,275,732</u>	<u>3,313,060</u>
FUND SURPLUS, END OF YEAR	<u><u>3,183,532</u></u>	<u><u>3,209,422</u></u>	<u><u>3,275,732</u></u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 9

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2016

	GROSSE ISLE UTILITY		
	2016	2016	2015
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	53,225	48,400	44,175
SEWER			
Sewer fees	16,350	15,850	16,313
PROPERTY TAXES	-	7,898	7,898
GOVERNMENT TRANSFERS			
Other transfer	166,427	40,995	159,455
OTHER REVENUE			
Hydrant rentals	1,725	1,725	1,725
Connection charges	42,500	26,895	12,923
Administration fees	8,250	8,232	8,060
Other income	478,901	83,013	8,330
	531,376	119,865	31,038
TOTAL REVENUE	767,378	233,008	258,879
EXPENSES			
GENERAL			
Administration	16,975	30,493	33,920
Billing and collection	2,700	2,415	2,575
	19,675	32,908	36,495
WATER			
Purification and treatment	300	778	296
Transmission and distribution	22,775	24,849	20,922
Water purchases	29,000	30,325	27,867
Connection costs	-	27,395	9,095
	52,075	83,347	58,180
WATER AMORTIZATION AND INTEREST			
Amortization	46,250	46,250	46,048
Interest on long-term debt	8,749	8,749	3,695
	54,999	54,999	49,743
SEWER			
Treatment and disposal costs	388,664	112,719	1,526,379
Lift station costs	1,537	1,298	1,398
	390,201	114,017	1,527,777
SEWER AMORTIZATION AND INTEREST			
Amortization	30,000	27,918	27,733

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 9****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2016**

TOTAL EXPENSES	<u>546,950</u>	<u>313,189</u>	<u>1,699,928</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	220,428	(80,181)	(1,441,049)
TRANSFERS			
Transfers from (to) operating fund	-	(74,098)	-
Transfers from (to) utility fund	-	-	(4,000)
	<u>-</u>	<u>74,098</u>	<u>(4,000)</u>
CHANGE IN UTILITY FUND BALANCE	220,428	(6,083)	(1,445,049)
FUND SURPLUS, BEGINNING OF YEAR	<u>1,416,790</u>	<u>1,416,790</u>	<u>2,861,839</u>
FUND SURPLUS, END OF YEAR	<u><u>1,637,218</u></u>	<u><u>1,410,707</u></u>	<u><u>1,416,790</u></u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 9****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2016**

	GUNTON UTILITY		
	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>34,500</u>	<u>35,217</u>	<u>35,404</u>
SEWER			
Sewer fees	<u>24,500</u>	<u>23,546</u>	<u>24,287</u>
PROPERTY TAXES	<u>-</u>	<u>36,500</u>	<u>36,500</u>
OTHER REVENUE			
Hydrant rentals	4,000	4,000	4,000
Connection charges	10,000	5,400	10,000
Penalties	1,500	1,022	1,182
Other income	<u>15,000</u>	<u>6,354</u>	<u>6,061</u>
	<u>30,500</u>	<u>16,776</u>	<u>21,243</u>
TOTAL REVENUE	<u>89,500</u>	<u>112,039</u>	<u>117,434</u>
EXPENSES			
GENERAL			
Administration	<u>7,000</u>	<u>6,813</u>	<u>4,917</u>
WATER			
Purification and treatment	2,500	11	210
Transmission and distribution	25,000	27,959	26,600
Transportation services	17,500	10,979	13,654
Connection costs	<u>4,000</u>	<u>5,400</u>	<u>10,000</u>
	<u>49,000</u>	<u>44,349</u>	<u>50,464</u>
WATER AMORTIZATION AND INTEREST			
Amortization	<u>63,000</u>	<u>63,035</u>	<u>63,035</u>
SEWER			
Collection system costs	17,000	20,479	18,187
Lift station costs	<u>16,500</u>	<u>19,602</u>	<u>11,826</u>
	<u>33,500</u>	<u>40,081</u>	<u>30,013</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>63,250</u>	<u>63,218</u>	<u>63,218</u>
TOTAL EXPENSES	<u>215,750</u>	<u>217,496</u>	<u>211,647</u>
EXCESS OF EXPENSES OVER REVENUE	<u>(126,250)</u>	<u>(105,457)</u>	<u>(94,213)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>5,149,021</u>	<u>5,149,021</u>	<u>5,243,234</u>

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

Schedule 9

FUND SURPLUS, END OF YEAR

<u>5,022,771</u>	<u>5,043,564</u>	<u>5,149,021</u>
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RURAL MUNICIPALITY OF ROCKWOOD

Schedule 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Government Partnerships	PSAB Budget
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Property taxes	3,853,122	-	-	-	-	-	-	3,853,122
Grants in lieu of taxation	290,842	-	-	-	-	-	-	290,842
User fees	476,233	-	-	-	-	-	162,238	638,471
Grants - Province of Manitoba	502,000	-	-	-	-	-	118,438	620,438
Grants - Other	430,000	-	-	-	-	-	389,643	819,643
Permits, licences and fees	1,199,600	-	-	-	-	-	207,750	1,407,350
Investment revenue	30,500	-	-	-	-	-	11,672	42,172
Other revenue	270,651	-	-	-	-	-	378	271,029
Transfers	700,000	36,500	-	-	(736,500)	-	-	-
Water and sewer	(82,607)	1,313,778	-	-	-	-	362,579	1,593,750
	<u>7,670,341</u>	<u>1,350,278</u>	<u>-</u>	<u>-</u>	<u>(736,500)</u>	<u>-</u>	<u>1,252,698</u>	<u>9,536,817</u>
EXPENSES								
General government services	860,717	-	67,700	-	-	-	-	928,417
Protective services	478,500	-	115,825	-	-	-	179,847	774,172
Transportation services	3,416,124	-	569,250	-	-	-	105,510	4,090,884
Environmental health services	544,000	-	-	-	-	-	-	544,000
Public health and welfare services	5,000	-	-	-	-	-	-	5,000
Regional planning and development	45,000	-	-	-	-	-	236,498	281,498
Resource conservation and industrial development	28,000	-	-	-	-	-	101,537	129,537
Recreation and cultural services	514,000	-	3,000	-	-	-	244,094	761,094
Transfers	1,779,000	45,300	-	-	(1,824,300)	-	-	-
Water and sewer	-	1,008,300	447,600	13,849	(8,749)	-	400,296	1,861,296
	<u>7,670,341</u>	<u>1,053,600</u>	<u>1,203,375</u>	<u>13,849</u>	<u>(1,833,049)</u>	<u>-</u>	<u>1,267,782</u>	<u>9,375,898</u>
SURPLUS (DEFICIT)	<u>-</u>	<u>296,678</u>	<u>(1,203,375)</u>	<u>(13,849)</u>	<u>1,096,549</u>	<u>-</u>	<u>(15,084)</u>	<u>160,919</u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 11****ANALYSIS OF TAXES ON ROLL****For the Year Ended December 31, 2016**

	2016 Actual \$	2015 Actual \$
BALANCE, BEGINNING OF YEAR	508,274	493,056
Add:		
Tax Levy (<i>schedule 12</i>)	9,651,255	9,288,154
Taxes added	130,885	83,713
Penalties and interest	53,897	57,124
Sub-total	10,344,311	9,922,047
Deduct:		
Cash collections - current	7,764,255	7,530,132
Cash collections - arrears	372,057	360,697
Cancellations	34,929	14,945
Tax discounts	-	-
M.P.T.C. - cash advance	1,514,580	1,507,999
Sub-total	9,685,821	9,413,773
BALANCE, END OF YEAR	658,490	508,274
Error - opening balance does not balance with prior years	(252)	-

RURAL MUNICIPALITY OF ROCKWOOD
ANALYSIS OF TAX LEVY

Schedule 12

For the Year Ended December 31, 2016

	Assessment	2016 Mill Rate	Levy	2015 Levy
Debt Charges:				
Frontage (note 10)			81,193	81,814
L.I.D.			-	-
At large			-	-
Reserves:				
Reserves (note 11)			829,553	764,662
Other municipal levies:				
General municipal	437,527,930	5.941	2,599,352	2,581,686
Special levy (note 12)			183,024	170,628
			<u>2,782,376</u>	<u>2,752,314</u>
Business tax (rate 0.00%)			253	232
Total municipal taxes (schedule 2)			<u>3,693,375</u>	<u>3,599,022</u>
Education Support Levy	24,421,550	10.500	256,426	258,120
Special levy:				
Interlake School Division	432,746,330	13.149	5,690,007	5,419,408
Evergreen School Division	264,920	10.698	2,834	2,700
Lakeshore School Division	534,460	16.115	8,613	8,904
			<u>5,701,454</u>	<u>5,431,012</u>
Total education taxes			<u>5,957,880</u>	<u>5,689,132</u>
Total tax levy (schedule 11)			<u>9,651,255</u>	<u>9,288,154</u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 13****ANALYSIS OF SCHOOL ACCOUNTS****For the Year Ended December 31, 2016**

	Opening Balance	2016 Current Requirement	Current Payment	Ending Balance	2015 Ending Balance
	\$	\$	\$	\$	\$
Education Support Levy	25,683	597,732	623,415	-	25,683
Special Levies:					
Interlake School Division	202,770	5,676,328	5,879,098	-	202,770
Evergreen School Division	60	2,590	2,650	-	60
Lakeshore School Division	281	5,830	6,111	-	281
Sub-total	203,111	5,684,748	5,887,859	-	203,111
Total	228,794	6,282,480	6,511,274	-	228,794

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	150,000	150,770	148,085
General administrative	710,717	767,321	715,205
Other	67,700	67,678	55,520
	<u>928,417</u>	<u>985,769</u>	<u>918,810</u>
PROTECTIVE SERVICES			
Fire	548,325	495,292	498,985
Emergency measures	11,000	19,302	21,647
By-law enforcement	35,000	36,500	27,960
	<u>594,325</u>	<u>551,094</u>	<u>548,592</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	581,250	583,419	611,214
Road and street maintenance	3,288,624	3,264,994	2,826,709
Sidewalk and boulevard maintenance	30,500	16,745	8,893
Street lighting	40,000	35,633	32,813
Public transit	45,000	44,362	57,935
	<u>3,985,374</u>	<u>3,945,153</u>	<u>3,537,564</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	537,000	543,615	542,514
Lagoons and wells	7,000	11,790	10,676
	<u>544,000</u>	<u>555,405</u>	<u>553,190</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	5,000	4,241	4,241
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	45,000	93,828	43,744
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	27,000	25,112	25,637
Regional development	1,000	-	-
	<u>28,000</u>	<u>25,112</u>	<u>25,637</u>
RECREATION AND CULTURAL SERVICES			
Administration	3,000	2,606	2,391
Community centers and halls	150,000	145,416	162,018
Skating and curling rinks	25,000	25,000	21,000
Parks and playgrounds	10,000	10,137	9,656
Other recreational facilities	196,000	194,723	170,956
Libraries	131,000	131,008	146,483
Other cultural facilities	2,000	291	385
	<u>517,000</u>	<u>509,181</u>	<u>512,889</u>
TOTAL EXPENSES	<u>6,647,116</u>	<u>6,669,783</u>	<u>6,144,667</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 15

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2016

	General	Utility	2016	2015
	\$	\$	Total	Total
			\$	\$
CONSOLIDATED ANNUAL SURPLUS (statement 2)				
Elimination of appropriations from reserves	1,950,921	(466,534)	1,484,387	3,131,681
Elimination of appropriations to reserves	1,281,228	74,098	1,355,326	1,922,521
Consolidation of reserve operations	(1,790,685)	(17,800)	(1,808,485)	(1,772,100)
Elimination of consolidated entity operations	41,255	(3,182)	38,073	(73,971)
Amortization of tangible capital assets	(206,768)	-	(206,768)	(3,832,665)
Principal portion of long term debt	755,238	445,220	1,200,458	1,202,060
Decrease in unexpended gas tax funds	-	(44,950)	(44,950)	(32,866)
Utility repairs covered by debenture	(1,391,508)	-	(1,391,508)	(213,793)
Acquisitions of capital assets from operating funds	(689,856)	(7,992)	(697,848)	1,491,138
				(283,608)
ESTIMATED EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	(50,175)	(21,140)	(71,315)	1,538,397

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