

R.M. OF REYNOLDS

**Consolidated Financial Statements
For the Year Ended December 31, 2015**

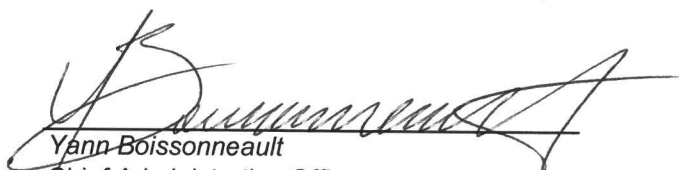
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the *Rural Municipality of Reynolds* 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 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.

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.

KPMG LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor/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.



Yann Boissonneault
Chief Administrative Officer



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INDEPENDENT AUDITORS' REPORT

To the Reeve and Members of Council of the Rural Municipality of Reynolds

We have audited the accompanying financial statements of the Rural Municipality of Reynolds, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information including schedules 1 to 12.

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 an 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 our 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, we consider 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 consolidated financial position of the Rural Municipality of Reynolds as at December 31, 2015, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

November 6, 2017

Winnipeg, Canada

R.M. OF REYNOLDS

Consolidated Financial Statements

For the Year Ended December 31, 2015

Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	15
Schedule 2 - Consolidated Schedule of Revenues	16
Schedule 3 - Consolidated Schedule of Expenses	17
Schedule 4 - Consolidated Statement of Operations by Program	18
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	20
Schedule 6 - Schedule of Change in Reserve Fund Balances	21
Schedule 7 - Reconciliation of the Financial Plan to the Budget	22
Schedule 8 - Analysis of Taxes on Roll	23
Schedule 9 - Analysis of Tax Levy	24
Schedule 10 - Analysis of School Accounts	25
Schedule 11 - Schedule of General Operating Fund Expenses	26
Schedule 12 - Reconciliation of Annual Surplus (Deficit)	27

R.M. OF REYNOLDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 4,208,881	\$ 3,794,649
Amounts receivable (Note 4)	306,753	295,952
	<u>\$ 4,515,634</u>	<u>\$ 4,090,601</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 733,808	\$ 486,808
Deferred revenue (Note 6)	442,881	427,910
Landfill closure and post closure liabilities (Note 7)	568	501
	<u>1,177,257</u>	<u>915,219</u>
NET FINANCIAL ASSETS	<u>\$ 3,338,377</u>	<u>\$ 3,175,382</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 1,157,402	\$ 1,129,321
Prepaid expenses	4,170	69,001
	<u>1,161,572</u>	<u>1,198,322</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 4,499,949</u>	<u>\$ 4,373,704</u>

Approved on behalf of Council:

Reeve

Councillor

The accompanying notes are an integral part of these financial statements.

R.M. OF REYNOLDS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2015

	<u>2015 Budget (Note 10)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
REVENUE			
Property taxes	\$ 612,126	\$ 663,821	\$ 607,070
Grants in lieu of taxation	56,501	56,505	56,502
User fees	78,487	79,889	89,852
Investment income	35,138	65,148	61,897
Other revenue	-	872	-
Grants - Province of Manitoba	345,670	303,275	319,448
Grants - other	167,110	189,956	169,214
	<u>1,295,032</u>	<u>1,359,466</u>	<u>1,303,983</u>
EXPENSES			
General government services	405,093	367,005	348,443
Protective services	251,067	178,099	168,329
Transportation services	490,777	459,634	368,471
Environmental health services	172,003	172,669	167,024
Public health and welfare services	25,497	20,498	20,497
Regional planning and development	35,050	32,004	38,853
Resource conservation and industrial development	40,750	1,069	9,486
Recreation and cultural services	45,857	2,243	33,442
	<u>1,466,094</u>	<u>1,233,221</u>	<u>1,154,545</u>
Total expenses (Schedules 3, 4 and 5)	<u>1,466,094</u>	<u>1,233,221</u>	<u>1,154,545</u>
ANNUAL SURPLUS (DEFICIT)	<u>(171,062)</u>	126,245	149,438
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>4,373,704</u>	<u>4,224,266</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 4,499,949</u>	<u>\$ 4,373,704</u>

The accompanying notes are an integral part of these financial statements.

R.M. OF REYNOLDS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2015

	<u>2015 Budget (Note 10)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ (171,062)	\$ 126,245	\$ 149,438
Acquisition of tangible capital assets	-	(112,035)	(29,616)
Amortization of tangible capital assets	82,020	83,954	81,839
Decrease (increase) in prepaid expense	-	64,831	(65,060)
	<u>82,020</u>	<u>36,750</u>	<u>(12,837)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>(89,042)</u>	162,995	136,601
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>3,175,382</u>	<u>3,038,781</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 3,338,377</u>	<u>\$ 3,175,382</u>

The accompanying notes are an integral part of these financial statements.

R.M. OF REYNOLDS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 126,245	\$ 149,438
Changes in non-cash items:		
Amounts receivable	(10,801)	21,006
Prepays	64,831	(65,060)
Accounts payable and accrued liabilities	247,000	114,834
Deferred revenue	14,971	28,944
Landfill closure and post closure liabilities	67	60
Amortization	83,954	81,839
	<u>526,267</u>	<u>331,061</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(112,035)</u>	<u>(29,616)</u>
Cash applied to capital transactions	<u>(112,035)</u>	<u>(29,616)</u>
INVESTING TRANSACTIONS		
Cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Cash applied to financing transactions	<u>-</u>	<u>-</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	414,232	301,445
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>3,794,649</u>	<u>3,493,204</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 4,208,881</u></u>	<u><u>\$ 3,794,649</u></u>

The accompanying notes are an integral part of these financial statements.

R.M. OF REYNOLDS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. Status of Rural Municipality of Reynolds

The incorporated Rural Municipality of Reynolds is a municipal government that was created as a local government district in January 1945 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 has several designated special purpose reserves and provides funding support for other financial entities involved in environmental health and regional planning and development.

2. 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:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Whitemouth-Reynolds Planning District	55%
Whitemouth-Reynolds-North Whiteshell Waste Management Facility	27.62%
Whitemouth River Recreation Commission	50%

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

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) 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.

e) 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.

f) 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. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

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

Assets under construction includes direct costs and is stated at the lower of cost and net recoverable amount. Costs associated with the construction of these asset are capitalized until the asset is placed in use. No amortization is taken on assets under construction until that date.

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.

g) 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.

h) 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.

i) 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:

	<u>2015</u>	<u>2014</u>
Cash	<u>\$ 4,208,881</u>	<u>\$ 3,794,649</u>

The Municipality has designated \$1,025,452 (2014 - \$959,473) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2015</u>	<u>2014</u>
Taxes on roll (Schedule 8)	\$ 143,778	\$ 121,652
Government grants	63,860	69,883
Organizations and individuals	<u>99,115</u>	<u>104,417</u>
	306,753	295,952
Less allowances for doubtful amounts	<u>-</u>	<u>-</u>
	<u>\$ 306,753</u>	<u>\$ 295,952</u>

5. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 69,745	\$ 54,897
Accrued expenses	19,257	21,096
School levies (Schedule 10)	<u>644,806</u>	<u>410,815</u>
	<u>\$ 733,808</u>	<u>\$ 486,808</u>

6. Deferred Revenue

Deferred revenue is comprised of the following:

	<u>2015</u>	<u>2014</u>
Gas Tax contribution	\$ 442,034	\$ 422,410
Other	<u>847</u>	<u>5,500</u>
	<u>\$ 442,881</u>	<u>\$ 427,910</u>

On January 1, 2013, the Municipality adopted provisions of PS3410 Government Transfer which resulted in a reclassification of balances previously as Gas Tax reserves which met the criteria of a liability to deferred revenue.

Transactions related to Gas Tax contributions occurring during the year are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 422,410	\$ 393,466
Funding received during the year	66,093	66,102
Interest earned	3,518	4,007
Recognized as revenue during the year	<u>(49,987)</u>	<u>(41,165)</u>
Balance, end of year	<u>\$ 442,034</u>	<u>\$ 422,410</u>

7. Landfill Closure and Post Closure Liabilities

Operating Landfill Site

The Municipality is currently operating a Class 1 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.

	<u>2015</u>	<u>2014</u>
Estimated closure and post closure costs over the next 50 years	<u>\$ 54,350</u>	<u>\$ 54,350</u>
Discount rate	<u>7.00%</u>	<u>7.00%</u>
Discounted costs	<u>\$ 5,828</u>	<u>\$ 5,447</u>
Expected year capacity will be reached	2048	2048
Capacity (in years):		
Used to date	18	17
Remaining	33	34
Total	<u>51</u>	<u>51</u>
Percent utilized	<u>35.29%</u>	<u>33.33%</u>
Liability based on percentage	<u>\$ 2,057</u>	<u>\$ 1,816</u>
R.M. of Reynolds percentage of operations	27.62%	27.62%
R.M. of Reynolds Liability based on percentage of partnership	<u>\$ 568</u>	<u>\$ 501</u>

8. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$7,556 (2014 - \$7,626) 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, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 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, 2014.

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.

9. 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.

10. 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 7 - Reconciliation of the Financial Plan to the Budget.

11. Accumulated Surplus

	<u>2015</u>	<u>2014</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,292,974	\$ 2,255,393
TCA net of related borrowings	1,034,009	1,026,292
Reserve funds	1,025,452	959,473
Accumulated surplus of municipality unconsolidated	4,352,435	4,241,158
Accumulated surpluses of consolidated entities	147,514	132,546
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 4,499,949</u>	<u>\$ 4,373,704</u>

12. 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 equal to or exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2015:

- a) Compensation paid to members of council amounted to \$102,661 in aggregate.
- b) There were no members of council receiving compensation equal to or in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor/Reeve - David Turchyn	\$ 13,680	\$ 4,663	\$ 18,343
Councillor - Garry Gaetz	8,345	2,371	10,716
Councillor - Curtis Buley	9,631	3,035	12,666
Councillor - De-Ann Holmes	9,160	4,267	13,427
Councillor - Mike Turchyn	8,655	4,457	13,112
Councillor - Michael Huzel	7,998	636	8,634
Councillor - Robert Shendroski	9,665	1,810	11,475
Councillor - Alan Kelly	9,596	4,692	14,288
	<u>\$ 76,730</u>	<u>\$ 25,931</u>	<u>\$ 102,661</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Trudy Turchyn</i>	<i>Chief Administrative Officer</i>	\$ 54,538

13. Segmented Information

The Rural Municipality of Reynolds 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.

14. Comparative Amounts

Certain of the comparative amounts presented have been restated to conform to the current year's consolidated financial statement presentation.

R.M. OF REYNOLDS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2015

SCHEDULE 1

	General Capital Assets				Infrastructure	Totals		
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Assets Under Construction	2015	2014
Cost								
Opening costs	\$ 186,189	\$ 448,519	\$ 273,078	\$ 65,719	\$ 1,347,949	\$ -	\$ 2,321,454	\$ 2,291,838
Additions during the year	-	-	23,318	33,100	5,630	49,987	112,035	29,616
Disposals and write downs	-	-	-	-	-	-	-	-
Closing costs	<u>186,189</u>	<u>448,519</u>	<u>296,396</u>	<u>98,819</u>	<u>1,353,579</u>	<u>49,987</u>	<u>2,433,489</u>	<u>2,321,454</u>
Accumulated Amortization								
Opening accum'd amortization	31,571	193,047	149,730	46,331	771,454	-	1,192,133	1,110,294
Amortization	3,184	17,941	19,566	9,927	33,336	-	83,954	81,839
Disposals and write downs	-	-	-	-	-	-	-	-
Closing accum'd amortization	<u>34,755</u>	<u>210,988</u>	<u>169,296</u>	<u>56,258</u>	<u>804,790</u>	<u>-</u>	<u>1,276,087</u>	<u>1,192,133</u>
Net Book Value of Tangible Capital Assets	<u>\$ 151,434</u>	<u>\$ 237,531</u>	<u>\$ 127,100</u>	<u>\$ 42,561</u>	<u>\$ 548,789</u>	<u>\$ 49,987</u>	<u>\$ 1,157,402</u>	<u>\$ 1,129,321</u>

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2015

	2015 Actual	2014 Actual
Property taxes:		
Municipal taxes levied (Schedule 9)	\$ 581,133	\$ 570,282
Taxes added	72,986	25,037
Penalties and interest	9,702	11,751
	<u>663,821</u>	<u>607,070</u>
Grants in lieu of taxation:		
Federal government	1,827	1,982
Provincial government	11,523	11,365
Other local governments	43,155	43,155
	<u>56,505</u>	<u>56,502</u>
User fees:		
Sales of service	36,508	46,728
Sales of goods	20,482	21,447
Rentals	3,020	3,534
Development charges	19,879	18,143
	<u>79,889</u>	<u>89,852</u>
Investment income:		
Cash and temporary investments	65,148	61,897
	<u>65,148</u>	<u>61,897</u>
Other revenue:		
Gain on sale of tangible capital assets	-	-
Contributed assets	-	-
Miscellaneous	872	-
	<u>872</u>	<u>-</u>
Grants - Province of Manitoba:		
General support grant	50,961	50,961
VLT revenues	23,612	23,612
Conditional grants	228,702	244,875
	<u>303,275</u>	<u>319,448</u>
Grants - other:		
Federal government - gas tax funding	46,469	37,158
Federal government - other	-	-
Other local governments	143,487	132,056
	<u>189,956</u>	<u>169,214</u>
Total revenue	<u><u>\$ 1,359,466</u></u>	<u><u>\$ 1,303,983</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2015

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 68,735	\$ 65,440
General administrative	251,095	228,502
Other	47,175	54,501
	<u>367,005</u>	<u>348,443</u>
Protective services:		
Police	129	129
Fire	171,029	160,452
Emergency measures	3,266	2,283
Other	3,675	5,465
	<u>178,099</u>	<u>168,329</u>
Transportation services:		
Road transport		
Administration and engineering	18,311	23,572
Road and street maintenance	433,681	337,239
Street lighting	7,642	7,660
	<u>459,634</u>	<u>368,471</u>
Environmental health services:		
Waste collection and disposal	1,254	1,328
Recycling	26,918	29,200
Other	144,497	136,496
	<u>172,669</u>	<u>167,024</u>
Public health and welfare services:		
Public health	20,498	20,497
	<u>20,498</u>	<u>20,497</u>
Regional planning and development:		
Planning and zoning	32,004	38,853
	<u>32,004</u>	<u>38,853</u>
Resource conservation and industrial development:		
Rural area weed control	-	6,859
Drainage of land	1,069	2,627
	<u>1,069</u>	<u>9,486</u>
Recreation and cultural services:		
Community centers and halls	-	17,361
Other recreational facilities	2,243	16,081
	<u>2,243</u>	<u>33,442</u>
Total expenses	<u><u>\$ 1,233,221</u></u>	<u><u>\$ 1,154,545</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2015

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ 663,821	\$ 607,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	56,505	56,502	-	-	-	-	-	-	-	-
User fees	10,252	35,179	18,258	2,300	-	-	30,801	29,027	-	-
Grants - other	153,510	141,209	-	-	-	-	22,281	22,281	-	-
Investment income	64,429	60,377	-	-	-	-	265	268	-	-
Other revenue	872	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	74,573	74,573	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	28,683	44,856	-	-	170,000	170,000	24,519	24,519	-	-
Total revenue	\$ 1,052,645	\$ 1,019,766	\$ 18,258	\$ 2,300	\$ 170,000	\$ 170,000	\$ 77,866	\$ 76,095	\$ -	\$ -
EXPENSES										
Personnel services	\$ 219,194	\$ 188,384	\$ 35,336	\$ 37,305	\$ 9,399	\$ 11,770	\$ 48,813	\$ 49,411	\$ -	\$ -
Contract services	109,272	116,967	71,763	63,663	223,985	266,137	43,600	48,953	-	-
Utilities	7,032	7,468	11,797	12,809	7,642	6,683	3,895	4,179	-	-
Maintenance materials and supplies	11,097	10,727	29,242	26,692	184,938	48,047	-	-	-	-
Grants and contributions	10,590	15,100	129	129	-	-	65,739	56,004	20,498	20,497
Amortization	9,820	9,797	29,832	27,731	33,670	35,834	10,622	8,477	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 367,005	\$ 348,443	\$ 178,099	\$ 168,329	\$ 459,634	\$ 368,471	\$ 172,669	\$ 167,024	\$ 20,498	\$ 20,497
Surplus (Deficit)	\$ 685,640	\$ 671,323	\$ (159,841)	\$ (166,029)	\$ (289,634)	\$ (198,471)	\$ (94,803)	\$ (90,929)	\$ (20,498)	\$ (20,497)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2015

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 663,821	\$ 607,070
Grants in lieu of taxation	-	-	-	-	-	-	-	-	56,505	56,502
User fees	20,443	18,551	-	-	135	4,795	-	-	79,889	89,852
Grants - other	4,950	3,713	-	-	9,215	2,011	-	-	189,956	169,214
Permits, licences and fines	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	454	1,253	-	-	65,148	61,897
Other revenue	-	-	-	-	-	-	-	-	872	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	74,573	74,573
Prov of MB - Conditional Grants	-	-	-	-	5,500	5,500	-	-	228,702	244,875
Total revenue	\$ 25,393	\$ 22,264	\$ -	\$ -	\$ 15,304	\$ 13,559	\$ -	\$ -	\$ 1,359,466	\$ 1,303,983
EXPENSES										
Personnel services	\$ 19,638	\$ 22,036	\$ -	\$ -	\$ 1,049	\$ 10,047	\$ -	\$ -	\$ 333,429	\$ 318,953
Contract services	3,288	9,957	1,069	2,627	371	1,444	-	-	453,348	509,748
Utilities	-	-	-	-	109	463	-	-	30,475	31,602
Maintenance materials and supplies	68	110	-	6,726	714	4,106	-	-	226,059	96,408
Grants and contributions	9,000	6,750	-	133	-	17,361	-	-	105,956	115,974
Amortization	10	-	-	-	-	-	-	-	83,954	81,839
Other	-	-	-	-	-	21	-	-	-	21
Total expenses	\$ 32,004	\$ 38,853	\$ 1,069	\$ 9,486	\$ 2,243	\$ 33,442	\$ -	\$ -	\$ 1,233,221	\$ 1,154,545
Surplus (Deficit)	\$ (6,611)	\$ (16,589)	\$ (1,069)	\$ (9,486)	\$ 13,061	\$ (19,883)	\$ -	\$ -	\$ 126,245	\$ 149,438

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2015

	Core Government		Controlled Entities		Total	
	2015	2014	2015	2014	2015	2014
REVENUE						
Property taxes	\$ 663,821	\$ 607,070	\$ -	\$ -	\$ 663,821	\$ 607,070
Grants in lieu of taxation	56,505	56,502	-	-	56,505	56,502
User fees	48,387	55,822	31,502	34,030	79,889	89,852
Grants - other	153,510	166,750	36,446	58,024	189,956	169,214
Investment income	64,429	60,375	719	1,522	65,148	61,897
Other revenue	872	-	-	-	872	-
Prov of MB - Unconditional Grants	74,573	74,573	-	-	74,573	74,573
Prov of MB - Conditional Grants	198,683	189,315	30,019	-	228,702	244,875
Total revenue	\$ 1,260,780	\$ 1,210,407	\$ 98,686	\$ 93,576	\$ 1,359,466	\$ 1,303,983
EXPENSES						
Personnel services	\$ 283,248	\$ 258,526	\$ 50,181	\$ 60,427	\$ 333,429	\$ 318,953
Contract services	436,298	487,032	17,050	22,716	453,348	509,748
Utilities	26,471	26,960	4,004	4,642	30,475	31,602
Maintenance materials and supplies	225,277	92,192	782	4,216	226,059	96,408
Grants and contributions	104,875	114,961	1,081	1,013	105,956	115,974
Amortization	73,323	73,362	10,631	8,477	83,954	81,839
Other	-	-	-	21	-	21
Total expenses	\$ 1,149,492	\$ 1,053,033	\$ 83,729	\$ 101,512	\$ 1,233,221	\$ 1,154,545
Surplus (Deficit)	\$ 111,288	\$ 157,374	\$ 14,957	\$ (7,936)	\$ 126,245	\$ 149,438

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2015

	2015			Total	2014
	General Reserve	Fire Equip Reserve	Capital Improve Reserve		Total
REVENUE					
Investment income	\$ 12,940	\$ 2,060	\$ 979	\$ 15,979	\$ 16,937
Other income	-	-	-	-	200
Total revenue	12,940	2,060	979	15,979	17,137
EXPENSES					
Total expenses	-	-	-	-	-
NET REVENUES	12,940	2,060	979	15,979	17,137
TRANSFERS					
Transfers from general operating fund	-	50,000	-	50,000	54,200
Transfers to general operating fund	-	-	-	-	(2,000)
CHANGE IN RESERVE FUND BALANCES	12,940	52,060	979	65,979	69,337
FUND SURPLUS, BEGINNING OF YEAR	699,986	196,338	63,149	959,473	890,136
FUND SURPLUS, END OF YEAR	\$ 712,926	\$ 248,398	\$ 64,128	\$ 1,025,452	\$ 959,473

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2015

	Financial Plan General	Amortization (TCA)	Transfers	Consolidated Entities	PSAB Budget
REVENUE					
Property taxes	\$ 2,746,509	\$ -	\$ (2,134,383)	\$ -	\$ 612,126
Grants in lieu of taxation	247,654	-	(191,153)	-	56,501
User fees	39,790	-	-	38,697	78,487
Investment income	35,000	-	-	138	35,138
Grants - Province of Manitoba	313,152	-	-	32,518	345,670
Grants - other	128,541	-	-	38,569	167,110
Transfers from accumulated surplus	452,000	-	(452,000)	-	-
Transfers from reserves	273,500	-	(273,500)	-	-
Total revenue	\$ 4,236,146	\$ -	\$ (3,051,036)	\$ 109,922	\$ 1,295,032
EXPENSES					
General government services	\$ 395,167	\$ 9,926	\$ -	\$ -	\$ 405,093
Protective services	212,640	38,427	-	-	251,067
Transportation services	457,110	33,667	-	-	490,777
Environmental health services	92,888	-	-	79,115	172,003
Public health and welfare services	25,497	-	-	-	25,497
Regional planning and development	30,100	-	-	4,950	35,050
Resource cons and industrial dev	40,750	-	-	-	40,750
Recreation and cultural services	20,000	-	-	25,857	45,857
Fiscal services:					
School payment	2,325,536	-	(2,325,536)	-	-
Transfer to capital	508,500	-	(508,500)	-	-
Transfer to reserves	116,102	-	(116,102)	-	-
Total expenses	\$ 4,224,290	\$ 82,020	\$ (2,950,138)	\$ 109,922	\$ 1,466,094
Surplus (Deficit)	\$ 11,856	\$ (82,020)	\$ (100,898)	\$ -	\$ (171,062)

**R.M. OF REYNOLDS
ANALYSIS OF TAXES ON ROLL
December 31, 2015**

SCHEDULE 8

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 121,652	\$ 163,256
Add:		
Tax levy (Schedule 9)	2,713,545	2,606,676
Taxes added	72,476	9,863
Penalties or interest	4,249	4,750
Other accounts added	-	-
Sub-total	<u>2,790,270</u>	<u>2,621,289</u>
Deduct:		
Cash collections - current	2,363,083	2,247,738
Cash collections - arrears	108,443	142,407
Writeoffs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	266,964	258,725
Other credits (specify)	29,654	14,023
Sub-total	<u>2,768,144</u>	<u>2,662,893</u>
Balance, end of year	<u><u>\$ 143,778</u></u>	<u><u>\$ 121,652</u></u>

R.M. OF REYNOLDS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2015

SCHEDULE 9

	2015			2014
	Assessment	Mill Rate	Levy	Levy
Reserves:				
Machinery Replacement	\$ 107,617,330	\$ 0.425	\$ 45,737	\$ 45,517
General municipal	\$ 107,617,330	\$ 4.975	535,396	524,765
Total municipal taxes (Schedule 2)			581,133	570,282
Education support levy	\$ 57,630,220	\$ 11.610	669,087	654,339
Special levies:				
Sunrise School Division	\$ 79,217,160	\$ 14.341	1,136,053	1,073,373
Seine River School Division	\$ 21,675,060	\$ 15.099	327,272	308,682
sub-total- Special levies			1,463,325	1,382,055
Total education taxes			2,132,412	2,036,394
Total tax levy (Schedule 8)			\$ 2,713,545	\$ 2,606,676

R.M. OF REYNOLDS
ANALYSIS OF SCHOOL ACCOUNTS
December 31, 2015

SCHEDULE 10

	2015				2014
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	<u>\$ 105,728</u>	<u>\$ 775,900</u>	<u>\$ (562,458)</u>	<u>\$ 319,170</u>	<u>\$ 158,658</u>
Special levies					
Sunrise School Division	135,624	1,213,005	(1,060,376)	288,253	195,262
Seine River School Division	38,484	336,631	(337,732)	37,383	56,895
Sub-total	<u>174,108</u>	<u>1,549,636</u>	<u>(1,398,108)</u>	<u>325,636</u>	<u>252,157</u>
Total	<u><u>\$ 279,836</u></u>	<u><u>\$ 2,325,536</u></u>	<u><u>\$ (1,960,566)</u></u>	<u><u>\$ 644,806</u></u>	<u><u>\$ 410,815</u></u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2015

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 68,735	\$ 65,440
General administrative	251,095	228,502
Other	47,175	54,501
	<u>367,005</u>	<u>348,443</u>
Protective services:		
Police	129	129
Fire	171,029	160,452
Emergency measures	3,266	2,283
Other	3,675	5,465
	<u>178,099</u>	<u>168,329</u>
Transportation services:		
Road transport		
Administration and engineering	18,311	23,572
Road and street maintenance	433,681	337,239
Street lighting	7,642	7,660
	<u>459,634</u>	<u>368,471</u>
Environmental health services:		
Waste collection and disposal	1,254	1,327
Recycling	26,918	29,200
Other	64,649	54,991
	<u>92,821</u>	<u>85,518</u>
Public health and welfare services:		
Public health	15,497	15,497
Medical care	5,000	5,000
	<u>20,497</u>	<u>20,497</u>
Regional planning and development:		
Planning and zoning	30,367	34,925
Other	-	-
	<u>30,367</u>	<u>34,925</u>
Resource conservation and industrial development:		
Rural area weed control	-	6,858
Drainage of land	1,069	2,628
Tourism	-	-
	<u>1,069</u>	<u>9,486</u>
Recreation and cultural services:		
Other recreational facilities	-	17,361
	<u>-</u>	<u>17,361</u>
Total expenses	<u>\$ 1,149,492</u>	<u>\$ 1,053,030</u>

R.M. OF REYNOLDS

SCHEDULE 12

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2015

	2015		2014
	General	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 58,308	58,308	\$ 133,655
Adjustments for reporting under public sector accounting standards			
Eliminate expense - transfers to reserves	-	-	(2,000)
Eliminate revenue - transfers from reserves	50,000	50,000	54,200
Increase revenue - reserve funds interest	20,804	20,804	17,537
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(14,969)	(14,969)	7,936
Eliminate revenue - transfer from nominal surplus(es)	(15,979)	(15,979)	(9,667)
Increase expense - amortization of tangible capital assets	(83,954)	(83,954)	(81,839)
Eliminate expense - acquisitions of tangible capital assets	112,035	112,035	29,616
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 126,245</u>	<u>\$ 126,245</u>	<u>\$ 149,438</u>