

CITY OF STEINBACH

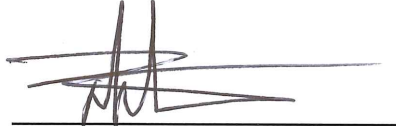
Consolidated Financial Statements
Year ended December 31, 2017

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the City of Steinbach 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.

Chambers Fraser as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Independent Auditor's report is addressed to the Mayor 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.



Troy Warkentin
City Manager

Steinbach, Manitoba

INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the
CITY OF STEINBACH

We have audited the accompanying financial statements of the City of Steinbach, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2017, 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 misstatements, 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 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 circumstance, 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the City of Steinbach as at December 31, 2017, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2017 in accordance with Canadian public sector accounting standards.

Winnipeg, Canada
June 19, 2018



Chambers Fraser
Chartered Professional Accountants

CITY OF STEINBACH
Consolidated Financial Statements
Year ended December 31, 2017

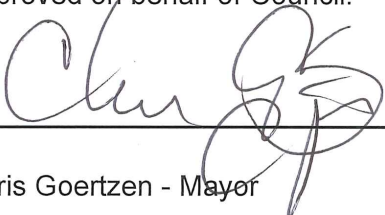
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**CITY OF STEINBACH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017**

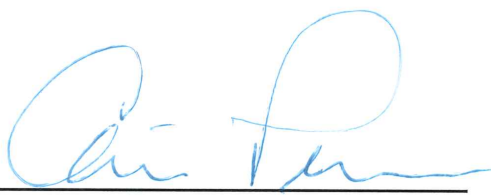
| | <u>2017</u> | <u>2016</u> |
|--|-----------------------------|-----------------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 3) | \$ 15,817,886 | \$ 16,276,559 |
| Amounts receivable (Note 4) | 5,801,773 | 6,642,236 |
| Portfolio investments (Note 5) | 4,681,749 | 658,744 |
| Loans and advances | <u>15,000</u> | <u>15,000</u> |
| | <u>\$ 26,316,408</u> | <u>\$ 23,592,539</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 6) | \$ 2,921,588 | \$ 4,550,268 |
| Deferred revenue (Note 7) | 3,655,916 | 2,893,640 |
| Landfill closure and post closure liabilities (Note 8) | 5,780,750 | 2,224,118 |
| Long-term debt (Note 9) | 7,204,488 | 9,605,465 |
| Other liabilities | <u>195,482</u> | <u>72,623</u> |
| | <u>19,758,224</u> | <u>19,346,114</u> |
| NET FINANCIAL ASSETS | <u>\$ 6,558,184</u> | <u>\$ 4,246,425</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 1) | 169,203,126 | 170,645,687 |
| Prepaid expenses | <u>107,036</u> | <u>111,376</u> |
| | <u>169,310,162</u> | <u>170,757,063</u> |
| ACCUMULATED SURPLUS (Note 15) | <u><u>\$175,868,346</u></u> | <u><u>\$175,003,488</u></u> |

COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)

Approved on behalf of Council:



Chris Goertzen - Mayor



Cari Penner - Councillor / Deputy Mayor

CITY OF STEINBACH
CONSOLIDATED STATEMENT OF OPERATIONS
Year ended December 31, 2017

| | <u>2017 Budget (Note 14)</u> | <u>2017 Actual</u> | <u>2016 Actual</u> |
|---|--------------------------------------|------------------------|------------------------|
| REVENUE | | | |
| Property taxes | \$ 15,117,985 | \$ 15,175,836 | \$ 14,984,416 |
| Grants in lieu of taxation | 160,468 | 164,338 | 154,573 |
| User fees | 4,582,011 | 5,585,115 | 6,635,201 |
| Permits, licences and fines | 397,750 | 669,462 | 436,052 |
| Investment income | 129,934 | 316,178 | 288,376 |
| Contributed infrastructure assets | - | - | 6,859,425 |
| Other revenue | 173,033 | 1,096,228 | 243,198 |
| Water and sewer | 3,106,091 | 3,468,679 | 3,108,541 |
| Grants - Province of Manitoba | 3,814,204 | 4,355,697 | 5,820,679 |
| Grants - other | 1,518,400 | 1,248,787 | 1,458,814 |
| | <u>28,999,876</u> | <u>32,080,321</u> | <u>39,989,274</u> |
| Total revenue (Schedules 2, 4 and 5) | | | |
| EXPENSES | | | |
| General government services | 3,863,142 | 3,544,911 | 3,515,910 |
| Protective services | 4,519,546 | 4,282,639 | 3,477,228 |
| Transportation services | 6,304,778 | 6,591,754 | 8,057,758 |
| Environmental health services | 2,779,697 | 6,075,594 | 2,575,691 |
| Public health and welfare services | 127,505 | 130,407 | 122,553 |
| Regional planning and development | 661,965 | 439,171 | 358,641 |
| Resource conservation and industrial development | 78,180 | 565,287 | 465,971 |
| Recreation and cultural services | 4,737,942 | 4,805,365 | 4,364,558 |
| Water and sewer services | 4,745,927 | 4,780,335 | 4,641,001 |
| | <u>27,818,681</u> | <u>31,215,463</u> | <u>27,579,311</u> |
| Total expenses (Schedules 3, 4 and 5) | | | |
| ANNUAL SURPLUS | <u>1,181,195</u> | 864,858 | 12,409,963 |
| ACCUMULATED SURPLUS BEGINNING OF YEAR | | <u>175,003,488</u> | <u>162,593,525</u> |
| ACCUMULATED SURPLUS END OF YEAR | | <u>\$ 175,868,346</u> | <u>\$ 175,003,488</u> |

CITY OF STEINBACH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended December 31, 2017

| | <u>2017 Budget (Note 14)</u> | <u>2017 Actual</u> | <u>2016 Actual</u> |
|--|--------------------------------------|----------------------------|----------------------------|
| ANNUAL SURPLUS | \$ 1,181,195 | \$ 864,858 | \$ 12,409,963 |
| Acquisition of tangible capital assets | (24,557,000) | (6,708,112) | (16,644,007) |
| Amortization of tangible capital assets | 7,044,139 | 7,923,656 | 7,082,987 |
| (Gain) Loss on sale of tangible capital assets | - | (647,109) | 11,043 |
| Proceeds on sale of tangible capital assets | - | 874,126 | 55,943 |
| Increase in prepaid expense | - | 4,340 | (9,703) |
| | <u>(17,512,861)</u> | <u>1,446,901</u> | <u>(9,503,737)</u> |
| INCREASE (DECREASE) IN NET FINANCIAL ASSETS | <u>(16,331,666)</u> | 2,311,759 | 2,906,226 |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | | <u>4,246,425</u> | <u>1,340,199</u> |
| NET FINANCIAL ASSETS, END OF YEAR | | <u>\$ 6,558,184</u> | <u>\$ 4,246,425</u> |

The accompanying notes are an integral part of this financial statement

CITY OF STEINBACH
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2017

| | <u>2017</u> | <u>2016</u> |
|--|-----------------------------|----------------------------|
| OPERATING TRANSACTIONS | | |
| Annual surplus | \$ 864,858 | \$12,409,963 |
| Changes in non-cash items: | | |
| Amounts receivable | 840,463 | (1,157,518) |
| Prepays | 4,340 | (9,703) |
| Accounts payable and accrued liabilities | (1,628,680) | 1,481,968 |
| Deferred revenue | 762,276 | (1,352,344) |
| Landfill closure and post closure liabilities | 3,556,632 | 1,761 |
| Other liabilities | 122,859 | 13,450 |
| (Gain) loss on sale of tangible capital assets | (647,109) | 11,043 |
| Contributed infrastructure assets revenue | - | (6,859,425) |
| Amortization | 7,923,656 | 7,082,987 |
| Cash provided by operating transactions | <u>11,799,295</u> | <u>11,622,182</u> |
| CAPITAL TRANSACTIONS | | |
| Proceeds on sale of tangible capital assets | 874,126 | 55,943 |
| Cash used to acquire tangible capital assets | <u>(6,708,112)</u> | <u>(9,784,582)</u> |
| Cash applied to capital transactions | <u>(5,833,986)</u> | <u>(9,728,639)</u> |
| INVESTING TRANSACTIONS | | |
| Proceeds on sale of portfolio investments | 24,240 | 26,187 |
| Purchase of portfolio investments | (4,047,245) | (46,749) |
| Loans and advances issued | - | <u>(15,000)</u> |
| Cash applied to investing transactions | <u>(4,023,005)</u> | <u>(35,562)</u> |
| FINANCING TRANSACTIONS | | |
| Temporary borrowing repayment | - | (50,000) |
| Proceeds of long-term debt | - | 1,000,000 |
| Debt repayment | <u>(2,400,977)</u> | <u>(740,567)</u> |
| Cash provided by (applied to) financing transactions | <u>(2,400,977)</u> | <u>209,433</u> |
| INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS | (458,673) | 2,067,414 |
| CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR | <u>16,276,559</u> | <u>14,209,145</u> |
| CASH AND TEMPORARY INVESTMENTS, END OF YEAR | <u>\$ 15,817,886</u> | <u>\$16,276,559</u> |

The accompanying notes are an integral part of this financial statement

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

1. Status of the City of Steinbach

The incorporated City of Steinbach is a municipal government that was first created as a Town on January 1, 1947 pursuant to the Manitoba Municipal Act. The Municipality continued as a City as of January 1, 1997. The City provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

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

a) Reporting Entity

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

Jake Epp Library
Steinbach Community Development Corporation

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) Investments

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

Portfolio investments are accounted for at cost.

e) 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.

f) 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.

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

g) 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 per acceptance by the Municipality. 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.

The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over its useful life. Assets under construction are not amortized until put into use.

The estimated useful lives are 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 |

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 to 30 years |
| Water and Sewer | |
| Land | Indefinite |
| Land improvements | 30 to 50 years |
| Buildings | 25 to 40 years |
| Underground networks | 30 to 100 years |
| Machinery and equipment | 10 to 50 years |
| Dams and other surface water structures | 40 to 60 years |

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

h) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of 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.

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

i) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Certain government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the acquisition of tangible capital assets. In addition, certain user charges and fees are collected for which the related service has yet to be performed. Revenue is recognized in the fiscal year when the related costs are incurred, services performed or the tangible capital assets are acquired.

In accordance with PSAB guidelines, government transfers, as well as revenue from contributed assets, are required to be recognized as revenue in the consolidated financial statements in the fiscal year in which the tangible capital assets are acquired.

j) 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.

These financial statements include the existence of measurement uncertainty in the accrual of the landfill closure, post closure and environmental 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>2017</u> | <u>2016</u> |
|-----------------------|----------------------|----------------------|
| Cash | \$ 15,817,886 | \$ 16,276,559 |
| Temporary Investments | - | - |
| | <u>\$ 15,817,886</u> | <u>\$ 16,276,559</u> |

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.

| | | |
|--------------------------|---------------------|---------------------|
| Designated Reserve Funds | <u>\$ 2,693,988</u> | <u>\$ 2,668,401</u> |
|--------------------------|---------------------|---------------------|

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------|---------------------|---------------------|
| Taxes on roll (Schedule 10) | \$ 2,195,885 | \$ 1,667,165 |
| Government grants | 1,068,293 | 2,744,972 |
| Utility customers | 943,671 | 784,618 |
| Accrued interest | 57,618 | 17,315 |
| Organizations and individuals | 1,490,428 | 671,225 |
| Other governments | 161,758 | 770,849 |
| | <u>5,917,653</u> | <u>6,656,144</u> |
| Less allowances for doubtful amounts | <u>(115,880)</u> | <u>(13,908)</u> |
| | <u>\$ 5,801,773</u> | <u>\$ 6,642,236</u> |

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

5. Portfolio Investments

| | <u>2017</u> | <u>2016</u> |
|------------------------|---------------------|-------------------|
| Marketable securities: | | |
| Other securities | 4,632,529 | 605,571 |
| | \$ 4,632,529 | \$ 605,571 |
| Other investments | 49,220 | 53,173 |
| | \$ 4,681,749 | \$ 658,744 |

The aggregate market value of the marketable securities at December 31, 2017 is **\$4,681,390** (2016 - \$611,853). Portfolio investments earned **\$62,752** in investment income during the year (2016 - \$30,229).

The Municipality has designated the following portfolio investments to reserves for commitments and tangible capital asset acquisitions.

| | | |
|--------------------------|---------------------|-------------------|
| Designated Reserve Funds | \$ 4,556,307 | \$ 541,681 |
|--------------------------|---------------------|-------------------|

6. Accounts Payable and Accrued Liabilities

| | <u>2017</u> | <u>2016</u> |
|--------------------------|---------------------|---------------------|
| Accounts payable | \$ 748,071 | \$ 2,686,382 |
| Accrued expenses | 618,790 | 544,128 |
| Accrued interest payable | 10,770 | 23,527 |
| School levies | 740,372 | 687,462 |
| Other governments | 803,585 | 608,769 |
| | \$ 2,921,588 | \$ 4,550,268 |

7. Deferred Revenue:

| | <u>2017</u> | <u>2016</u> |
|---------------------|---------------------|---------------------|
| Capital Development | \$ 1,880,162 | \$ 1,497,853 |
| Federal Gas Tax | 1,248,775 | 825,236 |
| Handi-Transit | - | 77,038 |
| Land Dedication | 310,883 | 301,065 |
| Perpetual Care | 104,044 | 63,987 |
| | 3,543,864 | 2,765,179 |
| Other | 112,052 | 128,461 |
| | \$ 3,655,916 | \$ 2,893,640 |

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

8. Landfill Closure and Post Closure Liabilities

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| a) Operating Landfill Site | | |
| The Municipality currently has a permit to operate as a Class 1 landfill site in 2011 issued by the Province of Manitoba. 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. | | |
| Landfill West Cell | | |
| Estimated closure and post closure costs over the next 41 years | <u>\$ 11,444,102</u> | <u>\$ 2,354,057</u> |
| Discount rate | <u>4.50%</u> | <u>3.35%</u> |
| Discounted costs | <u>\$ 4,407,799</u> | <u>\$ 1,872,490</u> |
| Year capacity reached | <u>2011</u> | <u>2011</u> |
| Capacity (tonnes): | | |
| Used to date | <u>670,000</u> | <u>670,000</u> |
| Remaining | <u>-</u> | <u>-</u> |
| Total | <u>670,000</u> | <u>670,000</u> |
| Percent utilized | <u>100.00%</u> | <u>100.00%</u> |
| Liability based on percentage | <u>\$ 4,407,799</u> | <u>\$ 1,872,490</u> |
| Landfill East Cell | | |
| Estimated closure and post closure costs over the next 51 years | <u>\$ 20,721,585</u> | <u>\$ 7,668,000</u> |
| Discount rate | <u>4.50%</u> | <u>4.50%</u> |
| Discounted costs | <u>\$ 7,276,642</u> | <u>\$ 2,236,352</u> |
| Expected year capacity will be reached | <u>2037</u> | <u>2037</u> |
| Capacity (tonnes, volume, acreage, years): | | |
| Used to date | <u>210,000</u> | <u>175,000</u> |
| Remaining | <u>903,000</u> | <u>938,000</u> |
| Total | <u>1,113,000</u> | <u>1,113,000</u> |
| Percent utilized | <u>18.87%</u> | <u>15.72%</u> |
| Liability based on percentage | <u>\$ 1,372,951</u> | <u>\$ 351,628</u> |
| b) Closed Landfill Site(s) | | |
| Estimated post closure costs over the next 51 years | <u>\$ -</u> | <u>\$ -</u> |
| Total landfill closure and post closure liabilities | <u>\$ 5,780,750</u> | <u>\$ 2,224,118</u> |

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

9. Long Term Debt

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| General Authority: | | |
| Debenture for Industrial Road construction, interest at 2.55%, payable at \$364,506 annually including interest, maturing January, 2018 | 355,443 | 702,047 |
| Debenture for Maplewood, Penfeld sidewalk, interest at 2.67%, payable at \$118,966 annually including interest, maturing December, 2018 | 115,872 | 228,731 |
| Debenture for fire pumper truck, interest at 2.67%, payable at \$118,966 annually including interest, maturing December, 2018 | 115,872 | 228,731 |
| Debenture for Third Street resurfacing, interest at 2.7%, payable at \$183,994 annually including interest, maturing December, 2019 | 353,623 | 523,503 |
| Debenture for Kroeker Avenue, interest at 2.7%, payable at \$149,446 annually including interest, maturing December, 2019 | 287,225 | 425,208 |
| Debenture for Elmdale Street and Lumber Avenue renewal plus Plaza improvements, interest at 2.4%, \$371,322 annually including interest, maturing December, 2020 | 1,062,529 | 1,400,223 |
| Debenture for Barker Avenue renewal plus, interest at 2.33%, \$124,244 annually including interest, maturing December, 2021 | 469,281 | 580,000 |
| | \$ 2,759,845 | \$ 4,088,443 |
| Utility Authority: | | |
| Debenture for Spruce Street sewer, interest at 2.36%, \$95,404 annually including interest, maturing December, 2017 | \$ - | \$ 93,203 |
| Debenture for Spruce Street sewer, interest at 2.36%, \$53,598 annually including interest, maturing December, 2017 | - | 52,361 |
| Debenture for Waste water lagoon expansion, interest at 2.25%, payable at \$106,850 annually including interest, maturing January, 2017 | - | 104,499 |
| Debenture for Industrial Road watermain, interest at 2.55%, \$70,703 annually including interest, maturing January, 2018 | 68,945 | 136,175 |
| Debenture for Industrial Road sewer, interest at 2.55%, \$37,291 annually including interest, maturing January, 2018 | 36,364 | 71,824 |
| Debenture for Lumber Avenue watermain, interest at 2.67%, \$41,668 annually including interest, maturing December, 2018 | 40,585 | 80,114 |
| Debenture for Lumber Avenue sewer, interest at 2.67%, \$51,341 annually including interest, maturing December, 2018 | 50,006 | 98,712 |
| Debenture for Third Street watermain, interest at 2.7%, \$54,116 annually including interest, maturing December, 2019 | 104,007 | 153,971 |

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

| | | |
|---|---------------------|---------------------|
| Debenture for Third Street sewermain, interest at 2.7%, \$32,470 annually including interest, maturing December, 2019 | 62,404 | 92,383 |
| Debenture for west side trunk sewer, interest at 2.7%, \$438,338 annually including interest, maturing December, 2019 | 842,456 | 1,247,169 |
| Debenture for Kroeker Avenue watermain, interest at 2.7%, \$108,188 annually including interest, maturing December, 2019 | 207,931 | 307,820 |
| Debenture for Kroeker Avenue sewermain, interest at 2.7%, \$108,188 annually including interest, maturing December, 2019 | 207,931 | 307,819 |
| Debenture for Elmdale Street and Lumber Avenue watermain, interest at 2.4%, \$48,723 annually including interest, maturing December, 2020 | 140,033 | 184,538 |
| Debenture for Elmdale Street and Lumber Avenue sewermain, interest at 2.4%, \$40,352 annually including interest, maturing December, 2020 | 114,851 | 151,354 |
| Debenture for Barker Avenue watermain, interest at 2.33%, \$40,701 annually including interest, maturing December, 2021 | 153,730 | 190,000 |
| Debenture for Barker Avenue sewermain, interest at 2.33%, \$49,269, annually including interest, maturing December, 2021 | 186,094 | 230,000 |
| | \$ 2,215,336 | \$ 3,501,942 |
| | \$ 4,975,181 | \$ 7,590,385 |
| Add: Delayed debenture payment withdrawal due December 31st | \$ 2,229,307 | \$ 2,015,080 |
| | \$ 7,204,488 | \$ 9,605,465 |

The debentures of the Municipality have all been issued with a maximum term of five years to maturity.

Principal payments required in each of the next five years are as follows:

| | |
|------|---------------------|
| 2018 | \$ 2,426,238 |
| 2019 | 1,685,475 |
| 2020 | 654,151 |
| 2021 | 209,318 |
| 2022 | - |

Schedule of Debenture Pending

| Authority | Purpose | Amount Authorized |
|---------------|------------------------|-------------------|
| By-law # 2090 | Infrastructure renewal | 27,268 |

10. Commitments

The Municipality has outstanding contractual obligations of approximately **\$1,350,000** at December 31, 2017 related to capital works projects, for land purchases as well as annexation plan starting in 2018. In addition, the City approved \$11.4M in tenders in respect to the secondary water supply system.

11. Contingencies

The Municipality has not recognized a liability for certain legal obligations, primarily related to the special handling for the removal and disposal of encapsulated asbestos from facilities and equipment. The fair value of the removal and disposal costs cannot be reasonably estimated.

Lawsuits have been filed against the Municipality for incidents which arise in the ordinary course of operations. In the opinion of management, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

12. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% 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 \$403,091 (2016 - \$365,916) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2016 indicated the plan was 98% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2016.

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

13. Financial Instruments

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

14. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results.

The 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.

15. Accumulated Surplus

| | <u>2017</u> | <u>2016</u> |
|--|-----------------------|-----------------------|
| Accumulated surplus consists of the following: | | |
| General operating fund - Nominal surplus | \$ 2,592,212 | \$ 2,519,184 |
| Utility operating fund - Nominal surplus | 1,041,599 | 983,908 |
| General capital fund - Capital surplus | 101,032,486 | 104,821,384 |
| Utility capital fund - Capital surplus | 56,444,302 | 55,000,479 |
| Reserve funds | <u>16,532,780</u> | <u>13,383,778</u> |
| | \$ 177,643,379 | \$ 176,708,733 |
| Deferred Revenue - Reserves | <u>(3,543,864)</u> | <u>(2,765,179)</u> |
| Accumulated surplus of municipality unconsolidated | 174,099,515 | 173,943,554 |
| Accumulated surpluses of consolidated entities | <u>1,768,831</u> | <u>1,059,934</u> |
| Accumulated surplus per Consolidated Statement of Financial Position | <u>\$ 175,868,346</u> | <u>\$ 175,003,488</u> |

CITY OF STEINBACH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

16. Public Utilities Board

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

For information purposes, the Municipality has deferred the capital grants and revenue from contributed infrastructure assets it has received since 2005 for its utility and amortized them over the useful life of the related tangible capital assets. Management of the Municipality has determined it not to be reasonably cost effective to estimate this revenue prior to 2005.

These financial statements have been prepared on the basis of the revenue recognition policy in note 2 (i).

| Description of Utility | Unamortized Opening Balance | Additions During Year | Amortization During Year | Unamortized Ending Balance |
|------------------------|-----------------------------------|--------------------------|-----------------------------|----------------------------------|
| Water services: | | | | |
| Grants | \$ 1,242,158 | \$ 1,399,884 | \$ 43,919 | \$ 2,598,123 |
| Contributed Assets | <u>7,755,737</u> | | <u>346,628</u> | <u>7,409,109</u> |
| | <u>\$ 8,997,895</u> | <u>\$ 1,399,884</u> | <u>\$ 390,547</u> | <u>\$ 10,007,232</u> |
| Sewer services: | | | | |
| Grants | \$ 6,838,903 | \$ 248,718 | \$ 183,772 | \$ 6,903,849 |
| Contributed Assets | <u>10,561,731</u> | | <u>268,543</u> | <u>10,293,188</u> |
| | <u>\$ 17,400,634</u> | <u>\$ 248,718</u> | <u>\$ 452,315</u> | <u>\$ 17,197,037</u> |

17. Council Indemnities

| Council Members | Taxable Compensation | Expenses | Total |
|---------------------------------|-------------------------|------------------|-------------------|
| Mayor - Goertzen, Chris | \$ 28,087 | \$ 25,137 | \$ 53,224 |
| Councillor - Fehr, John | 12,996 | 11,134 | 24,130 |
| Councillor - Funk, Earl | 11,292 | 10,249 | 21,541 |
| Councillor - Penner, Cari | 11,151 | 6,615 | 17,766 |
| Councillor - Penner, Susan | 12,083 | 10,089 | 22,172 |
| Councillor - Siemens, Jac | 11,846 | 12,223 | 24,069 |
| Councillor - Zwaagstra, Michael | <u>11,125</u> | <u>9,891</u> | <u>21,016</u> |
| | <u>\$ 98,580</u> | <u>\$ 85,338</u> | <u>\$ 183,918</u> |

18 Segmented Information

The City of Steinbach 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 Services
- 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.

CITY OF STEINBACH
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended December 31, 2017

SCHEDULE 1

| | Capital Assets | | | | Infrastructure | | | Totals | |
|---|-----------------------------------|---|-------------------------------|----------------------------------|------------------------------------|------------------------|----------------------------------|--------------------|----------------------|
| | Land and Land Improvements | Buildings and Leasehold Improvements | Vehicles and Equipment | Assets Under Construction | Roads, Streets, and Bridges | Water and Sewer | Assets Under Construction | 2017 | RESTATED 2016 |
| Cost | | | | | | | | | |
| Opening costs | 17,574,751 | 56,953,200 | 12,356,184 | 2,980,668 | 107,896,624 | 73,574,813 | 970,722 | 272,306,962 | 255,848,832 |
| Additions during the year | 465,352 | 1,604,739 | 755,649 | 503,139 | 838,503 | 2,120,227 | 420,503 | 6,708,112 | 16,644,007 |
| Transfer during the year | - | 1,021,877 | - | (1,021,877) | 30,288 | 84,969 | (115,258) | (1) | - |
| Disposals and write downs | (63,870) | (163,145) | (245,332) | - | - | - | - | (472,347) | (156,919) |
| Closing costs | 17,976,233 | 59,416,671 | 12,866,501 | 2,461,930 | 108,765,415 | 75,780,009 | 1,275,967 | 278,542,726 | 272,335,920 |
| Accumulated Amortization | | | | | | | | | |
| Opening accum'd amortization | 4,872,677 | 15,775,268 | 7,660,996 | - | 47,796,376 | 25,555,958 | - | 101,661,275 | 94,697,179 |
| Amortization | 344,593 | 1,486,524 | 712,895 | - | 3,592,445 | 1,787,199 | - | 7,923,656 | 7,082,987 |
| Transfer during the year | - | - | - | - | - | - | - | - | - |
| Disposals and write downs | - | - | (245,331) | - | - | - | - | (245,331) | (89,933) |
| Closing accum'd amortization | 5,217,270 | 17,261,792 | 8,128,560 | - | 51,388,821 | 27,343,157 | - | 109,339,600 | 101,690,233 |
| Net Book Value of Tangible Capital Assets | 12,758,963 | 42,154,879 | 4,737,941 | 2,461,930 | 57,376,594 | 48,436,852 | 1,275,967 | 169,203,126 | 170,645,687 |

Roads, water and sewer infrastructure contributed to the Municipality in 2017 totals \$ NIL and were capitalized at their fair value at the time of their receipt.

CITY OF STEINBACH
CONSOLIDATED SCHEDULE OF REVENUES
Year ended December 31, 2017

SCHEDULE 2

| | 2017 | 2016 |
|--|---------------------|---------------|
| | Actual | Actual |
| Property taxes: | | |
| Municipal taxes levied (Schedule 11) | \$14,612,797 | \$13,684,327 |
| Taxes added | 563,039 | 1,300,089 |
| | 15,175,836 | 14,984,416 |
| Grants in lieu of taxation: | | |
| Federal government | 20,345 | 19,322 |
| Provincial government | 12,614 | 11,989 |
| Provincial government enterprises | 106,043 | 99,197 |
| Non-government organizations | 25,336 | 24,065 |
| | 164,338 | 154,573 |
| User fees | | |
| Parking meters | (8,688) | 8,867 |
| Sales of service | 4,868,339 | 4,609,228 |
| Sales of goods | 76,108 | 76,011 |
| Rentals | 361,190 | 334,865 |
| Development charges | 288,166 | 1,606,230 |
| | 5,585,115 | 6,635,201 |
| Permits, licences and fines | | |
| Permits | 530,432 | 312,382 |
| Licences | 37,900 | 32,940 |
| Fines | 101,130 | 90,730 |
| | 669,462 | 436,052 |
| Investment income: | | |
| Cash and portfolio investments | 313,341 | 287,335 |
| Other | 2,837 | 1,041 |
| | 316,178 | 288,376 |
| Contributed revenue: | | |
| Contributed infrastructure assets | - | 6,859,425 |
| | - | 6,859,425 |
| Other revenue: | | |
| Gain (Loss) on sale of tangible capital assets | 647,109 | (11,043) |
| Penalties and interest | 205,365 | 167,678 |
| Donations | 8,636 | 21,096 |
| Miscellaneous | 235,118 | 65,467 |
| | 1,096,228 | 243,198 |
| Water and sewer (Schedule 4) | 3,468,679 | 3,108,541 |
| Grants - Province of Manitoba | | |
| Municipal Operating Grants | 2,722,914 | 2,145,349 |
| General support grant | - | 123,786 |
| Other unconditional grants | - | 200,881 |
| Conditional grants | 1,632,783 | 3,350,663 |
| | 4,355,697 | 5,820,679 |
| Grants - other | | |
| Federal government - gas tax funding | 315,713 | 948,034 |
| Federal government - other | 919,429 | 499,380 |
| Other municipal governments | 3,400 | 3,400 |
| Non-government organizations | 10,245 | 8,000 |
| | 1,248,787 | 1,458,814 |
| Total revenue | 32,080,321 | 39,989,274 |

CITY OF STEINBACH
CONSOLIDATED SCHEDULE OF EXPENSES
Year ended December 31, 2017

SCHEDULE 3

| | <u>2017</u> <u>Actual</u> | <u>2016</u> <u>Actual</u> |
|---|------------------------------|------------------------------|
| General government services: | | |
| Legislative | \$ 192,587 | \$ 173,411 |
| General administrative | 2,137,245 | 2,186,655 |
| Other | <u>1,215,079</u> | <u>1,155,844</u> |
| | <u>3,544,911</u> | <u>3,515,910</u> |
| Protective services: | | |
| Police | 2,625,636 | 2,038,190 |
| Fire | 1,017,215 | 863,465 |
| Emergency measures | 27,676 | 25,010 |
| Other protection | <u>612,112</u> | <u>550,563</u> |
| | <u>4,282,639</u> | <u>3,477,228</u> |
| Transportation services: | | |
| Road transport | | |
| Administration and engineering | 280,611 | 169,427 |
| Road and street maintenance | 5,729,898 | 7,347,557 |
| Sidewalk and boulevard maintenance | 42,808 | 30,557 |
| Street lighting | 284,439 | 271,938 |
| Other | 131,496 | 133,095 |
| Air transport | 29,143 | 27,930 |
| Public transit | <u>93,359</u> | <u>77,254</u> |
| | <u>6,591,754</u> | <u>8,057,758</u> |
| Environmental health services: | | |
| Waste collection and disposal | 5,062,992 | 1,544,906 |
| Recycling | 665,633 | 699,877 |
| Other | <u>346,969</u> | <u>330,908</u> |
| | <u>6,075,594</u> | <u>2,575,691</u> |
| Public health and welfare services: | | |
| Public health | 110,642 | 102,788 |
| Social assistance | <u>19,765</u> | <u>19,765</u> |
| | <u>130,407</u> | <u>122,553</u> |
| Regional planning and development | | |
| Planning and zoning | 124,220 | 109,785 |
| Beautification and land rehabilitation | 168,632 | 155,030 |
| Urban area weed control | 56,509 | 76,226 |
| Other | <u>89,810</u> | <u>17,600</u> |
| | <u>439,171</u> | <u>358,641</u> |
| Resource conservation and industrial development | | |
| Water resources and conservation | 15,000 | 15,000 |
| Regional development | 256,109 | 251,668 |
| Tourism | <u>294,178</u> | <u>199,303</u> |
| | <u>565,287</u> | <u>465,971</u> |
| Recreation and cultural services: | | |
| Administration | 348,350 | 343,730 |
| Swimming pools and beaches | 1,730,325 | 1,637,885 |
| Skating and curling rinks | 510,158 | 474,555 |
| Parks and playgrounds | 812,026 | 732,943 |
| Other recreational facilities | 875,666 | 633,956 |
| Libraries | 493,828 | 496,561 |
| Other cultural facilities | <u>35,012</u> | <u>44,928</u> |
| | <u>4,805,365</u> | <u>4,364,558</u> |
| Water and sewer services (Schedule 8) | <u>4,780,335</u> | <u>4,641,001</u> |
| Total expenses | <u><u>31,215,463</u></u> | <u><u>27,579,311</u></u> |

CITY OF STEINBACH
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year ended December 31, 2017

SCHEDULE 4

| | General Government* | | Protective Services | | Transportation Services | | Environmental Health Services | | Public Health and Welfare Services | |
|------------------------------------|----------------------|----------------------|-----------------------|-----------------------|-------------------------|---------------------|-------------------------------|---------------------|------------------------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| REVENUE | | | | | | | | | | |
| Property taxes | \$13,201,365 | \$ 13,118,340 | \$ - | \$ - | \$ - | \$ - | \$ 597,270 | \$ 578,844 | \$ - | \$ - |
| Grants in lieu of taxation | 160,855 | 151,171 | - | - | - | - | 3,483 | 3,402 | - | - |
| User fees | 520,757 | 495,389 | 501,029 | 475,716 | 64,902 | 76,244 | 2,465,814 | 2,408,760 | 138,464 | 136,378 |
| Permits, licences and fines | 24,463 | 29,657 | 96,534 | 77,586 | 1,000 | 1,860 | - | - | - | - |
| Investment income | 226,174 | 199,156 | - | - | 55,065 | 60,593 | 10,378 | 7,516 | 4,808 | 4,406 |
| Contributed infrastructure assets | - | - | - | - | - | 4,456,547 | - | - | - | - |
| Gain (Loss) on sale of assets | (85,739) | 1,941 | - | - | - | - | - | - | - | - |
| Other revenue | 434,134 | 237,734 | - | - | - | - | - | - | - | - |
| Water and sewer | | | | | | | | | | |
| Prov of MB - Unconditional Grants | 2,722,914 | 2,470,016 | - | - | - | - | - | - | - | - |
| Prov of MB - Conditional Grants | 62,634 | 53,680 | - | - | 690,425 | 2,683,122 | - | - | - | - |
| Grants - other | - | - | - | - | 315,713 | 948,034 | - | - | - | - |
| Total revenue | \$ 17,267,557 | \$ 16,757,084 | \$ 597,563 | \$ 553,302 | \$ 1,127,105 | \$ 8,226,400 | \$ 3,076,945 | \$ 2,998,522 | \$ 143,272 | \$ 140,784 |
| EXPENSES | | | | | | | | | | |
| Personnel services | \$ 1,370,652 | \$ 1,290,220 | \$ 887,214 | \$ 747,847 | \$ 1,082,673 | \$ 895,533 | \$ 863,179 | \$ 827,417 | \$ 71,632 | \$ 69,391 |
| Contract services | 636,611 | 702,525 | 2,968,310 | 2,317,140 | 425,259 | 2,642,801 | 4,679,492 | 1,235,148 | 41,981 | 36,271 |
| Utilities | 439,334 | 428,533 | 107,293 | 108,004 | 438,532 | 386,943 | 44,727 | 42,964 | 3,465 | 3,591 |
| Maintenance materials and supplies | 69,909 | 97,271 | 99,400 | 78,306 | 452,984 | 406,999 | 149,300 | 139,254 | 5,840 | 5,811 |
| Grants and contributions | 320,402 | 432,391 | - | - | - | - | - | - | - | - |
| Amortization | 119,382 | 112,513 | 176,508 | 187,554 | 4,102,941 | 3,634,195 | 346,969 | 330,908 | 7,489 | 7,489 |
| Interest on long term debt | - | - | 6,107 | 8,724 | 79,704 | 91,287 | - | - | - | - |
| Other | 561,869 | 423,071 | 64,560 | 59,040 | 9,663 | - | (8,073) | - | - | - |
| Total expenses | \$ 3,518,159 | \$ 3,486,524 | \$ 4,309,392 | \$ 3,506,615 | \$ 6,591,756 | \$ 8,057,758 | \$ 6,075,594 | \$ 2,575,691 | \$ 130,407 | \$ 122,553 |
| Surplus (Deficit) | \$ 13,749,398 | \$ 13,270,560 | \$ (3,711,829) | \$ (2,953,313) | \$ (5,464,651) | \$ 168,642 | \$ (2,998,649) | \$ 422,831 | \$ 12,865 | \$ 18,231 |

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

CITY OF STEINBACH

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year ended December 31, 2017

| | Regional Planning and Development | | Resource Conservation and Industrial Dev | | Recreation and Cultural Services | | Water and Sewer Services | | Total | |
|------------------------------------|--------------------------------------|--------------|---|--------------|-------------------------------------|----------------|-----------------------------|--------------|---------------|---------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| REVENUE | | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,377,201 | \$ 1,287,231 | \$ 15,175,836 | \$ 14,984,415 |
| Grants in lieu of taxation | - | - | - | - | - | - | - | - | 164,338 | 154,573 |
| User fees | 280,015 | 1,607,918 | 23,106 | 22,756 | 1,591,028 | 1,412,040 | - | - | 5,585,115 | 6,635,201 |
| Permits, licences and fines | 22,792 | 22,970 | 524,673 | 303,979 | - | - | - | - | 669,462 | 436,052 |
| Investment income | - | - | - | - | 19,753 | 16,705 | - | - | 316,178 | 288,376 |
| Contributed infrastructure assets | - | - | - | - | - | - | - | 2,402,878 | - | 6,859,425 |
| Gain (Loss) on sale of assets | - | - | 732,848 | - | - | - | - | (12,984) | 647,109 | (11,043) |
| Other revenue | 4,331 | - | - | - | 10,654 | 16,508 | - | - | 449,119 | 254,242 |
| Water and sewer | - | - | - | - | - | - | 3,468,679 | 3,108,541 | 3,468,679 | 3,108,541 |
| Prov of MB - Unconditional Grants | - | - | - | - | - | - | - | - | 2,722,914 | 2,470,016 |
| Prov of MB - Conditional Grants | 20,557 | - | - | - | 126,130 | 118,197 | 733,037 | 495,664 | 1,632,783 | 3,350,663 |
| Grants - other | - | - | - | - | 17,509 | 15,116 | 915,566 | 495,663 | 1,248,788 | 1,458,813 |
| Total revenue | \$ 327,695 | \$ 1,630,888 | \$ 1,280,627 | \$ 326,735 | \$ 1,765,074 | \$ 1,578,566 | \$ 6,494,483 | \$ 7,776,993 | \$ 32,080,321 | \$ 39,989,274 |
| EXPENSES | | | | | | | | | | |
| Personnel services | \$ 101,055 | \$ 96,301 | \$ - | \$ - | \$ 2,415,261 | \$ 2,321,399 | \$ 1,103,367 | \$ 1,053,720 | \$ 7,895,033 | \$ 7,301,828 |
| Contract services | 249,724 | 166,561 | 312,012 | 215,899 | 706,628 | 625,195 | 686,446 | 708,311 | 10,706,463 | 8,649,851 |
| Utilities | 8,325 | 12,460 | 250,001 | 250,072 | 521,256 | 487,218 | 313,248 | 306,301 | 2,126,181 | 2,026,086 |
| Maintenance materials and supplies | 80,067 | 83,319 | - | - | 264,049 | 264,578 | 282,342 | 285,036 | 1,403,891 | 1,360,574 |
| Grants and contributions | - | - | - | - | - | - | - | - | 320,402 | 432,391 |
| Amortization | - | - | - | - | 877,647 | 641,871 | 2,292,720 | 2,168,457 | 7,923,656 | 7,082,987 |
| Interest on long term debt | - | - | - | - | 8,941 | 10,230 | 85,944 | 106,631 | 180,696 | 216,872 |
| Other | - | - | 3,274 | - | 11,580 | 14,067 | 16,268 | 12,544 | 659,141 | 508,722 |
| Total expenses | \$ 439,171 | \$ 358,641 | \$ 565,287 | \$ 465,971 | \$ 4,805,362 | \$ 4,364,558 | \$ 4,780,335 | \$ 4,641,000 | \$ 31,215,463 | \$ 27,579,311 |
| Surplus (Deficit) | \$ (111,476) | \$ 1,272,247 | \$ 715,340 | \$ (139,236) | \$ (3,040,288) | \$ (2,785,992) | \$ 1,714,148 | \$ 3,135,993 | \$ 864,858 | \$ 12,409,963 |

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year ended December 31, 2017

| | Core Government | | Controlled Entities | | Total | |
|------------------------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| REVENUE | | | | | | |
| Property taxes | \$ 15,175,836 | \$ 14,984,415 | \$ - | \$ - | \$ 15,175,836 | \$ 14,984,415 |
| Grants in lieu of taxation | 164,338 | 154,573 | - | - | 164,338 | 154,573 |
| User fees | 5,492,697 | 6,543,183 | 92,418 | 92,018 | 5,585,115 | 6,635,201 |
| Permits, licences and fines | 669,462 | 436,052 | - | - | 669,462 | 436,052 |
| Investment income | 313,341 | 287,335 | 2,837 | 1,041 | 316,178 | 288,376 |
| Contributed infrastructure assets | - | 6,859,425 | - | - | - | 6,859,425 |
| Gain (Loss) on sale of assets | (85,739) | (11,043) | 732,848 | - | 647,109 | (11,043) |
| Other revenue | 434,134 | 237,734 | 14,985 | 16,508 | 449,119 | 254,242 |
| Water and sewer | 3,468,679 | 3,108,541 | - | - | 3,468,679 | 3,108,541 |
| Prov of MB - Unconditional Grants | 2,722,914 | 2,470,016 | - | - | 2,722,914 | 2,470,016 |
| Prov of MB - Conditional Grants | 1,506,653 | 3,224,466 | 126,130 | 126,197 | 1,632,783 | 3,350,663 |
| Grants - other | 1,241,524 | 1,451,697 | 7,264 | 7,116 | 1,248,788 | 1,458,813 |
| Total revenue | <u>\$ 31,103,839</u> | <u>\$ 39,746,394</u> | <u>\$ 976,482</u> | <u>\$ 242,880</u> | <u>\$ 32,080,321</u> | <u>\$ 39,989,274</u> |
| EXPENSES | | | | | | |
| Personnel services | \$ 7,615,447 | \$ 7,012,072 | \$ 279,586 | \$ 289,756 | \$ 7,895,033 | \$ 7,301,828 |
| Contract services | 10,677,393 | 8,624,358 | 29,070 | 25,493 | 10,706,463 | 8,649,851 |
| Utilities | 1,872,931 | 1,772,847 | 253,250 | 253,239 | 2,126,181 | 2,026,086 |
| Maintenance materials and supplies | 1,325,835 | 1,289,227 | 78,056 | 71,347 | 1,403,891 | 1,360,574 |
| Grants and contributions | 320,402 | 432,391 | - | - | 320,402 | 432,391 |
| Amortization | 7,883,917 | 7,044,139 | 39,739 | 38,848 | 7,923,656 | 7,082,987 |
| Interest on long term debt | 180,696 | 216,872 | - | - | 180,696 | 216,872 |
| Other | 644,287 | 494,655 | 14,854 | 14,067 | 659,141 | 508,722 |
| Total expenses | <u>\$ 30,520,908</u> | <u>\$ 26,886,561</u> | <u>\$ 694,555</u> | <u>\$ 692,750</u> | <u>\$ 31,215,463</u> | <u>\$ 27,579,311</u> |
| Surplus (Deficit) | <u>\$ 582,931</u> | <u>\$ 12,859,833</u> | <u>\$ 281,927</u> | <u>\$ (449,870)</u> | <u>\$ 864,858</u> | <u>\$ 12,409,963</u> |

CITY OF STEINBACH
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year ended December 31, 2017

SCHEDULE 6

| | 2017 | | | | | | | Committed Expenditures |
|--|-------------------|-----------------------|-------------------|---------------------|---------------------|-------------------|-------------------|------------------------|
| | General | Machinery Replacement | Land & Facility | Capital Development | Environmental | Aquatic Centre | Perpetual Care | |
| REVENUE | | | | | | | | |
| Investment income | \$ 9,364 | \$ 924 | \$ 11,089 | \$ 40,874 | \$ 10,378 | \$ 2,269 | \$ 4,808 | \$ 44,941 |
| Total revenue | 9,364 | 924 | 11,089 | 40,874 | 10,378 | 2,269 | 4,808 | 44,941 |
| TRANSFERS | | | | | | | | |
| Transfers from general operating | - | 250,000 | 131,303 | 950,386 | 894,573 | 300,000 | 42,963 | 929,935 |
| Transfers to general operating | - | - | - | - | - | - | - | (452,362) |
| Transfers from utility operating | - | - | - | - | - | - | - | - |
| Transfers to utility operating | - | - | - | - | - | - | - | - |
| Acquisition of tangible capital assets | - | - | (350,000) | (275,483) | (327,892) | - | - | (218,363) |
| CHANGE IN RESERVE FUND BALANCES | 9,364 | 250,924 | (207,608) | 715,777 | 577,059 | 302,269 | 47,771 | 304,150 |
| FUND SURPLUS, BEGINNING OF YEAR | 933,445 | 91,985 | 1,113,654 | 2,560,082 | 1,033,202 | 225,833 | 479,674 | 3,053,017 |
| FUND SURPLUS, END OF YEAR | <u>\$ 942,809</u> | <u>\$ 342,909</u> | <u>\$ 906,047</u> | <u>\$ 3,275,859</u> | <u>\$ 1,610,261</u> | <u>\$ 528,101</u> | <u>\$ 527,445</u> | <u>\$ 3,357,166</u> |

CITY OF STEINBACH
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year ended December 31, 2017

SCHEDULE 6

| | 2017 | | | | | | 2016 |
|--|--------------------|---------------------|------------------|---------------------|------------------------|-------------|----------------------|
| | Land Dedication | Gas Tax | Handi Transit | Recreation | Utility Replacement | Total | Total |
| REVENUE | | | | | | | |
| Investment income | \$ 3,018 | \$ 9,539 | \$ 774 | \$ 16,281 | \$ 20,942 | \$ 175,199 | \$ 176,879 |
| Total revenue | 3,018 | 9,539 | 774 | 16,281 | 20,942 | - | 175,199 |
| TRANSFERS | | | | | | | |
| Transfers from general operating | 6,800 | 739,252 | - | 1,128,122 | - | 5,373,334 | 5,173,363 |
| Transfers to general operating | - | - | - | - | - | (452,362) | (497,357) |
| Transfers from utility operating | - | - | - | - | 987,994 | 987,994 | 357,994 |
| Transfers to utility operating | - | - | - | - | (107,994) | (107,994) | (107,994) |
| Acquisition of tangible capital assets | - | (325,252) | (77,812) | (585,000) | (667,366) | (2,827,170) | (5,490,164) |
| CHANGE IN RESERVE FUND BALANCES | 9,818 | 423,539 | (77,038) | 559,403 | 233,576 | - | 3,149,001 |
| FUND SURPLUS, BEGINNING OF YEAR | 301,065 | 825,236 | 77,038 | 753,318 | 1,936,229 | 13,383,778 | 13,771,057 |
| FUND SURPLUS, END OF YEAR | <u>\$ 310,883</u> | <u>\$ 1,248,775</u> | <u>\$ -</u> | <u>\$ 1,312,721</u> | <u>\$ 2,169,805</u> | <u>\$ -</u> | <u>\$ 16,532,780</u> |

CITY OF STEINBACH
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

SCHEDULE 7

| | 2017 | Total | 2016 |
|--|-----------------------|--------------|--------------------|
| FINANCIAL ASSETS | | | |
| Amounts receivable | \$ 943,671 | \$ | 784,618 |
| Due from other funds | <u>1,325,187</u> | <u>\$</u> | <u>1,339,044</u> |
| | <u>\$ 2,268,858</u> | <u>\$</u> | <u>2,123,662</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 70,787 | \$ | 84,276 |
| Long-term debt (Note 9) | <u>3,377,697</u> | <u>\$</u> | <u>4,574,328</u> |
| | <u>3,448,484</u> | <u>\$</u> | <u>4,658,604</u> |
| NET DEBT | <u>\$ (1,179,626)</u> | <u>\$</u> | <u>(2,534,942)</u> |
| NON-FINANCIAL ASSETS | | | |
| Tangible capital assets | \$ 58,647,034 | \$ | 58,502,420 |
| Prepaid expenses | <u>18,492</u> | <u>\$</u> | <u>16,909</u> |
| | <u>58,665,526</u> | <u>\$</u> | <u>58,519,329</u> |
| FUND SURPLUS | <u>\$ 57,485,900</u> | <u>\$</u> | <u>55,984,387</u> |

COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)

CITY OF STEINBACH
SCHEDULE OF UTILITY OPERATIONS

SCHEDULE 8

| | 2017 Budget | 2017 Actual | 2016 Actual |
|--|-------------------|----------------------|----------------------|
| REVENUE | | | |
| Water | | | |
| Water fees | \$ 1,936,375 | 2,134,672 | \$ 1,949,434 |
| sub-total- water | <u>1,936,375</u> | <u>2,134,672</u> | <u>1,949,434</u> |
| Sewer | | | |
| Sewer fees | 1,004,375 | 1,090,904 | 998,788 |
| sub-total- sewer | <u>1,004,375</u> | <u>1,090,904</u> | <u>998,788</u> |
| Property taxes | <u>1,377,201</u> | <u>1,377,201</u> | <u>1,287,231</u> |
| Government transfers | | | |
| Capital | 1,570,000 | 1,648,602 | 991,327 |
| sub-total- government transfers | <u>1,570,000</u> | <u>1,648,602</u> | <u>991,327</u> |
| Other | | | |
| Hydrant rentals | 84,980 | 77,490 | 75,870 |
| Connection charges | - | 4,500 | - |
| Installation service | 56,375 | 125,400 | 32,685 |
| Penalties | 7,500 | 12,738 | 10,791 |
| Contributed infrastructure assets | - | - | 2,402,878 |
| Gain (Loss) on sale of tangible capital assets | - | - | (12,984) |
| Other income | 16,486 | 22,975 | 40,973 |
| sub-total- other | <u>165,341</u> | <u>243,103</u> | <u>2,550,213</u> |
| Total revenue | <u>6,053,292</u> | <u>6,494,482</u> | <u>7,776,993</u> |
| EXPENSES | | | |
| General | | | |
| Administration | 345,825 | 343,439 | 322,443 |
| Billing and collection | 18,285 | 15,649 | 17,415 |
| Interest on short term debt | - | 16,268 | 12,545 |
| sub-total- general | <u>364,110</u> | <u>375,356</u> | <u>352,403</u> |
| Water | | | |
| Purification and treatment | 203,440 | 194,893 | 193,424 |
| Transmission and distribution | 743,205 | 624,555 | 642,633 |
| Service and other supply costs | 307,340 | 370,793 | 249,437 |
| sub-total- water general | <u>1,253,985</u> | <u>1,190,241</u> | <u>1,085,494</u> |
| Water Amortization & Interest | | | |
| Amortization | 1,129,505 | 1,129,505 | 1,027,283 |
| Interest on long term debt | 29,036 | 27,556 | 32,991 |
| sub-total- water amortization & interest | <u>1,158,541</u> | <u>1,157,061</u> | <u>1,060,274</u> |
| Sewer | | | |
| Collection system costs | 345,376 | 420,169 | 430,696 |
| Treatment and disposal cost | 352,385 | 270,940 | 286,805 |
| Lift Station costs | 188,125 | 144,965 | 210,515 |
| sub-total- sewer general | <u>885,886</u> | <u>836,074</u> | <u>928,016</u> |
| Sewer Amortization & Interest | | | |
| Amortization | 1,163,215 | 1,163,215 | 1,141,174 |
| Interest on long term debt | 61,563 | 58,388 | 73,640 |
| sub-total- sewer amortization & interest | <u>1,224,778</u> | <u>1,221,603</u> | <u>1,214,814</u> |
| Total expenses | <u>4,887,300</u> | <u>4,780,335</u> | <u>4,641,001</u> |
| NET REVENUES | <u>1,165,992</u> | <u>1,714,147</u> | <u>3,135,992</u> |
| TRANSFERS | | | |
| Transfers (to) from reserve funds | (330,000) | (880,000) | (250,000) |
| Transfer for capital purposes from reserve funds | <u> </u> | <u>667,366</u> | <u>108,751</u> |
| CHANGE IN UTILITY FUND BALANCE | <u>835,992</u> | <u>1,501,513</u> | <u>2,994,743</u> |
| FUND SURPLUS, BEGINNING OF YEAR | | <u>55,984,387</u> | <u>52,989,644</u> |
| FUND SURPLUS, END OF YEAR | | <u>\$ 57,485,900</u> | <u>\$ 55,984,387</u> |

CITY OF STEINBACH
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

SCHEDULE 9

| | Financial Plan General | Financial Plan Utility(ies) | Amortization (TCA) | Interest Expense | Transfers | Long Term Accruals | Municipality Budget | Consolidated Entities | PSAB Budget |
|------------------------------------|---------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|--------------------------|----------------------|
| REVENUE | | | | | | | | | |
| Property taxes | \$ 15,117,985 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,117,985 | \$ - | \$ 15,117,985 |
| Grants in lieu of taxation | 160,468 | - | - | - | - | - | 160,468 | - | 160,468 |
| User fees | 5,384,605 | - | (767,700) | - | (140,000) | - | 4,476,905 | 105,106 | 4,582,011 |
| Permits, licences and fines | 397,750 | - | - | - | - | - | 397,750 | - | 397,750 |
| Investment income | 127,500 | - | - | - | - | - | 127,500 | 2,434 | 129,934 |
| Other revenue | 167,533 | - | - | - | - | - | 167,533 | 5,500 | 173,033 |
| Water and sewer | | 3,106,091 | - | - | - | - | 3,106,091 | - | 3,106,091 |
| Grants - Province of Manitoba | 2,725,150 | - | 965,000 | - | - | - | 3,690,150 | 124,054 | 3,814,204 |
| Grants - other | 730,000 | - | 785,000 | - | - | - | 1,515,000 | 3,400 | 1,518,400 |
| Transfers from General | | 1,377,201 | - | - | (1,377,201) | - | - | - | - |
| Transfers from reserves | 538,907 | 107,994 | - | - | (646,901) | - | - | - | - |
| Total revenue | \$ 25,349,898 | \$ 4,591,286 | \$ 982,300 | \$ - | \$ (2,164,102) | \$ - | \$ 28,759,382 | \$ 240,494 | \$ 28,999,876 |
| EXPENSES | | | | | | | | | |
| General government services | \$ 4,086,081 | \$ - | \$ 103,370 | \$ 30,610 | \$ (356,919) | - | \$ 3,863,142 | \$ - | \$ 3,863,142 |
| Protective services | 4,360,605 | - | 152,834 | 6,107 | - | - | 4,519,546 | - | 4,519,546 |
| Transportation services | 2,664,341 | - | 3,552,631 | 87,806 | - | - | 6,304,778 | - | 6,304,778 |
| Environmental health services | 2,330,853 | - | 300,431 | - | - | 148,413 | 2,779,697 | - | 2,779,697 |
| Public health and welfare services | 121,020 | - | 6,485 | - | - | - | 127,505 | - | 127,505 |
| Regional planning and development | 661,965 | - | - | - | - | - | 661,965 | - | 661,965 |
| Resource cons and industrial dev | 65,000 | - | - | - | - | - | 65,000 | 13,180 | 78,180 |
| Recreation and cultural services | 3,570,362 | - | 759,932 | 8,941 | - | - | 4,339,235 | 398,707 | 4,737,942 |
| Water and sewer services | | 2,503,981 | 2,168,457 | 73,489 | - | - | 4,745,927 | - | 4,745,927 |
| Fiscal services: | | | | | | | | | |
| Transfer to capital | 902,000 | 255,000 | (1,157,000) | - | - | - | - | - | - |
| Debt charges | 1,431,445 | 1,377,201 | - | (2,808,646) | - | - | - | - | - |
| Transfer to Utility | 1,377,201 | - | - | - | (1,377,201) | - | - | - | - |
| Short term interest | 131,000 | 17,110 | - | (148,110) | - | - | - | - | - |
| Transfer to reserves | 3,437,629 | 437,994 | - | - | (3,875,623) | - | - | - | - |
| Allowance for tax assets | 210,396 | - | - | - | (210,396) | - | - | - | - |
| Total expenses | \$ 25,349,898 | \$ 4,591,286 | \$ 5,887,139 | \$ (2,749,803) | \$ (5,820,139) | \$ 148,413 | \$ 27,406,794 | \$ 411,887 | \$ 27,818,681 |
| Surplus (Deficit) | \$ - | \$ - | \$ (4,904,839) | \$ 2,749,803 | \$ 3,656,037 | \$ (148,413) | \$ 1,352,588 | \$ (171,393) | \$ 1,181,195 |

**CITY OF STEINBACH
ANALYSIS OF TAXES ON ROLL
Year ended December 31, 2017**

SCHEDULE 10

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| Balance, beginning of year | \$ 1,667,165 | \$ 1,640,737 |
| Add: | | |
| Tax levy (Schedule 11) | 30,746,608 | 29,020,297 |
| Taxes added | 563,039 | 1,300,089 |
| Penalties or interest | 205,365 | 167,677 |
| Other accounts added | 165,323 | 203,656 |
| Tax Adjustments (specify) Taxes Overpaid | <u>40,585</u> | <u>66,451</u> |
| Sub-total | <u>31,720,920</u> | <u>30,758,170</u> |
| Deduct: | | |
| Cash collections - current | 27,869,198 | 26,962,118 |
| Cash collections - arrears | 925,513 | 1,239,067 |
| Writeoffs | 108,425 | 270,124 |
| E.P.T.C. - cash advance | <u>2,289,064</u> | <u>2,260,434</u> |
| Sub-total | <u>31,192,200</u> | <u>30,731,743</u> |
| Balance, end of year | <u>\$ 2,195,885</u> | <u>\$ 1,667,165</u> |

CITY OF STEINBACH
ANALYSIS OF TAX LEVY
Year ended December 31, 2017

SCHEDULE 11

| | 2017 | | | 2016 |
|---|-------------------|------------------|-----------------------------|----------------------|
| | Assessment | Mill Rate | Levy | Levy |
| Debt charges: | | | | |
| Frontage | Various | Various | \$ 472,500 | \$ 472,500 |
| L.I.D. General District | 1,040,724,400 | 0.997 | \$ 1,037,602 | \$ 1,314,947 |
| At large Utility District | 921,506,960 | 0.430 | \$ 396,248 | \$ 356,160 |
| Waste Water District | 1,020,458,090 | 0.876 | \$ 893,921 | \$ 845,132 |
| Georgetown Sidewalk District | 50,883,300 | 1.170 | \$ 59,533 | \$ 59,364 |
| sub-total - Debt charges | | | <u>2,859,805</u> | <u>3,048,103</u> |
| Reserves: | | | | |
| Recreation | 896,154,170 | 1.241 | <u>1,112,127</u> | <u>1,083,414</u> |
| General Municipal | 896,154,170 | 6.386 | <u>5,722,798</u> | <u>4,758,817</u> |
| Special levies: | | | | |
| Waste & Disposal | - | - | <u>597,270</u> | <u>578,844</u> |
| Section 312 M.A. | 1,040,724,400 | 4.000 | <u>4,162,898</u> | <u>4,067,896</u> |
| sub-total -Special levies | | | <u>4,760,168</u> | <u>4,646,740</u> |
| Business tax | 27,190,384 | 0.500 | <u>135,947</u> | <u>126,246</u> |
| Business fees | - | - | <u>21,558</u> | <u>20,515</u> |
| sub-total - Business | | | <u>157,505</u> | <u>146,761</u> |
| Adjustments from school levy below | | | 395 | 492 |
| Total municipal taxes (Schedule 2) | | | <u>14,612,797</u> | <u>13,684,327</u> |
| Education support levy | 286,215,380 | 10.500 | 3,005,261 | 2,852,480 |
| Special levy: | | | | |
| Hanover SD#15 | 858,381,450 | 15.295 | 13,128,944 | 12,483,982 |
| Adjustments of school levy to municipal taxes | | | <u>(395)</u> | <u>(492)</u> |
| Total education taxes | | | <u>16,133,811</u> | <u>15,335,970</u> |
| | | | <u>\$ 30,746,608</u> | <u>\$ 29,020,297</u> |

CITY OF STEINBACH
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year ended December 31, 2017

SCHEDULE 12

| | <u>2017</u> <u>Actual</u> | <u>2016</u> <u>Actual</u> |
|---|------------------------------|------------------------------|
| General government services: | | |
| Legislative | \$ 192,587 | \$ 173,411 |
| General administrative | 2,137,245 | 2,186,655 |
| Other | <u>1,782,048</u> | <u>1,722,814</u> |
| | <u>4,111,880</u> | <u>4,082,880</u> |
| Protective services: | | |
| Police | 2,625,636 | 2,038,190 |
| Fire | 1,017,215 | 863,465 |
| Emergency measures | 27,676 | 25,010 |
| Other protection | <u>612,112</u> | <u>550,563</u> |
| | <u>4,282,639</u> | <u>3,477,228</u> |
| Transportation services: | | |
| Road transport | | |
| Administration and engineering | 280,611 | 169,427 |
| Road and street maintenance | 5,729,898 | 7,347,557 |
| Sidewalk and boulevard maintenance | 42,808 | 30,557 |
| Street lighting | 284,439 | 271,938 |
| Other | 131,496 | 133,095 |
| Air transport | 29,143 | 27,930 |
| Public transit | <u>93,359</u> | <u>77,254</u> |
| | <u>6,591,754</u> | <u>8,057,758</u> |
| Environmental health services: | | |
| Waste collection and disposal | 5,062,992 | 1,544,906 |
| Recycling | 665,633 | 699,877 |
| Other | <u>346,969</u> | <u>330,908</u> |
| | <u>6,075,594</u> | <u>2,575,691</u> |
| Public health and welfare services: | | |
| Public health | 110,642 | 102,788 |
| Social assistance | <u>19,765</u> | <u>19,765</u> |
| | <u>130,407</u> | <u>122,553</u> |
| Regional planning and development | | |
| Planning and zoning | 124,220 | 109,785 |
| Beautification and land rehabilitation | 168,632 | 155,030 |
| Urban area weed control | 56,509 | 76,226 |
| Other | <u>89,810</u> | <u>17,600</u> |
| | <u>439,171</u> | <u>358,641</u> |
| Resource conservation and industrial development | | |
| Water resources and conservation | 15,000 | 15,000 |
| Tourism | <u>294,178</u> | <u>199,303</u> |
| | <u>309,178</u> | <u>214,303</u> |
| Recreation and cultural services: | | |
| Administration | 348,350 | 343,730 |
| Swimming pools and beaches | 1,730,325 | 1,637,885 |
| Skating and curling rinks | 510,158 | 474,555 |
| Parks and playgrounds | 812,026 | 732,943 |
| Other recreational facilities | 875,666 | 633,956 |
| Libraries | 55,382 | 55,479 |
| Other cultural facilities | <u>35,012</u> | <u>44,928</u> |
| | <u>4,366,919</u> | <u>3,923,476</u> |
| Total expenses | <u><u>26,307,542</u></u> | <u><u>22,812,530</u></u> |

CITY OF STEINBACH
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2016

SCHEDULE 13

| | General | 2017 Utility | Total | 2016 Total |
|---|---------------------|---------------------|--------------------|----------------------|
| MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT | \$ 73,028 | \$ 57,689 | \$ 130,717 | \$ 184,524 |
| Adjustments for reporting under public sector accounting standards | | | | |
| Capital : | | | | |
| Increase revenue - contributed infrastructure / other donated assets | - | - | - | 6,859,425 |
| Increase revenue - capital grants and other revenue | 697,600 | 1,648,602 | 2,346,202 | 3,644,915 |
| Eliminate revenue - proceeds on disposal of assets (net of gain (loss) and trade-ins) | (213,168) | - | (213,168) | (66,985) |
| Decrease expense - contribution to capital (net of recoveries) | 1,386,105 | 133,974 | 1,520,079 | (366,979) |
| Decrease expense - principal portion of debenture debt | 1,328,591 | 1,286,602 | 2,615,193 | 2,755,647 |
| Increase expense - amortization of tangible capital assets | (5,591,197) | (2,292,720) | (7,883,917) | (7,044,139) |
| Reserve: | | | | |
| Increase revenue - reserve funds interest (net of deferral) | 174,425 | - | 174,425 | 173,173 |
| Eliminate expense - appropriations to reserves | 5,373,334 | 987,994 | 6,361,328 | 5,531,357 |
| Eliminate revenue - transfers from reserves to operating funds | (452,362) | (107,994) | (560,356) | (605,351) |
| Deferred Revenue: | | | | |
| Eliminate revenue - deferral of grants and restricted fees | (777,910) | - | (777,910) | 1,369,037 |
| Other: | | | | |
| Increase expense - landfill liability | (3,556,632) | - | (3,556,632) | (1,761) |
| | (1,558,186) | 1,714,147 | 155,961 | 12,432,863 |
| Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities | 708,897 | - | 708,897 | (22,900) |
| NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS | \$ (849,289) | \$ 1,714,147 | \$ 864,858 | \$ 12,409,963 |