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BDO Canada LLP
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June 26, 2017

Mr. Kevin Richter, CPA, CMA, Director of Finance
City of Selkirk
200 Eaton Avenue,
Selkirk, Manitoba
R1A 0W6

Dear Mr. Richter

Re Supplement to the Auditors' Report

We are providing this letter in connection with our audit of the financial statements of City of Selkirk for the year ended December 31, 2016. The objective of our audit was to obtain reasonable assurance whether the financial statements are free of material misstatement. This letter fulfils our responsibility under Section 190(2) of the Municipal Act to report to Council certain matters which could possibly be identified during the course of our audit. An audit it is not designed nor intended to carry out procedures on the matters specified in the Act, no procedures have been carried out in addition to those necessary to form an opinion on the financial statements. Accordingly not all relevant transactions or conditions may have been encountered during our audit and thus we cannot state the matters reported below are the only matters that would be reportable under Section 190(2) of the Municipal Act. In addition it is inappropriate to conclude that no such matters exist or that accounting procedures and systems of control employed by the municipality are effective. Pursuant to Section 190(2) of the Municipal Act we report to you:

1. To the best of our knowledge, the accounting procedures and systems of control employed by the municipality are adequate to preserve and protect its assets. However our financial statement audit was not designed to address all relevant controls nor have we utilised generally accepted criteria against which to evaluate the matter as would normally be required when providing an assurance as to whether the accounting procedures and systems of control were effective.
2. To the best of our knowledge, the funds of the municipality have been disbursed only under authority granted by an Act of the Legislature or under authority of a resolution or by-law of the municipality made under the authority of an Act of the Legislature, however our financial statement audit did not include all relevant transactions.
3. No irregularity or discrepancy in the administration of the affairs of the municipality by the Council came to our attention in the course of our audit; only the following irregularities or discrepancies would come to our attention during the course of our audit: misstatements other than trivial errors; fraud; misstatements that may cause future financial statements to be materially misstated; illegal or possibly illegal acts, other than ones considered inconsequential; or significant weaknesses in internal control over financial reporting.
4. There are no other matters, that we consider necessary, to be brought to the attention of Council at this time.



5. We have no recommendations that we consider necessary or advisable regarding the proper performance of duties and the keeping of records and books of account, other than those noted in the management letter.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication. We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours truly

A handwritten signature in black ink that reads "Lauren Tolton". The signature is written in a cursive, flowing style.

Lauren Tolton, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants

CITY OF SELKIRK

**Consolidated Financial Statements
For the Year Ended December 31, 2016**

STATEMENT OF RESPONSIBILITY

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

BDO Canada LLP as the City'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 City in accordance with Canadian public sector accounting standards.



Duane Nicol
Chief Administrative Officer

June 26, 2017



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the City of Selkirk, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2016, 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 consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 controls. 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 consolidated financial statements present fairly, in all material respects, the financial position of the City of Selkirk as at December 31, 2016, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
June 26, 2017

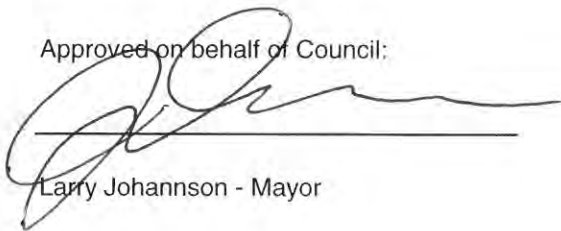
CITY OF SELKIRK
Consolidated Financial Statements
For the Year Ended December 31, 2016

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CITY OF SELKIRK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 16,045,808	\$ 14,448,343
Amounts receivable (Note 4)	3,573,740	2,544,402
Loans and advances (Note 5)	248,585	253,232
	<u>\$ 19,868,133</u>	<u>\$ 17,245,977</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 3,779,886	\$ 2,858,893
Deferred revenue (Note 8)	20,630	17,588
Landfill closure and post closure liabilities (Note 9)	645,942	710,637
Long-term debt (Note 10)	7,513,895	8,080,505
Deposits and other liabilities	841,236	809,335
	<u>12,801,589</u>	<u>12,476,958</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 7,066,544</u>	<u>\$ 4,769,019</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 52,177,789	\$ 49,293,728
Inventories (Note 6)	26,116	22,138
Prepaid expenses	88,751	77,940
	<u>52,292,656</u>	<u>49,393,806</u>
ACCUMULATED SURPLUS (Note 15)	<u>\$ 59,359,200</u>	<u>\$ 54,162,825</u>

Approved on behalf of Council:



 Larry Johannson - Mayor



 John Buffie - Audit Review
 Committee Chair

The accompanying notes are an integral part of this financial statement

CITY OF SELKIRK
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2016

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 9,470,825	\$ 9,540,735	\$ 9,173,696
Grants in lieu of taxation	1,195,351	1,189,409	1,240,928
User fees	2,111,745	1,971,707	1,896,287
Permits, licences and fines	242,135	273,885	240,186
Investment income	70,483	239,749	240,040
Other revenue	671,510	1,034,465	339,864
Water and sewer	3,821,650	3,876,442	3,462,207
Grants - Province of Manitoba	4,126,104	4,382,803	2,643,407
Grants - other	741,628	760,568	1,300,180
	<u>22,451,431</u>	<u>23,269,763</u>	<u>20,536,795</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	2,428,436	2,385,148	2,292,559
Protective services	4,046,379	3,652,953	4,293,535
Transportation services	3,287,507	2,948,050	3,048,563
Environmental health services	1,020,195	964,714	975,427
Public health and welfare services	351,908	319,609	154,776
Regional planning and development	458,474	438,203	466,929
Resource conservation and industrial development	575,365	406,337	315,826
Recreation and cultural services	3,400,257	3,509,273	3,206,001
Water and sewer services	3,830,898	3,449,101	3,473,800
	<u>19,399,419</u>	<u>18,073,388</u>	<u>18,227,416</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u><u>\$ 3,052,012</u></u>	<u>5,196,375</u>	<u>2,309,379</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>54,162,825</u>	<u>51,853,446</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$59,359,200</u></u>	<u><u>\$ 54,162,825</u></u>

The accompanying notes are an integral part of this financial statement

CITY OF SELKIRK
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2016

	<u>2016 Budget (Note 14)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS	<u>\$ 3,052,012</u>	<u>\$ 5,196,375</u>	<u>\$ 2,309,379</u>
Acquisition of tangible capital assets	(5,720,598)	(5,359,037)	(3,269,369)
Amortization of tangible capital assets	2,466,963	2,466,963	2,406,361
Loss (Gain) on sale of tangible capital assets	-	(704,985)	(29,768)
Proceeds on sale of tangible capital assets	-	712,998	48,006
Writedown of assets	-	-	-
Decrease (increase) in inventories	-	(3,978)	14,968
Decrease (increase) in prepaid expense	-	(10,811)	(29,871)
	<u>(3,253,635)</u>	<u>(2,898,850)</u>	<u>(859,673)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>(201,623)</u>	2,297,525	1,449,706
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>4,769,019</u>	<u>3,319,313</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 7,066,544</u>	<u>\$ 4,769,019</u>

The accompanying notes are an integral part of this financial statement

CITY OF SELKIRK
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 5,196,375	\$ 2,309,379
Changes in non-cash items:		
Amounts receivable	(1,029,338)	6,932
Loans and advances	4,647	(22,728)
Inventories	(3,978)	14,968
Prepays	(10,811)	(29,871)
Accounts payable and accrued liabilities	920,993	721,002
Deferred revenue	3,042	(562,433)
Landfill closure and post closure liabilities	(64,695)	13,934
Deposits and other liabilities	31,901	86,611
Gain on sale of tangible capital asset	(704,985)	(29,768)
Amortization	2,466,963	2,406,361
Cash provided by operating transactions	<u>6,810,114</u>	<u>4,914,387</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	712,998	48,006
Write down of assets	-	-
Cash used to acquire tangible capital assets	<u>(5,359,037)</u>	<u>(3,269,369)</u>
Cash applied to capital transactions	<u>(4,646,039)</u>	<u>(3,221,363)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	<u>(566,610)</u>	<u>(580,793)</u>
Cash applied to financing transactions	<u>(566,610)</u>	<u>(580,793)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,597,465	1,112,231
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>14,448,343</u>	<u>13,336,112</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 16,045,808</u></u>	<u><u>\$ 14,448,343</u></u>

The accompanying notes are an integral part of this financial statement

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

1. Status of the City of Selkirk

The incorporated City of Selkirk ("the City") is a municipal government that was created in 1882 pursuant to the Manitoba Municipal Act. The City provides or funds municipal services such as fire, public works, regional planning, parks and recreation, library and other general government operations. The City owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in providing a variety of municipal services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian 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 City. 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 City. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organization includes Selkirk Transit Authority.

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

Gaynor Family Regional Library (consolidated 57.73%) (2015 - consolidated 57.73%)
North Red Community Water Maintenance (consolidated 33.33%) (2015 - consolidated 33.33%)
Red River North Flood Consortium (consolidated 20.00%) (2015 - consolidated 20.00%)
Red River Planning District (consolidated 18.75%) (2015 - consolidated 18.75%)
Selkirk Weed Control District (consolidated 29.84%) (2015 - consolidated 29.84%)

The taxation with respect to the operations of the school divisions are not reflected in the City 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.

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2. Significant Accounting Policies (continued)

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. 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 City 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.

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	5 to 20 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 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	20 to 40 years
Underground networks	30 to 100 years
Machinery and equipment	5 to 20 years
Dams and other surface water structures	40 to 60 years

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

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2. Significant Accounting Policies (continued)

g) Leases

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

h) 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.

i) 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.

j) Municipal Tax Credits

The City provides financial assistance to certain organizations by granting a tax credit for municipal taxes. The credit is recorded as an expense as opposed to a reduction in municipal tax revenue. In cases where the assistance is repayable to the City, the repayment is recognized as revenue when received.

k) 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, 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>2016</u>	<u>2015</u>
Cash	<u>\$ 16,045,808</u>	<u>\$ 14,448,343</u>

The City has designated the following cash to reserves for commitments and tangible capital asset acquisitions. See Schedule 6 - Schedule of Change in Reserve Fund Balances.

Designated Reserve Funds	<u>\$ 13,058,287</u>	<u>\$ 11,083,282</u>
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CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 748,415	\$ 760,830
Government grants	524,318	92,168
Utility customers	919,723	809,003
Organizations and individuals	1,436,288	788,442
Other governments	54,303	194,863
	<u>3,683,047</u>	<u>2,645,306</u>
Less allowances for doubtful amounts	<u>(109,307)</u>	<u>(100,904)</u>
	<u><u>\$ 3,573,740</u></u>	<u><u>\$ 2,544,402</u></u>

5. Loans and Advances

The loan receivable from the Selkirk Food Bank Inc. and is repayable in monthly installments of \$1,372 including interest calculated at 4.75%. The loan is secured by a mortgage on the property at 310 Christie Street, Selkirk.

	<u>2016</u>	<u>2015</u>
	<u><u>\$ 248,585</u></u>	<u><u>\$ 253,232</u></u>

6. Inventories

Inventories for use:

	<u>2016</u>	<u>2015</u>
Fuel	\$ 23,362	\$ 18,989
Chemicals	2,754	3,149
	<u><u>\$ 26,116</u></u>	<u><u>\$ 22,138</u></u>

7. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 1,540,702	\$ 1,590,045
Accrued expenses	228,296	133,728
Accrued interest payable	641	992
School levies (Schedule 13)	286,842	204,513
Other governments	1,723,405	929,615
	<u><u>\$ 3,779,886</u></u>	<u><u>\$ 2,858,893</u></u>

8. Deferred Revenue

	<u>2016</u>	<u>2015</u>
Other	<u><u>\$ 20,630</u></u>	<u><u>\$ 17,588</u></u>

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

9. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The City currently has no operating landfills.

b) Closed Landfill Sites

	<u>2016</u>	<u>2015</u>
Estimated post closure costs over the next 20 years	<u>\$ 645,942</u>	<u>\$ 710,637</u>

Legislation requires the City to monitor its closed landfill site(s). Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports. Estimated post closure costs over the next 20 years is estimated to be \$1,169,774 (2015 - \$1,294,844). The City uses a discount rate of 6% (2015 - 6%) to arrive at its post closure liability.

10. Long Term Debt

	<u>2016</u>	<u>2015</u>
<u>General Authority Debentures:</u>		
Debenture for storm pond, interest at 6.5%, payable at \$64,982 annually including interest, maturing 2017.	\$ 61,016	\$ 118,307
Debenture for paving, interest at 5.625%, payable at \$40,132 annually including interest, maturing 2020.	140,263	170,788
Debenture for storm sewers, interest at 4.3%, payable at \$325,347 annually including interest, maturing 2031.	3,542,624	3,708,506
	<u>\$ 3,743,903</u>	<u>\$ 3,997,601</u>
<u>Utility Fund Debentures:</u>		
Debenture for water main, at 6.375%, payable at \$93,262 annually including interest, maturing 2018.	\$ 170,092	\$ 247,571
Debenture for sewer relining, at 5.625%, payable at \$19,287 annually including interest, maturing 2020.	67,411	82,081
Debenture for sewage treatment plant upgrade, at 5.15%, payable at \$72,634 annually including interest, maturing 2016.	-	69,077
Debenture for sewer relining, interest at 5.5%, payable at \$30,663 annually including interest, maturing 2024.	194,238	213,177
Debenture for water treatment plant, interest at 4.02%, payable at \$251,542 annually including interest, maturing 2032.	2,926,720	3,055,434
Debenture for sewer relining, interest at 3.81%, payable at \$15,845 annually including interest, maturing 2027.	<u>140,243</u>	<u>150,359</u>
	<u>\$ 3,498,704</u>	<u>\$ 3,817,699</u>
Total Debentures	<u>\$ 7,242,607</u>	<u>\$ 7,815,300</u>

The debentures of the City have been issued with terms of 10 to 20 years to maturity.

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

10. Long Term Debt (continued)

Other Long term debt - Government Partnerships:

Loan with Sunova Credit Union, bears interest at a floating rate of 3%, interest is paid monthly.	\$ 271,288	\$ 264,050
Loan with Sunova Credit Union, bears interest at a floating rate of prime, \$657 monthly including interest, maturing 2016.	<u>-</u>	<u>1,155</u>
Total Other Long-term Debt - Government Partnerships	<u>\$ 271,288</u>	<u>\$ 265,205</u>
	<u>\$ 7,513,895</u>	<u>\$ 8,080,505</u>

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

2017	\$ 528,556
2018	489,801
2019	419,897
2020	438,464
2021	398,446
Thereafter	5,238,731

11. Commitments

a) The City has the following uncompleted portions of capital contractual obligations as at December 31, 2016: (2015 - \$4,651,554)

New Fire Hall	\$ 367,200
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b) The City has negotiated a non-exclusive long-term contract ending December 31, 2017 with Progressive Waste Solutions Canada for handling and disposal of garbage and recycling. A new tender will be prepared in 2017 for the period of 2018 - 2020. Annual charges under the contract are determined by reference to certain waste and recycling volumes handled. Payments made under this contract for 2016 were approximately \$557,356 (2015 - \$506,287). In addition, the City has a three year contract with the same contractor starting January 1, 2017 to December 31, 2019 for the operation and maintenance of Selkirk's Waste Transfer Station. Payments made under the previous contract for 2016 were approximately \$313,316 (2015 - \$315,081).

c) The City is committed to purchase lime for the water treatment plant from Graymont Western Canada of approximately \$171,100 in 2017. A new tender will be prepared in 2017 for the period of 2018 - 2019.

d) The City is contracted with Lakepoint Construction for lime sludge removal and disposal services from the water treatment plant of approximately \$101,599 in 2017. A new tender will be prepared in 2017 for the period of 2018 - 2020.

e) The City is constructing a new Waste Water Treatment Plant. Estimated costs are \$36.9M of which \$524,386 was spent during the period of 2013 - 2016. Cost sharing agreements with the Government of Canada and the Province of Manitoba, in the amounts of \$11.7M each, will be signed in 2017.

f) The City is committed to lease grounds equipment from Enns Brothers of approximately \$57,814 in 2017, \$57,814 in 2018 and \$57,814 in 2019. This contract is ending on December 31, 2019.

g) The City is committed to purchasing dust control from Fort Distributors of approximately \$47,094 in 2017, \$47,942 in 2018 and \$48,805 in 2019.

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

12. Retirement Benefits

The majority of the employees of the City 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 City on behalf of its employees amounted to \$278,957 (2015 - \$268,071) and are included in the statement of operations.

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

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

13. Financial Instruments

The City as part of its operations carries a number of financial instruments. It is management's opinion the City 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 City has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

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

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

15. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal	\$ 1,013,272	1,013,272
Utility operating fund - Nominal	76,201	76,201
General capital fund - Capital surplus	15,712,048	15,016,890
Utility capital fund - Capital surplus	28,277,683	25,776,325
Reserve funds	13,058,287	11,083,282
Accumulated surpluses of City unconsolidated	58,137,491	52,965,970
Accumulated surpluses of consolidated entities	1,221,709	1,196,855
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 59,359,200</u>	<u>\$ 54,162,825</u>

16. Public Sector Compensation Disclosure

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

- a) Compensation paid to members of council amounted to \$ 204,564 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - L. Johannson	\$ 32,182	\$ 9,982	\$ 42,164
Deputy Mayor - K. Beerman	21,182	7,240	28,422
Councillor - J. Buffie	19,200	7,460	26,660
Councillor - K. Cook	20,242	8,605	28,847
Councillor - D. Swiderski	20,691	8,570	29,261
Councillor - A. Hourie	18,813	6,194	25,007
Councillor - D. Poirier	17,842	6,361	24,203
	<u>\$ 150,152</u>	<u>\$ 54,411</u>	<u>\$ 204,564</u>

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

16. Public Sector Compensation Disclosure (continued)

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

Name	Position	Amount
D. Nicol	Chief Administrative Officer	\$ 153,461
K. Richter	Director of Finance	112,659
E. Henrichsen	Director of Corporate Services	103,550
F. Anwar	Director of Sustainable Economic Development	102,045
C. Carruthers	Director of Culture, Recreation and Green Transportation	100,224
D. McDermid	Director of Operations	99,929
M. Woods	Manager of Finance	93,340
D. Scott	Manager of Water/Wastewater Treatment	89,004
D. Whall	Manager of Public Works	85,725
T. Grobb	Utility Operator	82,330
R. Avanthay	Manager of Parks and Recreational Facilities	78,948
A. Chapil	Human Resources Administrator	77,805
F. Macfadden	Utility Operator	76,949
E. Partyka	Utility Operator	76,230
B. Clark	Manager of Cultural and Recreational Programs	73,922
R. King	By-Law Enforcement Officer	73,375
B. Scherza	Chargehand Public Works	71,169
S. Blanco	Mechanic 3	68,545
G. Humeniuk	Manager of Buildings/Fleet	66,612
J. Soltys	By-Law Enforcement Officer	64,638
K. Depauw	Draftsman/Surveyor	64,355
T. Skalesky	Heavy Equipment Operator 2	58,857
G. Pasieka	Project Administrator	57,861
S. Parisian	Utility Maintenance	56,177
B. Sinclair	Building Maintenance	56,131
P. Skrypnyk	Utility Maintenance	54,559
V. Figus	Marketing Communications Coordinator	54,027
E. Chipman	Building Maintenance	53,571
S. Leonard	Program Coordinator	52,719
G. Tataryn	Parks Arena Attendant	52,613
B. Rodko	Heavy Equipment Operator 2	51,725
D. Grove	Heavy Equipment Operator 1	50,926
R. Sicinski	Heavy Equipment Operator 1	50,917
A. Sinclair	Executive Assistant	50,835
T. Barteski	Parks Arena Attendant	50,477
R. Ward	Parks Arena Attendant	50,020

CITY OF SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

17. Segmented Information

The City of Selkirk provides a wide ranges of services to its residents. Segment information has been provided in Schedule 4 for the following services:

General

This relates to the revenues and expenses that relate to the operations of the City itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of RCMP, by-law enforcement, flood protection, fire protection, building inspection, emergency operations and animal control services. The fire department is comprised of paid on-call volunteers who provide fire suppression services, fire prevention programs, training and education. The fire department also responds to motor vehicle accidents. Emergency operations include the emergency operations centres when required. The City is a partner in North Red Community Water Maintenance Inc., which owns, operates and maintains an Amphibex icebreaker to reduce damage caused by ice jams. The City also belongs to the Red River North Flood Consortium, which provides flood protection.

Transportation Services

Transportation services is responsible for snow clearing, cleaning streets in urban areas, grading gravel roads, applying dust abatement to gravel roads, maintaining boulevards in the urban areas, maintaining and improving drainage along municipal roads as well as paying for utility costs for street lights in urban areas. The City has a service agreement with Selkirk Transit Authority which provides public transportation services to its residents.

Environmental Health Services

Contractors provide services for waste disposal and transportation to the disposal ground as well as the pickup of materials to be recycled. The City also provides mosquito control.

Public Health and Welfare Services

The City pays the Province of Manitoba an annual levy to administer social assistance to their residents. The City has a service agreement with Selkirk Transit Authority which provides mobility transportation services to its residents.

Regional Planning and Development

The City is responsible for final decisions on subdivision applications and for its Zoning By-Laws. The City is in partnership with Red River Planning District who provides planning services within the boundaries of its member municipalities. The City belongs to the Selkirk Weed Control District, which deals with noxious weeds.

Resource Conservation and Industrial Development

The City of Selkirk's Sustainable Economic Development department supports new business development and encourages existing businesses to reach their full potential in our City. The City provides many tourism activities and events for our visitors. The City supports the East Interlake Conservation District which provides residents of the Interlake the resources they need to help improve the health of their local watersheds.

Recreation and Cultural Services

The City provides recreation programs, services and facilities, to improve the health and well-being of its citizens. Library services are provided by Gaynor Family Regional Library.

Water and Sewer Services

The City provides potable drinking water to their citizens along with wastewater treatment services. The city works with regulatory authorities to ensure that they are in compliance with their standards for water and wastewater.

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 SELKIRK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

18. Government Partnerships

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

	<u>2016</u>	<u>2015</u>
Financial Position		
Financial Assets	\$ 910,096	\$ 878,078
Liabilities	<u>367,429</u>	<u>378,508</u>
Net financial assets (liabilities)	<u>542,667</u>	499,570
Non-financial assets	<u>640,501</u>	<u>676,889</u>
Accumulated surplus	<u><u>\$ 1,183,168</u></u>	<u><u>\$ 1,176,459</u></u>
Result of Operations		
Revenues	\$ 1,082,318	\$ 1,258,933
Expenses	<u>1,184,460</u>	<u>1,257,986</u>
Annual surplus (deficit)	<u><u>\$ (102,142)</u></u>	<u><u>\$ 947</u></u>

The City's consolidated financial statements include the operations of the partnerships net of an adjustment to the annual surplus (deficit) for \$108,851 (2015 - \$108,439) to eliminate revenue and expenses between the City and the partnerships.

19. 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 City has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

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

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Water	<u>\$ 8,198,442</u>	<u>\$ 1,595,183</u>	<u>\$ 198,710</u>	<u>\$ 9,594,915</u>
<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Sewer	<u>\$ 1,679,632</u>	<u>\$ 36,103</u>	<u>\$ 75,060</u>	<u>\$ 1,640,675</u>

20. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

**CITY OF SELKIRK
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2016**

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2016	2015
Cost										
Opening costs	6,840,196	13,945,231	6,567,146	593,586	252,911	13,609,256	43,480,161	1,651,467	86,939,954	83,999,991
Additions during the year	94,017	73,652	70,285	20,347	620,943	856,925	445,979	3,176,889	5,359,037	3,269,369
Transfers during the year	251,685	20,373	357,996	-	(630,054)	-	330,722	(330,722)	-	-
Disposals and write downs	(7,550)	-	(9,613)	(28,559)	-	-	-	-	(45,722)	(329,406)
Closing costs	<u>7,178,348</u>	<u>14,039,256</u>	<u>6,985,814</u>	<u>585,374</u>	<u>243,800</u>	<u>14,466,181</u>	<u>44,256,862</u>	<u>4,497,634</u>	<u>92,253,269</u>	<u>86,939,954</u>
Accumulated Amortization										
Opening accum'd amortization	1,276,462	7,504,099	3,971,950	347,810	-	5,325,686	19,220,219	-	37,646,226	35,551,033
Amortization	190,622	343,062	433,003	123,362	-	418,772	958,141	-	2,466,963	2,406,361
Disposals and write downs	-	-	(9,150)	(28,559)	-	-	-	-	(37,709)	(311,168)
Closing accum'd amortization	<u>1,467,084</u>	<u>7,847,161</u>	<u>4,395,803</u>	<u>442,613</u>	<u>-</u>	<u>5,744,458</u>	<u>20,178,360</u>	<u>-</u>	<u>40,075,480</u>	<u>37,646,226</u>
Net Book Value of Tangible Capital Assets	<u><u>5,711,264</u></u>	<u><u>6,192,095</u></u>	<u><u>2,590,011</u></u>	<u><u>142,761</u></u>	<u><u>243,800</u></u>	<u><u>8,721,723</u></u>	<u><u>24,078,502</u></u>	<u><u>4,497,634</u></u>	<u><u>52,177,789</u></u>	<u><u>49,293,728</u></u>

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

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 9,248,835	\$ 8,591,042
Taxes added	<u>291,900</u>	<u>582,654</u>
	<u>9,540,735</u>	<u>9,173,696</u>
Grants in lieu of taxation:		
Federal government	66,518	70,555
Federal government enterprises	4,734	4,144
Provincial government	551,085	595,212
Provincial government enterprises	<u>567,072</u>	<u>571,017</u>
	<u>1,189,409</u>	<u>1,240,928</u>
User fees		
Sales of service	1,935,191	1,850,244
Rentals	<u>36,516</u>	<u>46,043</u>
	<u>1,971,707</u>	<u>1,896,287</u>
Permits, licences and fines		
Permits	165,472	155,966
Licences	11,946	14,691
Fines	<u>96,467</u>	<u>69,529</u>
	<u>273,885</u>	<u>240,186</u>
Investment income:		
Cash and temporary investments	<u>239,749</u>	<u>240,040</u>
	<u>239,749</u>	<u>240,040</u>
Other revenue:		
Gain (loss) on sale of assets	704,985	29,768
Miscellaneous:		
Infrastructure fees	75,017	173,555
Penalties and interest	161,134	118,858
Donations - Library	9,142	10,198
Other revenue	<u>84,187</u>	<u>7,485</u>
	<u>1,034,465</u>	<u>339,864</u>
Water and sewer (Schedule 4)	<u>3,876,442</u>	<u>3,462,207</u>
Grants - Province of Manitoba		
General assistance payment	1,559,995	1,559,995
General support grant	84,310	85,030
Municipal program grants	147,435	147,435
Conditional grants	<u>2,591,063</u>	<u>850,947</u>
	<u>4,382,803</u>	<u>2,643,407</u>
Grants - other		
Federal government - gas tax funding	531,097	1,072,376
Federal government - other	18,653	6,592
Other local governments	<u>210,818</u>	<u>221,212</u>
	<u>760,568</u>	<u>1,300,180</u>
Total revenue	<u><u>23,269,763</u></u>	<u><u>20,536,795</u></u>

CITY OF SELKIRK
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 3

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
General government services:		
Legislative	\$ 163,168	\$ 149,800
General administrative	1,091,395	1,018,297
Other	1,130,585	1,124,462
	<u>2,385,148</u>	<u>2,292,559</u>
Protective services:		
Police	2,395,413	2,627,317
Fire	474,004	481,881
Emergency measures	418,418	483,251
By-law enforcement	193,538	553,660
Other protection	171,580	147,426
	<u>3,652,953</u>	<u>4,293,535</u>
Transportation services:		
Road transport		
Administration and engineering	494,812	466,235
Parking	50,670	21,679
Road and street maintenance	1,607,779	1,772,090
Sidewalk and boulevard maintenance	175,696	166,700
Street lighting	194,474	211,354
Traffic services	41,097	50,276
Public transit	383,522	360,229
	<u>2,948,050</u>	<u>3,048,563</u>
Environmental health services:		
Waste collection and disposal	675,756	691,419
Recycling	228,290	228,640
Other	60,668	55,368
	<u>964,714</u>	<u>975,427</u>
Public health and welfare services:		
Public health	201,108	36,125
Social assistance	118,501	118,651
	<u>319,609</u>	<u>154,776</u>
Regional planning and development		
Planning and zoning	337,997	368,067
Urban area weed control	100,206	98,862
	<u>438,203</u>	<u>466,929</u>
Resource conservation and industrial development		
Regional development	375,870	286,148
Tourism	20,467	19,678
Water resources and conservation	10,000	10,000
	<u>406,337</u>	<u>315,826</u>
Recreation and cultural services:		
Administration	783,165	689,377
Community centres and halls	785,882	769,517
Swimming pools and beaches	521,191	473,327
Skating and curling rinks	147,842	159,533
Parks and playgrounds	322,477	211,878
Other recreational facilities	383,180	387,797
Libraries	532,003	504,990
Other cultural facilities	33,533	9,582
	<u>3,509,273</u>	<u>3,206,001</u>
Water and sewer (Schedule 9)	<u>3,449,101</u>	<u>3,473,800</u>
Total expenses	<u><u>18,073,388</u></u>	<u><u>18,227,416</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ 9,057,501	\$ 8,690,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	1,189,409	1,240,928	-	-	-	-	-	-	-	-
User fees	41,479	64,550	386,040	494,441	158,834	120,110	368,767	365,937	178,330	4,470
Grants - other	549,597	1,091,276	(4,000)	4,000	16,460	15,000	-	-	350	-
Permits, licences and fines	92,168	70,819	-	-	14,982	10,843	-	-	-	-
Investment income	230,666	232,486	4,734	3,391	-	-	-	-	-	-
Gain (loss) on sale of assets	701,370	41,323	-	-	-	-	-	-	-	(14,437)
Other revenue	295,660	321,290	-	375	7,463	-	-	-	365	(447)
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,791,740	1,792,460	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	635,078	587,476	-	20,405	-	-	29,371	28,900	27,984	8,480
Total revenue	\$ 14,584,668	\$ 14,133,070	\$ 386,774	\$ 522,612	\$ 197,739	\$ 145,953	\$ 398,138	\$ 394,837	\$ 207,029	\$ (1,934)
EXPENSES										
Personnel services	\$ 1,132,218	\$ 1,107,009	\$ 615,494	\$ 659,696	\$ 1,022,753	\$ 1,121,487	\$ 3,798	\$ 2,404	\$ 139,627	\$ 11,190
Contract services	589,752	503,681	2,744,448	3,330,446	512,744	752,902	705,913	661,994	125,933	102,071
Utilities	49,058	47,325	23,971	23,101	213,039	227,572	5,070	4,822	-	-
Maintenance materials and supplies	50,714	31,321	94,909	96,254	170,265	255,233	297,878	278,227	18,907	2,926
Grants and contributions	156,593	176,511	6,700	5,000	262,884	-	-	-	23,150	36,025
Amortization	115,981	120,581	167,331	171,479	766,333	691,369	16,750	14,046	11,967	2,564
Interest on long term debt	176,411	188,968	-	-	-	-	-	-	-	-
Other	114,421	117,163	100	7,559	32	-	(64,695)	13,934	25	-
Total expenses	\$ 2,385,148	\$ 2,292,559	\$ 3,652,953	\$ 4,293,535	\$ 2,948,050	\$ 3,048,563	\$ 964,714	\$ 975,427	\$ 319,609	\$ 154,776
Surplus (Deficit)	\$ 12,199,520	\$ 11,840,511	\$ (3,266,179)	\$ (3,770,923)	\$ (2,750,311)	\$ (2,902,610)	\$ (566,576)	\$ (580,590)	\$ (112,580)	\$ (156,710)

* 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, 2016

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 483,234	\$ 483,234	\$ 9,540,735	\$ 9,173,696
Grants in lieu of taxation	-	-	-	-	-	-	-	-	1,189,409	1,240,928
User fees	129,541	134,606	-	-	708,716	712,173	-	-	1,971,707	1,896,287
Grants - other	59,694	60,401	-	-	136,814	129,503	1,653	-	760,568	1,300,180
Permits, licences and fines	156,699	151,440	-	-	10,036	7,084	-	-	273,885	240,186
Investment income	2,729	2,571	-	-	1,620	1,592	-	-	239,749	240,040
Gain (loss) on sale of assets	3,615	2,882	-	-	-	-	-	-	704,985	29,768
Other revenue	3,603	(31,233)	-	-	22,389	20,111	-	-	329,480	310,096
Water and sewer	-	-	-	-	-	-	3,876,442	3,462,207	3,876,442	3,462,207
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,791,740	1,792,460
Prov of MB - Conditional Grants	-	-	-	-	268,997	205,686	1,629,633	-	2,591,063	850,947
Total revenue	\$ 355,881	\$ 320,667	\$ -	\$ -	\$ 1,148,572	\$ 1,076,149	\$ 5,990,962	\$ 3,945,441	\$ 23,269,763	\$ 20,536,795
EXPENSES										
Personnel services	\$ 234,984	\$ 264,598	\$ 189,865	\$ 179,001	\$ 1,825,196	\$ 1,585,159	\$ 995,120	\$ 1,020,301	\$ 6,159,055	\$ 5,950,845
Contract services	75,916	76,628	183,125	102,245	578,394	498,123	695,006	682,803	6,211,231	6,710,893
Utilities	3,807	4,599	5,039	6,057	288,930	293,990	265,453	262,141	854,367	869,607
Maintenance materials and supplies	25,844	23,466	16,452	18,523	325,267	330,747	362,613	366,348	1,362,849	1,403,045
Grants and contributions	59,035	58,031	10,000	10,000	90,246	91,950	-	-	608,608	377,517
Amortization	30,982	45,316	1,856	-	397,622	407,555	958,141	953,451	2,466,963	2,406,361
Interest on long term debt	7,247	7,335	-	-	-	-	164,239	179,380	347,897	375,683
Other	388	(13,044)	-	-	3,618	(1,523)	8,529	9,376	62,418	133,465
Total expenses	\$ 438,203	\$ 466,929	\$ 406,337	\$ 315,826	\$ 3,509,273	\$ 3,206,001	\$ 3,449,101	\$ 3,473,800	\$ 18,073,388	\$ 18,227,416
Surplus (Deficit)	\$ (82,322)	\$ (146,262)	\$ (406,337)	\$ (315,826)	\$ (2,360,701)	\$ (2,129,852)	\$ 2,541,861	\$ 471,641	\$ 5,196,375	\$ 2,309,379

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 9,540,735	\$ 9,173,696	\$ -	\$ -	\$ -	\$ -	\$ 9,540,735	\$ 9,173,696
Grants in lieu of taxation	1,189,409	1,240,928	-	-	-	-	1,189,409	1,240,928
User fees	1,162,297	1,255,509	295,951	4,184	513,459	636,594	1,971,707	1,896,287
Grants - other	551,250	1,091,276	16,810	15,000	192,508	193,904	760,568	1,300,180
Permits, licences and fines	107,150	81,662	-	-	166,735	158,524	273,885	240,186
Investment income	230,666	232,486	-	-	9,083	7,554	239,749	240,040
Gain (loss) on sale of assets	701,370	41,323	-	-	3,615	(11,555)	704,985	29,768
Other revenue	302,955	321,290	7,828	429	18,697	(11,623)	329,480	310,096
Water and sewer	3,876,442	3,462,207	-	-	-	-	3,876,442	3,462,207
Prov of MB - Unconditional Grants	1,791,740	1,792,460	-	-	-	-	1,791,740	1,792,460
Prov of MB - Conditional Grants	2,384,858	666,876	27,984	8,480	178,221	175,591	2,591,063	850,947
Total revenue	<u>\$ 21,838,872</u>	<u>\$ 19,359,713</u>	<u>\$ 348,573</u>	<u>\$ 28,093</u>	<u>\$ 1,082,318</u>	<u>\$ 1,148,989</u>	<u>\$ 23,269,763</u>	<u>\$ 20,536,795</u>
EXPENSES								
Personnel services	\$ 5,283,080	\$ 5,235,670	\$ 226,131	\$ 17,952	\$ 649,844	\$ 697,223	\$ 6,159,055	\$ 5,950,845
Contract services	5,835,790	6,376,394	47,729	6,819	327,712	327,680	6,211,231	6,710,893
Utilities	827,833	843,105	604	-	25,930	26,502	854,367	869,607
Maintenance materials and supplies	1,225,673	1,283,856	31,208	2,926	105,968	116,263	1,362,849	1,403,045
Grants and contributions	608,608	377,517	-	-	-	-	608,608	377,517
Amortization	2,402,256	2,317,234	261	-	64,446	89,127	2,466,963	2,406,361
Interest on long term debt	340,650	368,348	-	-	7,247	7,335	347,897	375,683
Other	59,050	141,114	57	-	3,311	(7,649)	62,418	133,465
Total expenses	<u>\$ 16,582,940</u>	<u>\$ 16,943,238</u>	<u>\$ 305,990</u>	<u>\$ 27,697</u>	<u>\$ 1,184,458</u>	<u>\$ 1,256,481</u>	<u>\$ 18,073,388</u>	<u>\$ 18,227,416</u>
Surplus (Deficit)	<u>\$ 5,255,932</u>	<u>\$ 2,416,475</u>	<u>\$ 42,583</u>	<u>\$ 396</u>	<u>\$ (102,140)</u>	<u>\$ (107,492)</u>	<u>\$ 5,196,375</u>	<u>\$ 2,309,379</u>

CITY OF SELKIRK
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016						
	General	Equipment	Off Street Parking	Parks and Recreation	Fire Apparatus	Building Maintenance	Capital Improvements
REVENUE							
Investment income	\$ 37,075	\$ 5,215	\$ 2,811	\$ 5,851	\$ 13,816	\$ 8,926	\$ 3,820
Other income	-	-	-	-	-	-	-
Total revenue	<u>37,075</u>	<u>5,215</u>	<u>2,811</u>	<u>5,851</u>	<u>13,816</u>	<u>8,926</u>	<u>3,820</u>
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	37,075	5,215	2,811	5,851	13,816	8,926	3,820
TRANSFERS							
Transfers from general operating	186,973	292,919	24,000	208,772	95,000	125,000	620,580
Transfers to general operating	-	-	-	(16,171)	-	(15,900)	-
Transfers from utility operating	-	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(13,139)	-	(300,719)	-	(55,648)	(186,165)
CHANGE IN RESERVE FUND BALANCES	224,048	284,995	26,811	(102,267)	108,816	62,378	438,235
FUND SURPLUS, BEGINNING OF YEAR	2,539,941	188,760	176,542	384,081	883,115	543,483	177,224
FUND SURPLUS, END OF YEAR	<u>\$ 2,763,989</u>	<u>\$ 473,755</u>	<u>\$ 203,353</u>	<u>\$ 281,814</u>	<u>\$ 991,931</u>	<u>\$ 605,861</u>	<u>\$ 615,459</u>

CITY OF SELKIRK
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016						
	Flood Protection	Handi Transit	Special Events	Technology	Land Acquisition	Gas Tax	MRI
REVENUE							
Investment income	\$ 429	\$ -	\$ 634	\$ 1,323	\$ 2,660	\$ 5,701	\$ -
Other income	-	-	-	-	-	-	-
Total revenue	429	-	634	1,323	2,660	5,701	-
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	429	-	634	1,323	2,660	5,701	-
TRANSFERS							
Transfers from general operating	-	-	-	30,000	610,000	531,097	-
Transfers to general operating	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(14,656)	-	(456,817)	-
CHANGE IN RESERVE FUND BALANCES	429	-	634	16,667	612,660	79,981	-
FUND SURPLUS, BEGINNING OF YEAR	29,413	-	43,426	78,789	175,569	512,239	-
FUND SURPLUS, END OF YEAR	\$ 29,842	\$ -	\$ 44,060	\$ 95,456	\$ 788,229	\$ 592,220	\$ -

CITY OF SELKIRK
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2016

SCHEDULE 6

	2016						2015
	Fire Hall Replacement	Transit	Paratransit	Utility	Nutrient	Total	Total
REVENUE							
Investment income	\$ 6,242	\$ 7,230	\$ -	\$ 53,225	\$ 12,014	\$ 166,972	\$ 164,798
Other income	-	-	-	-	-	-	-
Total revenue	<u>6,242</u>	<u>7,230</u>	<u>-</u>	<u>53,225</u>	<u>12,014</u>	<u>166,972</u>	<u>164,798</u>
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	6,242	7,230	-	53,225	12,014	166,972	164,798
TRANSFERS							
Transfers from general operating	105,000	90,000	28,400	-	-	2,947,741	2,653,750
Transfers to general operating	-	-	-	-	-	(32,071)	(616,571)
Transfers from utility operating	-	-	-	1,632,597	146,562	1,779,159	1,183,697
Transfers to utility operating	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(37,997)	(297,938)	(14,499)	(1,507,415)	(1,803)	(2,886,796)	(3,144,139)
CHANGE IN RESERVE FUND BALANCES	73,245	(200,708)	13,901	178,407	156,773	1,975,005	241,535
FUND SURPLUS, BEGINNING OF YEAR	368,472	718,447	-	3,495,465	768,316	11,083,282	10,841,747
FUND SURPLUS, END OF YEAR	\$ 441,717	\$ 517,739	\$ 13,901	\$ 3,673,872	\$ 925,089	\$ 13,058,287	\$ 11,083,282

CITY OF SELKIRK
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2016

SCHEDULE 7

	Total	
	2016	2015
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
REVENUES		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
EXPENDITURES		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

CITY OF SELKIRK
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
December 31, 2016

SCHEDULE 8

	<u>2016</u>	<u>Total 2015</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 919,723	\$ 809,003
Due from other funds	<u>3,740,945</u>	<u>3,810,308</u>
	<u>\$ 4,660,668</u>	<u>\$ 4,619,311</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 369,575	\$ 353,591
Long-term debt (Note 10)	<u>3,498,704</u>	<u>3,817,699</u>
	<u>3,868,279</u>	4,171,290
NET FINANCIAL ASSETS	<u>\$ 792,389</u>	<u>\$ 448,021</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 27,561,495</u>	<u>\$ 25,404,505</u>
FUND SURPLUS	<u>\$ 28,353,884</u>	<u>\$ 25,852,526</u>

CITY OF SELKIRK
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

SCHEDULE 9

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
REVENUE			
Water			
Water fees	\$ 1,804,500	\$ 1,768,927	\$ 1,730,335
sub-total- water	<u>1,804,500</u>	<u>1,768,927</u>	<u>1,730,335</u>
Sewer			
Sewer fees	1,620,990	1,654,036	1,342,099
Lagoon tipping fees	28,000	11,998	11,530
sub-total- sewer	<u>1,648,990</u>	<u>1,666,034</u>	<u>1,353,629</u>
Property taxes	<u>483,234</u>	<u>483,234</u>	<u>483,234</u>
Government transfers			
Capital	1,631,400	1,631,286	-
sub-total- government transfers	<u>1,631,400</u>	<u>1,631,286</u>	<u>-</u>
Other			
Hydrant rentals	43,340	43,340	44,330
Penalties	21,500	23,515	20,926
Administration fees	283,320	283,393	303,923
Infrastructure fees	39,600	69,070	-
Other income	20,000	22,162	9,064
sub-total- other	<u>407,760</u>	<u>441,480</u>	<u>378,243</u>
Total revenue	<u>5,975,884</u>	<u>5,990,961</u>	<u>3,945,441</u>

CITY OF SELKIRK
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2016

SCHEDULE 9

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
EXPENSES			
General			
Administration	590,625	619,165	578,199
Training costs	26,000	15,924	13,607
Billing and collection	58,078	48,334	49,054
sub-total- general	<u>674,703</u>	<u>683,423</u>	<u>640,860</u>
Water General			
Purification and treatment	678,922	668,040	703,758
Water purchases	4,000	37,742	33,076
Transmission and distribution	249,350	141,155	146,803
Hydrant maintenance	48,588	23,100	43,619
Transportation services	83,000	61,868	46,762
Connection costs	149,884	164,768	134,505
Other supply costs	100,000	23,416	65,818
sub-total- water general	<u>1,313,744</u>	<u>1,120,089</u>	<u>1,174,341</u>
Water Amortization & Interest			
Amortization	455,899	455,899	453,448
Interest on long term debt	150,336	150,336	160,941
sub-total- water amortization & interest	<u>606,235</u>	<u>606,235</u>	<u>614,389</u>
Sewer General			
Collection system costs	168,676	111,351	105,259
Treatment and disposal cost	292,190	263,374	299,636
Lift Station costs	94,010	74,292	65,139
Transportation services	34,000	26,834	40,107
Connection costs	31,195	20,353	15,354
Water purchases	-	281	271
Other sewage & disposal costs	26,000	26,724	-
sub-total- sewer general	<u>646,071</u>	<u>523,209</u>	<u>525,766</u>
Sewage Amortization & Interest			
Amortization	502,242	502,242	500,003
Interest on long term debt	13,903	13,903	1,849
sub-total- sewer amortization & interest	<u>516,145</u>	<u>516,145</u>	<u>501,852</u>
Total expenses	<u>3,756,898</u>	<u>3,449,101</u>	<u>3,457,208</u>
NET OPERATING SURPLUS	2,218,986	2,541,860	471,643
TRANSFERS			
Transfers from (to) operating fund	-	229,440	62,461
Transfers from (to) reserve funds	825,503	(269,942)	(325,835)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 3,044,489</u>	<u>2,501,358</u>	<u>208,269</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>25,852,526</u>	<u>25,644,257</u>
FUND SURPLUS, END OF YEAR		<u>28,353,884</u>	<u>25,852,526</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 9,470,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,470,825
Grants in lieu of taxation	1,195,351	-	-	-	-	-	-	1,195,351
User fees	1,302,335	-	-	-	-	-	809,410	2,111,745
Permits, licences and fines	75,400	-	-	-	-	-	166,735	242,135
Investment income	61,400	-	-	-	-	-	9,083	70,483
Other revenue	641,370	-	-	-	-	-	30,140	671,510
Water and sewer	-	3,821,650	-	-	-	-	-	3,821,650
Grants - Province of Manitoba	2,288,499	1,631,400	-	-	-	-	206,205	4,126,104
Grants - other	532,310	-	-	-	-	-	209,318	741,628
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from general	-	714,244	-	-	(714,244)	-	-	-
Transfers from reserves	1,882,705	1,960,993	-	-	(3,843,698)	-	-	-
Total revenue	\$ 17,450,195	\$ 8,128,287	\$ -	\$ -	\$ (4,557,942)	\$ -	\$ 1,430,891	\$ 22,451,431
EXPENSES								
General government services	\$ 2,252,679	\$ -	\$ 115,981	\$ -	\$ 59,776	\$ -	\$ -	\$ 2,428,436
Protective services	3,562,084	-	148,309	-	-	-	335,986	4,046,379
Transportation services	2,224,125	-	766,333	176,411	-	-	120,638	3,287,507
Environmental health services	1,003,445	-	16,750	-	-	-	-	1,020,195
Public health and welfare services	154,850	-	11,706	-	-	-	185,352	351,908
Regional planning and development	77,450	-	1,856	-	-	-	379,168	458,474
Resource cons and industrial dev	575,365	-	-	-	-	-	-	575,365
Recreation and cultural services	2,547,771	-	383,180	-	-	-	469,306	3,400,257
Water and sewer services	-	2,708,518	958,141	164,239	-	-	-	3,830,898
Fiscal services:								
Transfer to capital	2,128,205	3,592,393	(5,720,598)	-	-	-	-	-
Debt charges	430,461	483,234	-	(913,695)	-	-	-	-
Tax discounts	-	-	-	-	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to utility	714,244	-	-	-	(714,244)	-	-	-
Transfer to reserves	1,719,740	1,326,900	-	-	(3,046,640)	-	-	-
Transfer to accumulated surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	59,776	-	-	-	(59,776)	-	-	-
Total expenses	\$ 17,450,195	\$ 8,111,045	\$ (3,318,342)	\$ (573,045)	\$ (3,760,884)	\$ -	\$ 1,490,450	\$ 19,399,419
Surplus (Deficit)	\$ -	\$ 17,242	\$ 3,318,342	\$ 573,045	\$ (797,058)	\$ -	\$ (59,559)	\$ 3,052,012

CITY OF SELKIRK
 ANALYSIS OF TAXES ON ROLL
 December 31, 2016

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 760,830	\$ 635,042
Add:		
Tax levy (Schedule 12)	16,378,977	14,870,874
Taxes added	291,901	582,654
Penalties or interest	161,133	118,858
Other accounts added	229,258	214,785
Sub-total	<u>17,061,269</u>	<u>15,787,171</u>
Deduct:		
Cash collections - current	14,610,827	13,401,615
Cash collections - arrears	670,800	459,350
Writeoffs	52,642	61,034
M.P.T.C. - cash advance	1,739,415	1,739,384
Sub-total	<u>17,073,684</u>	<u>15,661,383</u>
Balance, end of year	<u>\$ 748,415</u>	<u>\$ 760,830</u>

CITY OF SELKIRK
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage	\$ -	\$ -	\$ 61,704	\$ 71,608
L.I.D. - General Municipal	446,392,140	1.363	701,283	694,212
General Municipal	446,764,930	0.061	27,253	26,816
sub-total - Debt charges			<u>790,240</u>	<u>792,636</u>
Reserves: Various	446,764,930	1.725	770,670	456,969
General municipal	446,764,930	16.577	7,406,022	7,084,129
Business tax (Rate 2.22%)	11,483,400	-	254,931	231,690
Business tax fee	-	-	26,972	25,618
sub-total - Business tax			<u>281,903</u>	<u>257,308</u>
Total municipal taxes (Schedule 2)			<u>9,248,835</u>	<u>8,591,042</u>
Education support levy	115,580,290	10.500	1,213,593	1,100,883
Special levies:				
Lord Selkirk School Division #11	428,114,960	13.820	5,916,549	5,178,949
Total education taxes			<u>7,130,142</u>	<u>6,279,832</u>
			<u>\$ 16,378,977</u>	<u>\$ 14,870,874</u>

**CITY OF SELKIRK
ANALYSIS OF SCHOOL ACCOUNTS
December 31, 2016**

SCHEDULE 13

	2016				2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 54,236	\$ 1,639,975	\$ (1,623,692)	\$ 70,519	\$ 54,236
Special levies					
Lord Selkirk School Division #11	<u>150,277</u>	<u>6,733,383</u>	<u>(6,667,337)</u>	<u>216,323</u>	<u>150,277</u>
Total	<u><u>\$ 204,513</u></u>	<u><u>\$ 8,373,358</u></u>	<u><u>\$ (8,291,029)</u></u>	<u><u>\$ 286,842</u></u>	<u><u>\$ 204,513</u></u>

CITY OF SELKIRK
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 14

	<u>2016 Actual</u>	<u>2015 Actual</u>
General government services:		
Legislative	\$ 163,168	\$ 149,800
General administrative	1,091,395	1,018,297
Other	1,130,586	1,124,462
	<u>2,385,149</u>	<u>2,292,559</u>
Protective services:		
Police	2,395,413	2,627,317
Fire	474,004	481,881
Emergency measures	82,432	77,528
By-law enforcement	193,538	553,660
Other protection	171,580	147,426
	<u>3,316,967</u>	<u>3,887,812</u>
Transportation services:		
Road transport		
Administration and engineering	494,812	466,235
Parking	50,670	21,679
Road and street maintenance	1,607,779	1,772,090
Sidewalk and boulevard maintenance	175,696	166,700
Street lighting	194,474	211,354
Traffic services	41,097	50,276
Public transit	262,884	349,768
	<u>2,827,412</u>	<u>3,038,102</u>
Environmental health services:		
Waste collection and disposal	675,756	691,419
Recycling	228,290	228,640
Other	60,668	55,368
	<u>964,714</u>	<u>975,427</u>
Public health and welfare services:		
Public health	15,756	18,889
Social assistance	118,501	118,651
	<u>134,257</u>	<u>137,540</u>
Regional planning and development		
Planning and zoning	34,479	33,475
Urban area weed control	24,556	24,556
	<u>59,035</u>	<u>58,031</u>
Resource conservation and industrial development		
Regional development	375,870	286,148
Tourism	20,467	19,678
Water resources and conservation	10,000	10,000
	<u>406,337</u>	<u>315,826</u>
Sub-totals forward	<u>10,093,871</u>	<u>10,705,297</u>

CITY OF SELKIRK
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 14

	<u>2016 Actual</u>	<u>2015 Actual</u>
Sub-totals forward	<u>10,093,871</u>	<u>10,705,297</u>
Recreation and cultural services		
Administration	783,165	689,377
Community centres and halls	785,882	769,517
Swimming pools and beaches	521,191	473,327
Skating and curling rinks	147,842	159,533
Parks and playgrounds	322,477	206,180
Other recreational facilities	383,180	387,797
Libraries	62,697	63,130
Other cultural facilities	33,534	15,278
	<u>3,039,968</u>	<u>2,764,139</u>
Total expenses	<u><u>13,133,839</u></u>	<u><u>13,469,436</u></u>

CITY OF SELKIRK
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2016

SCHEDULE 15

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenses			
General Government:			
Indemnities	-	-	-
Transportation services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net revenues	-	-	-
Transfers:			
Transfers from (to) operating fund	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Unexpended balance, end of year	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF SELKIRK
SCHEDULE OF DEBENTURES PENDING
December 31, 2016

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
By-law 5285	Pittsburg Avenue Development Project	Interfund	<u>\$ 412,304</u>	<u>\$ -</u>

CITY OF SELKIRK
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2016

SCHEDULE 17

	General	2016 Utility	Total	2015 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ -
Adjustments for reporting under public sector accounting standards				
Capital:				
Increase expense - net book value of assets disposed of	(7,550)	-	(7,550)	(3,817)
Increase expense - amortization of tangible capital assets	(1,444,115)	(958,141)	(2,402,256)	(2,317,234)
Eliminate expense - acquisitions of tangible capital assets	2,202,046	3,140,505	5,342,551	3,245,121
Increase in revenue - capital asset purchases funded by borrowings	(308,922)		(308,922)	
Reserve:				
Increase revenue - reserve funds interest	166,972	-	166,972	164,798
Eliminate expense - transfers to reserves	2,947,741	1,779,159	4,726,900	3,837,449
Eliminate revenue - transfers from reserves	(1,409,649)	(1,509,218)	(2,918,867)	(3,760,708)
Deferred Revenue:				
Increase revenue - decrease in deferred revenue - Gas Tax	-	-	-	566,570
Other:				
Decrease expense - principal portion of debenture debt	253,698	318,995	572,693	555,863
Eliminate internal transfer - profit of machine time	(63,769)	63,769	-	-
Eliminate internal transfer - infrastructure fees from general to utility	293,209	(293,209)	-	-
	2,629,661	2,541,860	5,171,521	2,288,042
Increase revenue - Net surplus of consolidated entities	24,854	-	24,854	21,337
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 2,654,515	\$ 2,541,860	\$ 5,196,375	\$ 2,309,379