

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Rural Municipality of Rosedale
Box 100
Neepawa, Manitoba
R0J 1H0

STATEMENT OF RESPONSIBILITY

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

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

Reid & Miller Chartered Professional Accountants Inc. as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Kara Sylvester
CAO

Independent Auditors' Report

To the Reeve and members of Council of the
Rural Municipality of Rosedale

Opinion

We have audited the accompanying consolidated financial statements of Rural Municipality of Rosedale, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of Rosedale as at December 31, 2019, and the results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rural Municipality of Rosedale's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Rural Municipality of Rosedale's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Rural Municipality of Rosedale to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

July 10, 2020
Winnipeg, Manitoba

Reid & Miller
Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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RURAL MUNICIPALITY OF ROSEDALE**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2019

	2019 Actual \$	2018 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	2,938,273	2,362,283
Accounts receivable <i>(note 3)</i>	349,980	1,029,362
Loans and advances <i>(note 5)</i>	80,915	80,915
	<u>3,369,168</u>	<u>3,472,560</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 6)</i>	449,765	654,671
Landfill closure and post closure liabilities <i>(note 7)</i>	24,378	22,204
Long-term debt <i>(note 8)</i>	180,856	190,621
	<u>654,999</u>	<u>867,496</u>
NET FINANCIAL ASSETS	<u>2,714,169</u>	<u>2,605,064</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	4,895,640	4,651,063
Inventories <i>(note 4)</i>	233,816	253,925
Prepaid expenses	14,396	11,765
	<u>5,143,852</u>	<u>4,916,753</u>
ACCUMULATED SURPLUS <i>(note 17)</i>	<u>7,858,021</u>	<u>7,521,817</u>

Approved on Behalf of the Council

Reeve_____
Councillor

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
REVENUE			
Property taxes	1,180,441	1,183,115	1,131,932
Grants in lieu of taxation	36,868	36,868	35,422
User fees	101,267	126,710	139,746
Permits, licences and fees	65,860	39,356	37,995
Investment revenue	5,625	54,510	43,142
Other revenue	86,471	137,862	244,566
Grants - Province of Manitoba	228,541	324,771	247,209
Grants - Other	7,239	7,239	11,359
Water and sewer	103,275	262,506	719,463
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>1,815,587</u>	<u>2,172,937</u>	<u>2,610,834</u>
EXPENSES			
General government services	465,456	425,054	485,703
Protective services	59,275	67,813	66,061
Transportation services	814,875	901,043	789,163
Environmental health services	99,400	119,291	113,932
Public health and welfare services	11,800	8,107	7,143
Regional planning and development	50,747	36,941	36,398
Resource conservation and industrial development	32,995	32,995	32,844
Recreation and cultural services	36,193	49,933	27,785
Water and sewer	111,275	195,556	164,151
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>1,682,016</u>	<u>1,836,733</u>	<u>1,723,180</u>
ANNUAL SURPLUS	133,571	336,204	887,654
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>7,521,817</u>	<u>7,521,817</u>	<u>6,634,163</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>7,655,388</u></u>	<u><u>7,858,021</u></u>	<u><u>7,521,817</u></u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ROSEDALE**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS****For the Year Ended December 31, 2019**

	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
ANNUAL SURPLUS	133,571	336,204	887,654
Acquisition of tangible capital assets	-	(410,765)	(757,404)
Proceeds on disposal of tangible capital assets	-	-	155,001
Amortization of tangible capital assets	-	166,188	150,780
Loss on sale of tangible capital assets	-	-	46,059
Decrease in inventories	-	20,109	(105,412)
Increase in prepaid expense	-	(2,631)	(426)
CHANGE IN NET FINANCIAL ASSETS	133,571	109,105	376,252
NET FINANCIAL ASSETS BEGINNING OF YEAR	2,605,064	2,605,064	2,228,812
NET FINANCIAL ASSETS END OF YEAR	2,738,635	2,714,169	2,605,064

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019	2018
	Actual	Actual
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	336,204	887,654
Changes in non-cash items:		
Amortization	166,188	150,780
Loss on disposal of tangible capital assets	-	46,059
	502,392	1,084,493
Net changes in non-cash working capital affecting operations <i>(note 21)</i>	494,128	(1,225,355)
	996,520	(140,862)
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	-	155,001
Cash used to acquire tangible capital assets	(410,765)	(757,404)
	(410,765)	(602,403)
FINANCING		
Long-term debt issued	-	179,390
Reduction in long-term debt	(9,765)	-
	(9,765)	179,390
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	575,990	(563,875)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	2,362,283	2,926,158
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	2,938,273	2,362,283

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

1. STATUS OF THE RURAL MUNICIPALITY OF ROSEDALE

The incorporated Rural Municipality of Rosedale is a municipal government that was created on December 22, 1883 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Municipality owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) REPORTING ENTITY

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

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

	Consolidated	
	<u>2019</u>	<u>2018</u>
Neepawa and Area Planning District Board	25.00 %	25.00 %
Beautiful Plains County Court Building	33.33 %	33.33 %

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements.

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

b) BASIS OF ACCOUNTING

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

c) CASH AND TEMPORARY INVESTMENTS

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

d) INVESTMENTS

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

Portfolio investments are accounted for at cost.

e) REAL ESTATE PROPERTIES HELD FOR SALE

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

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

f) LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

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

g) NON-FINANCIAL ASSETS

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

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

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

h) TANGIBLE CAPITAL ASSETS

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

General Tangible Capital Assets

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

Infrastructure Assets

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

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

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

i) LEASES

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

j) INVENTORIES

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

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

Cost is calculated using the first in, first out method.

k) REVENUE RECOGNITION

Revenues are recognized as they are earned and measurable.

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

Unearned 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.

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

D) MEASUREMENT UNCERTAINTY

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

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

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
	\$	\$
Tax assets (<i>schedule 10</i>)	150,872	149,557
Government grants and receivables	52,835	782,653
Organizations and individuals	<u>152,073</u>	<u>103,152</u>
	355,780	1,035,362
Allowance for doubtful accounts	<u>(5,800)</u>	<u>(6,000)</u>
	<u><u>349,980</u></u>	<u><u>1,029,362</u></u>

4. INVENTORIES

	<u>2019</u>	<u>2018</u>
	\$	\$
Gravel	165,154	185,382
Culverts	23,892	42,414
Fuel	7,043	5,104
Other	<u>37,727</u>	<u>21,025</u>
	<u><u>233,816</u></u>	<u><u>253,925</u></u>

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

5. LOANS AND ADVANCES

	<u>2019</u>	<u>2018</u>
	\$	\$
Loan receivable from the Neapawa and Area Development Corporation Ltd. This loan bears no interest and there are no specific terms of repayment.	<u>80,915</u>	<u>80,915</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
	\$	\$
Trade payable	267,446	475,633
Accrued expenses	43,328	46,714
School levies	111,115	100,582
Deposits	7,850	2,975
Other	20,026	28,767
	<u>449,765</u>	<u>654,671</u>

RURAL MUNICIPALITY OF ROSEDALE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2019****7. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES****Operating Landfill Sites:**

The Municipality is currently operating a landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

Estimated closure and post closure costs are calculated as follows:

Eden	<u>2019</u>	<u>2018</u>
	\$	\$
Estimated closure and post closure costs	84,091	84,091
Discount rate applied	6.50 %	6.50 %
Discounted costs	<u>25,420</u>	<u>23,866</u>
Expected year landfill capacity to be reached	2037	2037
Expected end year for post closure care	N/A	N/A
Capacity (tonnes):		
Used to date	2,310	2,238
Remaining	1,300	1,372
Total	<u>3,610</u>	<u>3,610</u>
Percent utilized	<u>63.99 %</u>	<u>61.99 %</u>
Total	<u>16,266</u>	<u>14,796</u>
Kelwood	<u>2019</u>	<u>2018</u>
	\$	\$
Estimated closure and post closure costs	595,870	595,870
Discount rate applied	6.50 %	6.50 %
Discounted costs	<u>19,873</u>	<u>18,660</u>
Expected year landfill capacity to be reached	2072	2072
Expected end year for post closure care	N/A	N/A
Capacity (tonnes):		
Used to date	8,902	8,658
Remaining	12,907	13,152
Total	<u>21,809</u>	<u>21,810</u>
Percent utilized	<u>40.82 %</u>	<u>39.70 %</u>
Total	<u>8,112</u>	<u>7,408</u>

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

8. LONG-TERM DEBT

	<u>2019</u>	<u>2018</u>
	\$	\$
Utility Funds:		
Municipal debenture payable in annual instalments of \$10,826 including interest at 4.125%, due December 31, 2037	135,664	140,687
Municipal debenture payable in annual instalments of \$6,678 including interest at 3.875%, due December 31, 2027	<u>45,192</u>	<u>49,934</u>
	<u><u>180,856</u></u>	<u><u>190,621</u></u>

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

2020	10,200
2021	10,600
2022	11,000
2023	11,400
2024	11,900

9. DEBT CHARGES - FRONTAGE

<u>Purpose and By-law</u>	<u>2019</u>	<u>2018</u>
	Levy	Levy
	\$	\$
Rural Water Supply 6-2018	10,825	9,329
Eden Water Supply 6-2018	<u>6,678</u>	<u>6,151</u>
	<u><u>17,503</u></u>	<u><u>15,480</u></u>

10. RESERVES

<u>Purpose and By-law</u>	<u>Assessment</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
		Mill Rate	Levy	Levy
			\$	\$
General Reserve	105,631,110	0.146	15,422	10,785
Machinery Replacement Reserve	105,631,110	0.925	97,709	97,062
Building Reserve	105,631,110	0.100	10,563	16,229
Gravel Reserve	105,631,110	0.468	<u>49,435</u>	<u>55,389</u>
			<u><u>173,129</u></u>	<u><u>179,465</u></u>

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

11. SPECIAL LEVIES

Purpose and By-law	Assessment	2019	Levy	2018
		Mill Rate		Levy
			\$	\$
Whitemud Watershed	105,008,740	0.245	24,992	24,772
Turtle River Watershed	371,710	2.900	1,078	1,007
Little Saskatchewan Watershed	306,070	0.076	23	23
Riding Mountain Hall - Frontage	10,770,620	0.479	5,160	5,160
Kelwood Community Centre - Frontage	6,163,020	0.898	5,175	-
Eden Rink	22,885,290	0.336	7,689	7,643
			<u>44,117</u>	<u>38,605</u>

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 Canadian Chartered Professional Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$31,593 (2018 - \$31,047) 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, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 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, 2018.

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.

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

13. FINANCIAL INSTRUMENTS

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

14. BUDGET

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

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in *Schedule 9 - Reconciliation of the Financial Plan to the Budget*.

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

15. SEGMENTED INFORMATION

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

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

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

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

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

16. GOVERNMENT PARTNERSHIPS

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

	<u>2019</u>	<u>2018</u>
	\$	\$
Financial Position		
Financial Assets	234,442	221,529
Liabilities	<u>18,708</u>	<u>13,786</u>
	215,734	207,743
Non-financial Assets	<u>1,571</u>	<u>479</u>
Accumulated Surplus	<u><u>217,305</u></u>	<u><u>208,222</u></u>
Result of Operations		
Revenue	160,711	193,907
Expenses	<u>151,627</u>	<u>165,594</u>
Annual Surplus	<u><u>9,084</u></u>	<u><u>28,313</u></u>

17. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	764,196	832,898
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(2,633,007)	(2,535,309)
General Operating Tangible Capital Assets, net of related borrowings	2,081,777	1,925,133
Utility Tangible Capital Assets, net of related borrowings	2,633,007	2,535,309
Reserve Funds	2,062,525	1,904,049
Water and Sewer System	2,833,381	2,766,431
LUD Surplus	<u>52,966</u>	<u>32,531</u>
Accumulated surplus of municipality unconsolidated	<u>7,794,845</u>	<u>7,461,042</u>
Accumulated surpluses of consolidated government partnerships	<u>63,176</u>	<u>60,775</u>
Accumulated Surplus per Statement of Financial Position	<u><u>7,858,021</u></u>	<u><u>7,521,817</u></u>

18. TRUST FUNDS

The Rural Municipality of Rosedale administers the following trusts:

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

	Balance, beginning of the year	Excess of Receipts over Disbursements	Balance, end of the year
Kelwood Perpetual Trust	5,064	120	5,183
Kelwood Maintenance Trust	4,127	3,157	7,283
Birnie Cemetery Trust	4,661	61	4,722
Cairn	301	7	308
Riding Mountain Cemetery Trust	79,286	(1,190)	78,096
	<u>93,439</u>	<u>2,155</u>	<u>95,592</u>

19. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of The *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount in exceeding \$75,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2019:

- (a) Compensation paid to members of council amounted to \$82,141 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$75,000 individually. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Earl Burton	12,598	2,570	15,168
Bruce Fleger	10,910	1,763	12,673
Ron Kostenchuk	12,125	2,183	14,308
Michael Porrok	12,755	2,143	14,898
Ernest Schure	11,056	1,453	12,509
Robert Scott	11,725	1,450	13,175
Andrew Somers	10,972	1,247	12,219
	<u>82,141</u>	<u>12,809</u>	<u>94,950</u>

- (c) There were no officers or employees receiving compensation in excess of \$75,000

RURAL MUNICIPALITY OF ROSEDALE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

20. PUBLIC UTILITY BOARD

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

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

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

Water Services: Description of Utility	Unamortized			Unamortized
	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Kelwood	-	61,665	-	61,665
Eden	2,044,427	-	-	2,044,427
	<u>2,044,427</u>	<u>61,665</u>	<u>-</u>	<u>2,106,092</u>

21. CHANGES IN WORKING CAPITAL

	<u>2019</u>	<u>2018</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	679,382	696,019
Inventories	20,109	(105,412)
Prepaid expenses	(2,631)	(426)
Accounts payable and accrued liabilities	(204,906)	(1,817,535)
Landfill closure and post closure liabilities	2,174	1,999
	<u>494,128</u>	<u>(1,225,355)</u>

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2019

	General Capital Assets					Infrastructure			2019	2018
	Land and Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets under Construction	Actual	Actual
Cost										
Balance, beginning of year	181,057	847,451	1,708,706	53,394	16,965	565,856	2,965,284	-	6,338,713	5,882,898
Asset purchases	16,419	66,304	173,248	257	8,424	-	-	146,113	410,765	757,404
Disposals and write downs	-	-	-	-	-	-	-	-	-	301,589
Balance, end of year	197,476	913,755	1,881,954	53,651	25,389	565,856	2,965,284	146,113	6,749,478	6,338,713
Accumulated Amortization										
Balance, beginning of year	43,844	102,725	711,315	46,919	-	543,493	239,354	-	1,687,650	1,637,399
Amortization	1,525	7,834	96,123	1,803	-	723	58,180	-	166,188	150,780
Disposals and write downs	-	-	-	-	-	-	-	-	-	100,529
Balance, end of year	45,369	110,559	807,438	48,722	-	544,216	297,534	-	1,853,838	1,687,650
Net book value	152,107	803,196	1,074,516	4,929	25,389	21,640	2,667,750	146,113	4,895,640	4,651,063

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 11</i>)	1,160,441	1,160,441	1,108,430
Taxes added	20,000	22,674	23,502
	<u>1,180,441</u>	<u>1,183,115</u>	<u>1,131,932</u>
GRANTS IN LIEU OF TAXATION			
Federal government	24,270	24,270	23,487
Provincial government	11,073	11,073	10,461
Provincial government enterprises	1,525	1,525	1,474
	<u>36,868</u>	<u>36,868</u>	<u>35,422</u>
USER FEES			
Sales of service	90,000	112,660	127,847
Sales of goods	-	2,353	592
Rentals	11,267	11,697	11,307
	<u>101,267</u>	<u>126,710</u>	<u>139,746</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	70,000	59,217	64,706
VLT revenues	50,000	74,228	25,963
Conditional grants	108,541	191,326	156,540
	<u>228,541</u>	<u>324,771</u>	<u>247,209</u>
GRANTS - OTHER			
Other local governments	7,239	7,239	11,359
PERMITS, LICENCES AND FEES			
Permits	51,287	23,308	27,486
Leases	14,573	16,048	10,509
	<u>65,860</u>	<u>39,356</u>	<u>37,995</u>
INVESTMENT REVENUE			
Interest	5,625	54,510	43,142
OTHER REVENUE			
Loss on sale of tangible capital assets	-	-	(46,059)
Miscellaneous	56,471	119,615	265,171
Penalties and interest	30,000	18,247	25,454
	<u>86,471</u>	<u>137,862</u>	<u>244,566</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 8</i>)	103,275	262,506	719,463
TOTAL REVENUE	<u><u>1,815,587</u></u>	<u><u>2,172,937</u></u>	<u><u>2,610,834</u></u>

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	61,800	71,638	62,850
General administrative	403,656	353,416	422,853
	<u>465,456</u>	<u>425,054</u>	<u>485,703</u>
PROTECTIVE SERVICES			
Police	9,500	9,209	9,048
Fire	47,275	45,073	44,942
Emergency measures	500	1,510	276
Ambulance	2,000	12,021	11,795
	<u>59,275</u>	<u>67,813</u>	<u>66,061</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	14,500	19,646	13,711
Road and street maintenance	766,425	856,189	754,929
Bridge, ditches and culvert maintenance	5,000	-	-
Sidewalk and boulevard maintenance	7,500	-	-
Street lighting	15,700	16,775	15,662
Traffic services	5,750	8,433	4,861
	<u>814,875</u>	<u>901,043</u>	<u>789,163</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	99,400	119,291	113,932
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	7,500	2,933	4,369
Medical care	1,000	-	-
Social assistance	2,800	2,774	2,774
Other	500	2,400	-
	<u>11,800</u>	<u>8,107</u>	<u>7,143</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	46,747	36,941	36,398
Urban area weed control	4,000	-	-
	<u>50,747</u>	<u>36,941</u>	<u>36,398</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Veterinary services	6,240	6,240	6,240
Water resources and conservation	26,755	26,755	26,604
	<u>32,995</u>	<u>32,995</u>	<u>32,844</u>
RECREATION AND CULTURAL SERVICES			
Community centers and halls	13,695	6,388	7,739
Skating and curling rinks	4,650	29,945	5,053
Parks and playgrounds	3,500	920	1,475
Other recreational facilities	500	832	304
Other cultural facilities	13,848	11,848	13,214
	<u>36,193</u>	<u>49,933</u>	<u>27,785</u>

RURAL MUNICIPALITY OF ROSEDALE
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2019

	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
WATER AND SEWER			
Municipal utilities (<i>schedule 8</i>)	<u>111,275</u>	<u>195,556</u>	<u>164,151</u>
TOTAL EXPENSES	<u><u>1,682,016</u></u>	<u><u>1,836,733</u></u>	<u><u>1,723,180</u></u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	1,183,115	1,131,932	-	-	-	-	-	-	-	-
Grants in lieu of taxation	36,868	35,422	-	-	-	-	-	-	-	-
User fees	73,473	71,302	-	4,986	7,607	12,311	8,155	9,069	1,800	1,798
Grants - Province of Manitoba	324,771	246,973	-	-	-	-	-	-	-	236
Grants - Other	-	-	-	-	-	-	-	-	-	-
Permits, licences and fees	16,598	11,036	-	-	-	-	-	-	-	-
Investment revenue	53,931	42,787	-	-	-	-	-	-	-	-
Other revenue	137,627	243,872	-	-	-	-	-	-	-	-
Water and sewer	130,639	75,262	125,395	636,597	-	-	1,558	311	-	-
Total revenue	<u>1,957,022</u>	<u>1,858,586</u>	<u>125,395</u>	<u>641,583</u>	<u>7,607</u>	<u>12,311</u>	<u>9,713</u>	<u>9,380</u>	<u>1,800</u>	<u>2,034</u>
EXPENSES										
Personnel services	218,604	227,352	15,702	11,396	291,955	260,691	70,676	72,631	8,107	6,790
Contract services	30,824	45,981	20,707	20,227	13,811	9,968	6,024	5,499	-	-
Utilities	4,004	3,111	12,526	11,628	20,754	22,327	2,418	1,742	-	-
Maintenance materials & supplies	123,167	104,779	8,032	11,964	482,497	415,834	38,509	32,535	-	-
Grants & contributions	41,253	68,446	-	-	-	-	-	-	-	-
Amortization	3,198	2,020	10,846	10,846	92,026	80,343	1,664	1,525	-	-
Interest on long term debt	517	25,046	-	-	-	-	-	-	-	353
Other operating expense	3,219	8,737	-	-	-	-	-	-	-	-
Other operating expense	268	231	-	-	-	-	-	-	-	-
Total expenses	<u>425,054</u>	<u>485,703</u>	<u>67,813</u>	<u>66,061</u>	<u>901,043</u>	<u>789,163</u>	<u>119,291</u>	<u>113,932</u>	<u>8,107</u>	<u>7,143</u>
SURPLUS (DEFICIT)	<u>1,531,968</u>	<u>1,372,883</u>	<u>57,582</u>	<u>575,522</u>	<u>(893,436)</u>	<u>(776,852)</u>	<u>(109,578)</u>	<u>(104,552)</u>	<u>(6,307)</u>	<u>(5,109)</u>

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

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	1,183,115	1,131,932
Grants in lieu of taxation	-	-	-	-	-	-	-	-	36,868	35,422
User fees	-	-	-	-	35,675	40,280	-	-	126,710	139,746
Grants - Province of Manitoba	-	-	-	-	-	-	-	-	324,771	247,209
Grants - Other	7,239	11,359	-	-	-	-	-	-	7,239	11,359
Permits, licences and fees	22,758	26,959	-	-	-	-	-	-	39,356	37,995
Investment revenue	579	355	-	-	-	-	-	-	54,510	43,142
Other revenue	235	694	-	-	-	-	-	-	137,862	244,566
Water and sewer	-	3,357	-	-	-	-	262,506	719,463	262,506	719,463
Total revenue	30,811	42,724	-	-	35,675	40,280	262,506	719,463	2,172,937	2,610,834
EXPENSES										
Personnel services	25,447	18,220	32,995	32,844	2,467	2,467	4,448	1,983	670,401	634,374
Contract services	429	10,452	-	-	1,648	1,655	121,312	95,368	194,755	189,150
Utilities	724	719	-	-	15,121	17,050	-	-	55,547	56,577
Maintenance materials & supplies	4,297	4,264	-	-	30,460	6,613	-	-	686,962	575,989
Grants & contributions	6,007	2,743	-	-	-	-	-	-	47,260	71,189
Amortization	37	-	-	-	237	-	58,180	56,046	166,188	150,780
Interest on long term debt	-	-	-	-	-	-	7,738	6,315	8,255	31,714
Other operating expense	-	-	-	-	-	-	3,878	4,439	7,097	13,176
Other operating expense	-	-	-	-	-	-	-	-	268	231
Total expenses	36,941	36,398	32,995	32,844	49,933	27,785	195,556	164,151	1,836,733	1,723,180
SURPLUS (DEFICIT)	(6,130)	6,326	(32,995)	(32,844)	(14,258)	12,495	66,950	555,312	336,204	887,654

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

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

	Core Government		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
REVENUE						
Property taxes	1,183,115	1,131,932	-	-	1,183,115	1,131,932
Grants in lieu of taxation	36,868	35,422	-	-	36,868	35,422
User fees	115,143	128,479	11,567	11,267	126,710	139,746
Grants - Province of Manitoba	324,771	247,209	-	-	324,771	247,209
Grants - Other	-	-	7,239	11,359	7,239	11,359
Permits, licences and fees	16,598	11,036	22,758	26,959	39,356	37,995
Investment revenue	53,134	42,046	1,376	1,096	54,510	43,142
Other revenue	137,627	243,855	235	711	137,862	244,566
Water and sewer	262,506	719,463	-	-	262,506	719,463
Total revenue	<u>2,129,762</u>	<u>2,559,442</u>	<u>43,175</u>	<u>51,392</u>	<u>2,172,937</u>	<u>2,610,834</u>
EXPENSES						
Personnel services	642,487	613,687	27,914	20,687	670,401	634,374
Contract services	192,678	177,043	2,077	12,107	194,755	189,150
Utilities	50,581	51,032	4,966	5,545	55,547	56,577
Maintenance materials & supplies	679,174	567,459	7,788	8,530	686,962	575,989
Grants & contributions	49,263	73,456	(2,003)	(2,267)	47,260	71,189
Amortization	166,151	150,780	37	-	166,188	150,780
Interest on long term debt	8,255	31,714	-	-	8,255	31,714
Other operating expense	7,097	13,176	-	-	7,097	13,176
Other operating expense	268	231	-	-	268	231
Total expenses	<u>1,795,954</u>	<u>1,678,578</u>	<u>40,779</u>	<u>44,602</u>	<u>1,836,733</u>	<u>1,723,180</u>
SURPLUS (DEFICIT)	<u>333,808</u>	<u>880,864</u>	<u>2,396</u>	<u>6,790</u>	<u>336,204</u>	<u>887,654</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	General Reserve \$	Equipment Reserve \$	Bridge and Culvert \$	Gravel Reserve \$	Gas Tax Reserve \$	Eden Rink Reserve \$	Riding Mountain Hall Reserve \$
FINANCIAL ASSETS							
Cash and temporary investments	845,099	127,948	162,045	244,508	473,154	-	-
Due from other funds	(286,920)	(66,950)	-	1	373,641	33,129	5,075
	<u>558,179</u>	<u>60,998</u>	<u>162,045</u>	<u>244,509</u>	<u>846,795</u>	<u>33,129</u>	<u>5,075</u>
REVENUE							
Investment revenue	<u>18,373</u>	<u>5,165</u>	<u>3,522</u>	<u>5,316</u>	<u>10,285</u>	<u>-</u>	<u>-</u>
TRANSFERS							
Acquisition of tangible capital assets	-	(164,900)	-	-	-	-	-
Transfer from (to) reserve funds	(2,797)	100,000	-	-	170,927	-	-
	<u>(2,797)</u>	<u>(64,900)</u>	<u>-</u>	<u>-</u>	<u>170,927</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	15,576	(59,735)	3,522	5,316	181,212	-	-
FUND SURPLUS, BEGINNING OF YEAR	<u>542,603</u>	<u>120,733</u>	<u>158,523</u>	<u>239,193</u>	<u>665,583</u>	<u>33,129</u>	<u>5,075</u>
FUND SURPLUS, END OF YEAR	<u>558,179</u>	<u>60,998</u>	<u>162,045</u>	<u>244,509</u>	<u>846,795</u>	<u>33,129</u>	<u>5,075</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	Kelwood Hall Reserve \$	Building Reserve \$	2019 Actual \$	2018 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	-	119,015	1,971,769	2,076,522
Due from other funds	<u>7,782</u>	<u>25,000</u>	<u>90,758</u>	<u>(172,473)</u>
	<u>7,782</u>	<u>144,015</u>	<u>2,062,527</u>	<u>1,904,049</u>
REVENUE				
Investment revenue	-	<u>2,587</u>	<u>45,248</u>	<u>35,427</u>
TRANSFERS				
Acquisition of tangible capital assets	-	-	(164,900)	-
Transfer from (to) reserve funds	-	<u>10,000</u>	<u>278,130</u>	<u>(69,602)</u>
	-	<u>10,000</u>	<u>113,230</u>	<u>(69,602)</u>
CHANGE IN FUND BALANCES	-	12,587	158,478	(34,175)
FUND SURPLUS, BEGINNING OF YEAR	<u>7,782</u>	<u>131,428</u>	<u>1,904,049</u>	<u>1,938,224</u>
FUND SURPLUS, END OF YEAR	<u>7,782</u>	<u>144,015</u>	<u>2,062,527</u>	<u>1,904,049</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2019

	Kelwood \$	Eden \$	2019 Actual \$	2018 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	186,978	-	186,978	217,566
Accounts receivable <i>(note 3)</i>	11,915	45,038	56,953	760,879
Due from other funds	60,861	(42,465)	18,396	(711,092)
	<u>259,754</u>	<u>2,573</u>	<u>262,327</u>	<u>267,353</u>
LIABILITIES				
Accounts payable and accrued liabilities <i>(note 6)</i>	61,953	-	61,953	36,231
Long-term debt <i>(note 8)</i>	-	180,856	180,856	190,621
	<u>61,953</u>	<u>180,856</u>	<u>242,809</u>	<u>226,852</u>
NON-FINANCIAL ASSETS				
Tangible capital assets <i>(schedule 1)</i>	290,831	2,523,032	2,813,863	2,725,930
FUND SURPLUS	<u>488,632</u>	<u>2,344,749</u>	<u>2,833,381</u>	<u>2,766,431</u>

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2019

	KELWOOD UTILITY		
	2019 Budget \$	2019 Actual \$	2018 Actual \$
REVENUE			
WATER			
Water fees	<u>33,000</u>	<u>39,332</u>	<u>37,999</u>
GOVERNMENT TRANSFERS			
Capital	<u>-</u>	<u>61,665</u>	<u>-</u>
OTHER REVENUE			
Hydrant rentals	3,375	3,375	6,750
Connection charges	-	22,647	70
Penalties	400	367	311
Other income	<u>2,000</u>	<u>4,914</u>	<u>3,936</u>
	<u>5,775</u>	<u>31,303</u>	<u>11,067</u>
TOTAL REVENUE	<u>38,775</u>	<u>132,300</u>	<u>49,066</u>
EXPENSES			
GENERAL			
Administration	<u>5,775</u>	<u>4,448</u>	<u>1,983</u>
WATER			
Transmission and distribution	27,000	23,258	20,661
Other water expense	<u>6,000</u>	<u>3,878</u>	<u>4,439</u>
	<u>33,000</u>	<u>27,136</u>	<u>25,100</u>
WATER AMORTIZATION AND INTEREST			
Amortization	<u>-</u>	<u>5,462</u>	<u>5,462</u>
TOTAL EXPENSES	<u>38,775</u>	<u>37,046</u>	<u>32,545</u>
EXCESS OF REVENUE OVER EXPENSES	-	95,254	16,521
FUND SURPLUS, BEGINNING OF YEAR	<u>393,378</u>	<u>393,378</u>	<u>376,857</u>
FUND SURPLUS, END OF YEAR	<u>393,378</u>	<u>488,632</u>	<u>393,378</u>

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2019

	EDEN UTILITY		2018 Actual \$
	2019 Budget \$	2019 Actual \$	
REVENUE			
WATER			
Water fees	27,500	87,932	30,513
Bulk water fees	7,800	6,083	7,684
	<u>35,300</u>	<u>94,015</u>	<u>38,197</u>
GOVERNMENT TRANSFERS			
Capital	-	-	161,445
OTHER REVENUE			
Connection charges	-	35,000	467,398
Penalties	-	1,191	-
Investment income	-	-	3,357
Other income	29,200	-	-
	<u>29,200</u>	<u>36,191</u>	<u>470,755</u>
TOTAL REVENUE	<u>64,500</u>	<u>130,206</u>	<u>670,397</u>
EXPENSES			
WATER			
Transmission and distribution	64,500	98,054	74,707
WATER AMORTIZATION AND INTEREST			
Amortization	-	52,718	50,584
Interest on long-term debt	8,000	7,738	6,315
	<u>8,000</u>	<u>60,456</u>	<u>56,899</u>
TOTAL EXPENSES	<u>72,500</u>	<u>158,510</u>	<u>131,606</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(8,000)</u>	<u>(28,304)</u>	<u>538,791</u>
TRANSFERS			
Transfer from (to) reserve funds	-	-	12,003
CHANGE IN UTILITY FUND BALANCE	<u>(8,000)</u>	<u>(28,304)</u>	<u>550,794</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>2,373,053</u>	<u>2,373,053</u>	<u>1,822,259</u>
FUND SURPLUS, END OF YEAR	<u>2,365,053</u>	<u>2,344,749</u>	<u>2,373,053</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2019

	Financial Plan General \$	Financial Plan Utilities \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Government Partnerships \$	PSAB Budget \$
REVENUE								
Property taxes	1,180,441	-	-	-	-	-	-	1,180,441
Grants in lieu of taxation	36,868	-	-	-	-	-	-	36,868
User fees	90,000	-	-	-	-	-	11,267	101,267
Grants - Province of Manitoba	228,541	-	-	-	-	-	-	228,541
Grants - Other	-	-	-	-	-	-	7,239	7,239
Permits, licences and fees	34,485	-	-	-	-	-	31,375	65,860
Investment revenue	5,000	-	-	-	-	-	625	5,625
Other revenue	85,825	-	-	-	-	-	646	86,471
Water and sewer	-	103,275	-	-	-	-	-	103,275
	1,661,160	103,275	-	-	-	-	51,152	1,815,587
EXPENSES								
General government services	464,956	-	-	500	-	-	-	465,456
Protective services	59,275	-	-	-	-	-	-	59,275
Transportation services	814,875	-	-	-	-	-	-	814,875
Environmental health services	99,400	-	-	-	-	-	-	99,400
Public health and welfare services	13,300	-	-	(1,500)	-	-	-	11,800
Regional planning and development	12,010	-	-	-	-	-	38,737	50,747
Resource conservation and industrial development	32,995	-	-	-	-	-	-	32,995
Recreation and cultural services	22,345	-	-	-	-	-	13,848	36,193
Fiscal services	(125,000)	-	-	-	125,000	-	-	-
Transfers	267,004	-	-	-	(267,004)	-	-	-
Water and sewer	-	103,275	-	8,000	-	-	-	111,275
	1,661,160	103,275	-	7,000	(142,004)	-	52,585	1,682,016
SURPLUS (DEFICIT)	-	-	-	(7,000)	142,004	-	(1,433)	133,571

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2019

	2019 Actual \$	2018 Actual \$
BALANCE, BEGINNING OF YEAR	<u>149,557</u>	<u>162,659</u>
Add:		
Tax Levy (<i>schedule 11</i>)	2,495,148	2,412,706
Taxes added	22,674	23,502
Penalties and interest	<u>18,247</u>	<u>25,454</u>
Sub-total	<u>2,685,626</u>	<u>2,624,321</u>
Deduct:		
Cash collections - current	2,186,813	2,064,729
Cash collections - arrears	114,544	133,649
Cancellations	4,863	10,870
Tax discounts	4,316	4,556
M.P.T.C. - cash advance	<u>224,218</u>	<u>260,960</u>
Sub-total	<u>2,534,754</u>	<u>2,474,764</u>
BALANCE, END OF YEAR	<u><u>150,872</u></u>	<u><u>149,557</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2019

	Assessment	2019 Mill Rate	Levy	2018 Levy
Other Governments (LUD):				
Local Urban District of Kelwood	2,383,580	14.500	<u>34,562</u>	<u>33,686</u>
Debt Charges:				
Frontage (note 9)			17,503	15,480
L.I.D.			-	-
At large			<u>-</u>	<u>-</u>
Reserves:				
Reserve (note 10)			<u>173,129</u>	<u>179,465</u>
Other municipal levies:				
General municipal	105,631,110	1.689	178,412	171,612
Rural area	103,247,550	6.903	712,718	669,582
Special levy (note 11)			<u>44,117</u>	<u>38,605</u>
			<u>935,247</u>	<u>879,799</u>
Total municipal taxes (schedule 2)			<u>1,160,441</u>	<u>1,108,430</u>
Education Support Levy	4,526,500	9.770	44,224	45,471
Special levy:				
Beautiful Plains School Division	86,548,910	11.328	980,309	955,844
Turtle River School Division	20,615,120	15.052	<u>310,174</u>	<u>302,961</u>
			<u>1,290,483</u>	<u>1,258,805</u>
Total education taxes			<u>1,334,707</u>	<u>1,304,276</u>
Total tax levy (schedule 10)			<u>2,495,148</u>	<u>2,412,706</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	61,800	71,638	62,850
General administrative	403,656	353,416	422,853
	<u>465,456</u>	<u>425,054</u>	<u>485,703</u>
PROTECTIVE SERVICES			
Police	9,500	9,209	9,048
Fire	47,275	45,073	44,942
Emergency measures	500	1,510	276
Ambulance	2,000	12,021	11,795
	<u>59,275</u>	<u>67,813</u>	<u>66,061</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	14,500	19,646	13,711
Road and street maintenance	766,425	856,189	754,929
Bridge, ditches and culvert maintenance	5,000	-	-
Sidewalk and boulevard maintenance	7,500	-	-
Street lighting	15,700	16,775	15,662
Traffic services	5,750	8,433	4,861
	<u>814,875</u>	<u>901,043</u>	<u>789,163</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	99,400	119,291	113,932
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	7,500	2,933	4,369
Medical care	1,000	-	-
Social assistance	2,800	2,774	2,774
Other	500	2,400	-
	<u>11,800</u>	<u>8,107</u>	<u>7,143</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	8,010	8,010	5,010
Urban area weed control	4,000	-	-
	<u>12,010</u>	<u>8,010</u>	<u>5,010</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Veterinary services	6,240	6,240	6,240
Water resources and conservation	26,755	26,755	26,604
	<u>32,995</u>	<u>32,995</u>	<u>32,844</u>
RECREATION AND CULTURAL SERVICES			
Community centers and halls	13,695	6,388	7,739
Skating and curling rinks	4,650	29,945	5,053
Parks and playgrounds	3,500	920	1,475
Other recreational facilities	500	832	304
	<u>22,345</u>	<u>38,085</u>	<u>14,571</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
TOTAL EXPENSES	<u>1,518,156</u>	<u>1,600,398</u>	<u>1,514,427</u>

SCHEDULE OF L.U.D. OPERATIONS

For the Year Ended December 31, 2019

	LOCAL URBAN DISTRICT OF KELWOOD		
	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Taxation	<u>36,921</u>	<u>36,921</u>	<u>36,045</u>
EXPENDITURES			
General government			
Indemnities	<u>1,800</u>	<u>2,200</u>	<u>1,900</u>
Transportation			
Road and street maintenance	<u>9,000</u>	<u>20</u>	<u>9,851</u>
Sidewalk and boulevard maintenance	<u>2,500</u>	<u>-</u>	<u>-</u>
Snow and ice removal	<u>2,425</u>	<u>-</u>	<u>-</u>
Street lighting	<u>5,700</u>	<u>5,742</u>	<u>5,494</u>
	<u>19,625</u>	<u>5,762</u>	<u>15,345</u>
Environmental health			
Waste collection and disposal	<u>4,200</u>	<u>4,100</u>	<u>3,900</u>
Other environmental health	<u>-</u>	<u>449</u>	<u>690</u>
	<u>4,200</u>	<u>4,549</u>	<u>4,590</u>
Regional planning and development			
Urban area weed control	<u>4,000</u>	<u>-</u>	<u>-</u>
Recreation and culture			
Parks and playgrounds	<u>3,000</u>	<u>600</u>	<u>1,075</u>
Other expenses and transfers			
Fire hydrant rentals	<u>3,375</u>	<u>3,375</u>	<u>3,375</u>
TOTAL EXPENSES	<u>36,000</u>	<u>16,486</u>	<u>26,285</u>
EXCESS OF REVENUE OVER EXPENSES	<u>921</u>	<u>20,435</u>	<u>9,760</u>
UNEXPENDED BALANCE, BEGINNING OF YEAR	<u>32,531</u>	<u>32,531</u>	<u>22,771</u>
UNEXPENDED BALANCE, END OF YEAR	<u>33,452</u>	<u>52,966</u>	<u>32,531</u>

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2019

	General \$	Kelwood \$	Eden \$	2019 Total \$	2018 Total \$
CONSOLIDATED ANNUAL SURPLUS (<i>statement 2</i>)	269,254	95,254	(28,304)	336,204	887,654
Elimination of appropriations from reserves	-	-	-	-	149,761
Elimination of appropriations to reserves	(278,130)	-	-	(278,130)	(80,159)
Consolidation of reserve operations	(45,248)	-	-	(45,248)	(35,427)
Elimination of consolidated entity operations	(2,396)	-	-	(2,396)	(6,790)
Elimination of nominal surplus transfers	125,000	84,448	-	209,448	128,868
Amortization of tangible capital assets	107,971	5,462	52,718	166,151	150,780
Principal portion of long term debt	-	-	(9,765)	(9,765)	(20,620)
Proceeds on disposal of assets	-	-	-	-	150,000
Loss (gain) on disposal of assets	-	-	-	-	46,059
Acquisitions of capital assets from operating funds	(99,495)	(146,113)	-	(245,608)	(1,271,908)
ESTIMATED EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	76,956	39,051	14,649	130,656	98,218

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REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC