

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

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STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the Rural Municipality of West Interlake and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

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

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Sensus Chartered Professional Accountants Ltd., 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.

Courtney Roehl
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of West Interlake
Eriksdale, Manitoba

Qualified Opinion

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rural Municipality of West Interlake as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Municipality has government partnerships and shared control of several municipal reporting entities as noted in the Significant Accounting Policies note whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues, expenses, and surplus are combined on a line-by-line basis in the consolidated financial statements of the Municipality. The financial statements of the Lakeshore Handi-van were not subject to an audit and information to support the completeness, existence, accuracy, and evaluation of their financial data in accordance with Canadian Public Sector Accounting Standards. Accordingly, we were not able to determine whether any adjustments might be necessary to the financial data of the Lakeshore Handi-van.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Rural Municipality of West Interlake in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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 Rural Municipality of West Interlake'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 Rural Municipality of West Interlake or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of West Interlake's financial reporting process.

Auditor's 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 auditor's 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 auditing standards, we exercise our 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 the Rural Municipality of West Interlake'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 the Rural Municipality of West Interlake's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Rural Municipality of West Interlake to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosure, and whether the unconsolidated financial statements represents 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.

Brandon, Manitoba
December 1, 2020


Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 3,463,780	\$ 2,037,000
Amounts receivable (Note 4)	925,408	1,684,941
Real estate properties held for sale (Note 2)	33,032	10,498
	<u>4,422,220</u>	<u>3,732,439</u>
LIABILITIES		
Bank indebtedness (Note 7)		365,564
Accounts payable and accrued liabilities (Note 6)	1,328,092	245,966
Deferred revenue (Note 2)	8,546	8,546
Long-term debt (Note 8)	1,250,496	1,342,431
	<u>2,587,134</u>	<u>1,962,507</u>
NET FINANCIAL ASSETS	<u>1,835,086</u>	<u>1,769,932</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	5,175,599	4,955,681
Inventories (Note 5)	18,305	30,956
Prepaid expenses	54,172	49,464
	<u>5,248,076</u>	<u>5,036,101</u>
ACCUMULATED SURPLUS	<u>\$ 7,083,162</u>	<u>\$ 6,806,033</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF OPERATIONS
 For the year ended December 31, 2019

	2019 Budget (Note 12)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 1,980,919	\$ 2,003,887	\$ 1,915,733
Grants in lieu of taxation	138,394	138,394	133,304
User fees	182,709	264,749	233,470
Permits, licences and fines	7,950	10,620	12,342
Investment income	730	40,589	43,885
Other revenue	80,657	127,644	134,850
Water and sewer	68,900	68,864	323,039
Grants - Province of Manitoba	212,863	357,464	632,695
Grants - Other	298,073	360,480	236,562
Total revenue (Schedules 2, 4 and 5)	<u>2,971,195</u>	<u>3,372,691</u>	<u>3,665,880</u>
EXPENSES			
General government services	806,122	831,457	801,117
Protective services	256,874	267,146	356,959
Transportation services	987,277	1,129,232	909,079
Environmental health services	394,360	360,993	363,339
Public health and welfare services	72,496	49,275	29,226
Regional planning and development	43,673	82,764	70,787
Resource conservation and industrial development	102,917	81,353	87,894
Recreation and cultural services	154,229	152,427	145,203
Water and sewer services	134,508	140,915	163,753
Total expenses (Schedules 3, 4 and 5)	<u>2,952,456</u>	<u>3,095,562</u>	<u>2,927,357</u>
ANNUAL SURPLUS	<u>\$ 18,739</u>	<u>277,129</u>	<u>738,523</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>6,806,033</u>	<u>6,067,510</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 7,083,162</u>	<u>\$ 6,806,033</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the year ended December 31, 2019

	2019 Budget (Note 12)	2019 Actual	2018 Actual
ANNUAL SURPLUS	\$ 18,739	\$ 277,129	\$ 738,523
Acquisition of tangible capital assets	(1,388,500)	(684,048)	(1,192,687)
Amortization of tangible capital assets	249,253	249,253	243,222
Loss on sale of tangible capital assets		73,010	
Proceeds on sale of tangible capital assets		141,867	
Decrease in inventories		12,650	7,969
Increase in prepaid expenses		(4,707)	(4,053)
	(1,139,247)	(211,975)	(945,549)
CHANGE IN NET FINANCIAL ASSETS	\$ (1,120,508)	65,154	(207,026)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,769,932	1,976,958
NET FINANCIAL ASSETS, END OF YEAR		\$ 1,835,086	\$ 1,769,932

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2019

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ 277,129	\$ 738,523
Changes in non-cash items:		
Amounts receivable	759,534	(180,700)
Inventories	12,650	7,969
Prepays	(4,707)	(4,053)
Accounts payable and accrued liabilities	1,082,660	91,970
Deferred revenue		(10,954)
Severance and sick leave payable	(534)	(1,126)
Loss on sale of tangible capital assets	73,010	
Amortization	249,253	243,222
Cash provided by operating transactions	<u>2,448,995</u>	<u>884,851</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	141,867	
Cash used to acquire tangible capital assets	(684,048)	(1,192,687)
Cash applied to capital transactions	<u>(542,181)</u>	<u>(1,192,687)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments		1,240,747
Acquisition of real estate properties	(22,535)	(4,923)
Cash applied to investing transactions	<u>(22,535)</u>	<u>1,235,824</u>
FINANCING TRANSACTIONS		
Debt repayment	(91,935)	(88,826)
Advances on bank indebtedness	(365,564)	365,564
Cash applied to financing transactions	<u>(457,499)</u>	<u>276,738</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>1,426,780</u>	<u>1,204,726</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>2,037,000</u>	<u>832,274</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 3,463,780</u>	<u>\$ 2,037,000</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

1. STATUS OF THE RURAL MUNICIPALITY OF WEST INTERLAKE

The incorporated Rural Municipality of West Interlake ("the Municipality") is a Municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The Rural Municipality of West Interlake reflects the amalgamation of the former Rural Municipality of Siglunes and Rural Municipality of Eriksdale. The Municipality provides or funds municipal services such as police, fire, public works, planning, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Eriksdale Community Development Corporation

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:

Coldwell Eriksdale Waste Disposal Grounds - 37% (2018 - 37%)
 Parkland Regional Library Service - 4% (2018 - 4%)
 Western Interlake Planning District Board - 42.32% (2018 - 42.32%)
 West Interlake Handivan Association - 24.41% (2018 -24.41%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Note 15.

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Cash and Temporary Investments

Cash and temporary investments include cash and temporary investments which comprise term deposits and guaranteed investment certificates.

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.

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.

Tangible Capital Assets

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

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets (continued)

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

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.

Inventories

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

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

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, stipulation 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 stipulation an equivalent amount of revenue is recognized as the liability is settled.

Deferred Revenue

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

Measurement Uncertainty

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

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

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2019	2018
Cash	\$ 3,416,801	\$ 1,974,805
Temporary investments	46,979	62,195
	<u>\$ 3,463,780</u>	<u>\$ 2,037,000</u>

Temporary investments are comprised of guaranteed investment certificates and term deposits that have a market value approximating cost. The Municipality has designated \$2,220,796 (2018 - \$2,246,975) to reserves for debt principal repayments and tangible capital asset acquisitions of which \$556,722 (2018 - \$662,256) is held in cash and temporary investments with the remainder representing the unfunded balance of \$1,664,074 (2018 - \$1,584,719) however, there is a general operating bank account that is intended for the former RM of Siglunes reserve funds that had a balance of \$1,457,914 (2018 - \$1,304,317) at year end. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2019	2018
Taxes on roll (Schedule 11)	\$ 740,103	\$ 754,632
Government grants	53,059	1,300,146
Utility customers (Schedule 8)	17,737	19,693
Organizations and individuals	17,230	35,120
Other governments	97,279	403,221
	<u>925,408</u>	<u>2,512,812</u>
Less allowance for doubtful amounts		(827,871)
	<u>\$ 925,408</u>	<u>\$ 1,684,941</u>

5. INVENTORIES

	2019	2018
Inventories for use:		
Culverts	\$ 18,305	\$ 30,956

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts payable	\$ 167,287	\$ 204,154
Accrued expenses	34,586	41,812
School levies	1,126,219	
	<u>\$ 1,328,092</u>	<u>\$ 245,966</u>

7. BANK INDEBTEDNESS

The Municipality has an authorized line of credit on its Rural Municipality of West Interlake general operating bank account at Noventis Credit Union Ltd. in the amount of \$1,700,000 with interest at 3.075% (2018 - 2.375%). The lines of credit are secured by a general security agreement and the current year tax revenue.

8. LONG TERM DEBT

	2019	2018
General Authority		
Ward 2 debenture, payable at \$138,920 annually including interest at 3.50%, maturing December 2030.	\$ 1,250,496	\$ 1,342,431

Principal payments due in the next five years are as follows:

2020	\$ 95,153
2021	98,483
2022	101,930
2023	105,498
2024	109,190
	<u>\$ 510,254</u>

9. DEBENTURES PENDING

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
		\$

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

10. 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 2.0% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$35,690 (2018 - \$32,454) 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 has 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 requirements. As a result, solvency funding is no longer required by MEPP.

11. FINANCIAL INSTRUMENTS

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

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

12. BUDGET

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

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

13. ACCUMULATED SURPLUS

	2019	2018
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 1,108,595	\$ 1,095,119
Utility Operating Fund(s) - Nominal Surplus (deficit)	(231,175)	(211,914)
TCA net of related borrowings	3,760,480	3,438,062
Reserve Funds	2,220,796	2,246,975
	<hr/>	<hr/>
Accumulated Surplus of Municipality Unconsolidated	6,858,696	6,568,242
	<hr/>	<hr/>
Accumulated Surpluses of Consolidated Entities	224,466	237,791
	<hr/>	<hr/>
Accumulated Surplus per Consolidated Statement of Financial Position	\$ 7,083,162	\$ 6,806,033
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RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

14. 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 \$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 \$83,014 in aggregate.
- b) No members of council received compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Penny-Anne Wainwright	\$ 12,625	\$ 6,152	18,777
Art Jonasson	12,290	5,207	17,497
Courtney Roehl	10,218	5,036	15,254
Paul Murphy	9,536	3,796	13,332
John Bezemer	8,540	4,694	13,234
Clayton Gibson	9,380	3,593	12,973
Gudjon Lyle Finney	7,495	4,018	11,513
Trevor Emilson - LUD	4,530	258	4,788
Dylan Geisler - LUD	4,200		4,200
Stefan Jonasson	4,200		4,200
	<u>\$ 83,014</u>	<u>\$ 32,754</u>	<u>115,768</u>

- c) There were no officers or employees that received compensation in excess of \$75,000.

15. TRUST FUNDS

The Municipality administers the following trust funds:

	<u>Balance, beginning of year</u>	<u>Excess (deficiency) of receipts over disbursements</u>	<u>Balance, end of year</u>
McEwen Park Trust	<u>\$ 39,238</u>	<u>\$ 851</u>	<u>\$ 40,089</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

16. PUBLIC UTILITIES BOARD

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

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.

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

Water services:

<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>
Ashern	\$ 800,800	\$	\$ 28,600	\$ 772,200

Sewer services:

<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>
Ashern	\$ 257,438	\$	\$ 5,149	\$ 252,289

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

17. SEGMENTED INFORMATION

The Rural Municipality of West Interlake provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource 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.

18. GOVERNMENT PARTNERSHIPS

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

	2019	2018
Financial Position		
Financial assets	\$ 78,529	\$ 72,843
Liabilities	32,056	31,742
Net financial assets	<u>46,473</u>	41,101
Non-financial assets	<u>97,171</u>	114,263
Accumulated surplus	<u>\$ 143,644</u>	<u>\$ 155,364</u>
Result of Operations		
Revenues	\$ 192,801	\$ 172,074
Expenses	256,406	221,682
Intercompany revenue and expense eliminations	<u>51,885</u>	43,132
Annual surplus (deficit)	<u>\$ (11,720)</u>	<u>\$ (6,476)</u>

19. SUBSEQUENT EVENT

Subsequent to year end, the COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the organization has not suffered any significant disruptions, and we are therefore unable to estimate the effect of the pandemic on the organization's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of the disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

20. PRIOR PERIOD ADJUSTMENT

As part of the audit, it was identified the construction of the lagoon and government funding were incorrectly recorded in the prior year to the general operating fund when the tangible capital asset and revenues relate to the Ashern utility. The prior year figures have been adjusted resulting in a decrease in the general operating fund non-financial assets of \$530,265 related to the construction of the lagoon and a decrease of revenues of \$257,438 in government funding and corresponding increases in the Ashern Utility.

Additionally, it was identified a prior year transfer of \$92,000 out of the gas tax reserve to go towards the construction of the lagoon did not qualify as an eligible project as a result of not being able to stack government funding for a particular project. The prior year figures have been adjusted to add the funds back into the gas tax reserve resulting in an increase of \$92,000 to the gas tax reserve fund balance. There has been no effect on the overall accumulated surplus balance as of a result of the adjustment.

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2019

Cost	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2019	2018
Opening costs	\$ 1,248,234	1,665,546	2,148,423	87,718	383,179	6,446,747	2,130,714	530,265	\$ 14,640,826	\$ 13,448,139
Additions during the year	38,333		498,537	39,699	94,661			12,818	684,048	1,192,687
Disposals and write downs			(336,329)						(336,329)	
Transfers	464,660				(464,660)		543,083	(543,083)		
Closing costs	1,751,227	1,665,546	2,310,631	127,417	13,180	6,446,747	2,673,797		14,988,545	14,640,826
Accumulated Amortization										
Opening accum'd amortization	84,023	1,074,736	1,467,908	75,444		5,827,516	1,155,518		9,685,145	9,441,923
Amortization	19,198	37,537	121,128	2,597		32,445	36,348		249,253	243,222
Disposals and write downs			(121,452)						(121,452)	
Closing accum'd amortization	103,221	1,112,273	1,467,584	78,041		5,859,961	1,191,866		9,812,946	9,685,145
Net Book Value of Tangible Capital Assets	\$ 1,648,006	553,273	843,047	49,376	13,180	586,786	1,481,931		\$ 5,175,599	\$ 4,955,681

Water and sewer underground networks contributed to the Municipality totals \$2,099,389 and were capitalized at their fair value at the time of their receipt.



RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
For the year ended December 31, 2019

	2019 Actual	2018 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,993,331	\$ 1,897,727
Taxes added	10,556	18,006
	<u>2,003,887</u>	<u>1,915,733</u>
 Grants in lieu of taxation:	 <u>138,394</u>	 <u>133,304</u>
User fees:		
Sales of service	174,818	152,962
Rentals	89,931	80,508
	<u>264,749</u>	<u>233,470</u>
Permits, licences and fines:		
Permits	10,150	11,816
Licences	470	526
	<u>10,620</u>	<u>12,342</u>
Investment income:		
Cash and temporary investments	40,589	43,885
	<u>40,589</u>	<u>43,885</u>
Other revenue:		
Gain on sale of tangible capital assets	2,767	
Gain on sale of real estate held for sale	5,000	
Penalties and interest	91,871	85,363
Miscellaneous	28,006	49,487
	<u>127,644</u>	<u>134,850</u>
Water and sewer		
Municipal utility	68,864	323,039
	<u>68,864</u>	<u>323,039</u>
Grants - Province of Manitoba:		
Municipal operating grants	196,475	120,775
Conditional grants	160,989	511,920
	<u>357,464</u>	<u>632,695</u>
Grants - other:		
Federal government - gas tax funding	231,912	124,811
Federal government - other	1,075	18,439
Other municipal governments	127,493	93,312
	<u>360,480</u>	<u>236,562</u>
Total revenue	\$ 3,372,691	\$ 3,665,880

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 134,537	\$ 136,877
General administrative	687,444	653,395
Other	9,476	10,845
	<u>831,457</u>	<u>801,117</u>
Protective services:		
Fire	125,823	187,562
Emergency measures	92,354	115,262
Other protection	48,969	54,135
	<u>267,146</u>	<u>356,959</u>
Transportation services:		
Road transport		
Administration and engineering	393,751	356,807
Road and street maintenance	573,024	522,633
Sidewalk and boulevard maintenance	45,777	
Street lighting	26,351	29,639
Other	14,552	
Loss on sale of tangible capital assets	75,777	
	<u>1,129,232</u>	<u>909,079</u>
Environmental health services:		
Waste collection and disposal	344,459	334,972
Recycling	8,840	27,710
Other	7,694	657
	<u>360,993</u>	<u>363,339</u>
Public health and welfare services:		
Public health	8,045	4,819
Medical care	35,919	19,096
Social assistance	5,311	5,311
	<u>49,275</u>	<u>29,226</u>
Regional planning and development:		
Planning and zoning	64,282	69,160
Beautification and land rehabilitation	13,698	1,627
Other	4,784	
	<u>82,764</u>	<u>70,787</u>
Sub-total	<u>\$ 2,720,867</u>	<u>\$ 2,530,507</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES - Continued
For the year ended December 31, 2019

	2019 Actual	2018 Actual
Sub-total (Carry forward)	\$ 2,720,867	\$ 2,530,507
Resource conservation and industrial development:		
Veterinary services	21,320	16,320
Water resources and conservation	14,751	14,745
Regional development	43,340	55,612
Tourism	1,525	800
Other	417	417
	<u>81,353</u>	<u>87,894</u>
Recreation and cultural services:		
Administration	15,452	19,671
Community centres and halls	44,423	27,915
Swimming pools and beaches	100	
Skating and curling rinks	8,975	8,085
Parks and playgrounds	11,037	10,808
Other recreational facilities	2,157	2,800
Museums	1,227	1,117
Libraries	68,306	64,727
Other cultural facilities	750	10,080
	<u>152,427</u>	<u>145,203</u>
Water and sewer (Schedule 9)		
Municipal utility	140,915	163,753
	<u>140,915</u>	<u>163,753</u>
Total expenses	\$ 3,095,562	\$ 2,927,357

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 4 - CONSOLIDATED STATEMENT 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	\$ 1,985,067	\$ 1,896,913								
Grants in lieu of taxation	138,394	133,304								
User fees	174,191	114,012	9,905	34,795	14,512	16,425	49,774	47,008	2,650	5,500
Grants - other	256,295	144,450			1,582		59,342	51,939		
Permits, licences and fines	470	526					767	537		
Investment income	39,392	43,028			129					
Other revenue	126,796	133,867			24					
Water and sewer										
Prov of MB - unconditional grants	192,956	120,775			3,520					
Prov of MB - conditional grants	2,517		88,922	431,867	22,371	28,205	13,484	17,803		
Total revenue	2,916,078	2,586,875	98,827	466,662	42,138	44,630	123,367	117,287	2,650	5,500
EXPENSES										
Personnel services	394,725	392,474	50,296	89,425	284,369	237,493	63,892	80,055		
Contract services	196,509	134,214	34,114	64,973	182,946	177,216	218,931	213,757	11,258	8,406
Utilities	7,055	6,671	17,795	21,254	46,952	49,302	3,717	3,527	2,098	1,724
Maintenance, materials and supplies	211,618	215,272	74,537	91,967	423,513	325,755	46,143	40,227	5,365	12,246
Grants and contributions	8,296	6,651							26,060	2,494
Amortization	9,802	9,991	43,419	39,246	115,675	119,313	28,310	25,773	4,494	4,356
Interest on long term debt			46,985	50,094						
Other	3,452	35,844			75,777					
Total expenses	831,457	801,117	267,146	356,959	1,129,232	909,079	360,993	363,339	49,275	29,226
Surplus (Deficit)	\$ 2,084,621	\$ 1,785,758	(168,319)	109,703	(1,087,094)	(864,449)	(237,626)	(246,052)	(46,625)	(23,726)

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



RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 4 - CONSOLIDATED STATEMENT 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							18,820	18,820	\$ 2,003,887	\$ 1,915,733
Grants in lieu of taxation									138,394	133,304
User fees					13,717	15,730			264,749	233,470
Grants - other	21,292	20,325			21,969	19,848			360,480	236,562
Permits, licences and fines	10,150	11,816							10,620	12,342
Investment income	39	36	70	61	192	223			40,589	43,885
Other revenue	565	863			259	120			127,644	134,850
Water and sewer							68,864	323,039	68,864	323,039
Prov of MB - unconditional grants									196,476	120,775
Prov of MB - conditional grants					33,694	34,045			160,988	511,920
Total revenue	32,046	33,040	70	61	69,831	69,966	87,684	341,859	3,372,691	3,665,880
EXPENSES										
Personnel services	34,760	33,989	39,198	51,406	22,613	9,296	44,261	39,236	934,114	933,374
Contract services	5,331	3,644	3,840	3,234	21,218	19,198	21,986	27,539	696,133	652,181
Utilities		1,719			27,022	27,160	12,584	12,547	117,223	123,904
Maintenance, materials and supplies	25,053	6,581	1,827	1,376	21,851	20,740	25,736	51,084	835,643	765,248
Grants and contributions	14,943	24,372	36,071	31,461	47,957	57,686			133,327	122,664
Amortization	2,677		417	417	11,375	10,779	36,348	33,347	252,517	243,222
Interest on long term debt									46,985	50,094
Other		482			391	344			79,620	36,670
Total expenses	82,764	70,787	81,353	87,894	152,427	145,203	140,915	163,753	3,095,562	2,927,357
Surplus (Deficit)	(50,718)	(37,747)	(81,283)	(87,833)	(82,596)	(75,237)	(53,231)	178,106	\$ 277,129	\$ 738,523

RURAL MUNICIPALITY OF WEST INTERLAKE

SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the year ended December 31, 2019

	Core Government		Controlled Entities		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Property taxes	\$ 2,003,887	\$ 1,915,733					\$ 2,003,887	\$ 1,915,733
Grants in lieu of taxation	138,394	133,304					138,394	133,304
User fees	226,008	203,227			38,741	30,243	264,749	233,470
Grants - other	256,295	144,450			104,185	92,112	360,480	236,562
Permits, licences and fines	470	526			10,150	11,816	10,620	12,342
Investment income	39,392	43,028	70	61	1,127	796	40,589	43,885
Other revenue	126,796	133,867			848	983	127,644	134,850
Water and sewer	68,864	323,039					68,864	323,039
Prov of MB - unconditional grants	192,956	120,775			3,520		196,476	120,775
Prov of MB - conditional grants	126,758	475,796			34,230	36,124	160,988	511,920
Total revenue	3,179,820	3,493,745	70	61	192,801	172,074	3,372,691	3,665,880
EXPENSES								
Personnel services	873,576	890,089			60,538	43,285	934,114	933,374
Contract services	567,971	545,249	1,371	1,200	126,791	105,732	696,133	652,181
Utilities	113,855	119,179			3,368	4,725	117,223	123,904
Maintenance, materials and supplies	793,885	728,122	302	576	41,456	36,550	835,643	765,248
Grants and contributions	128,511	104,892		395	4,816	17,377	133,327	122,664
Amortization	233,471	230,035			19,046	13,187	252,517	243,222
Interest on long term debt	46,985	50,094					46,985	50,094
Other	79,229	35,844			391	826	79,620	36,670
Total expenses	2,837,483	2,703,504	1,673	2,171	256,406	221,682	3,095,562	2,927,357
Surplus (Deficit)	\$ 342,337	\$ 790,241	(1,603)	(2,110)	(63,605)	(49,608)	\$ 277,129	\$ 738,523

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2019

	2019			
	Rec Reserve - Siglunes	Health Care Reserve - Siglunes	LUD of Ashern Reserve	Sub Total
FINANCIAL ASSETS				
Cash and temporary investments	\$ 13,874	\$ 4,813	\$ 236,566	\$ 255,253
Due (to) from other funds				
	<u>\$ 13,874</u>	<u>\$ 4,813</u>	<u>\$ 236,566</u>	<u>\$ 255,253</u>
REVENUE				
Investment income	301	104	389	\$ 794
Other income				
Total revenue	<u>301</u>	<u>104</u>	<u>389</u>	<u>794</u>
EXPENSES				
Investment charges				
Other expenses				
Total expenses				
NET REVENUES	301	104	389	794
TRANSFERS				
Debt repayment				
Transfers from operating fund			75,936	75,936
Transfers to operating fund			(33,010)	(33,010)
Transfers from utility fund				
Transfers to utility fund				
Acquisition of tangible capital assets				
CHANGE IN RESERVE FUND BALANCES	301	104	43,315	43,720
FUND SURPLUS, BEGINNING OF YEAR	<u>13,573</u>	<u>4,709</u>	<u>193,251</u>	<u>211,533</u>
FUND SURPLUS, END OF YEAR	<u><u>13,874</u></u>	<u><u>4,813</u></u>	<u><u>236,566</u></u>	<u><u>\$ 255,253</u></u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2019

	2019							Sub Total
	Technology Reserve - West Interlake	Elections Reserves - West Interlake	Drainage Reserve - Siglunes	Handi Van Reserve - Siglunes	Community Services Reserve - Siglunes	Water Reserve - Siglunes	Sewer Reserve - Siglunes	
FINANCIAL ASSETS								
Cash and temporary investments	\$	\$	\$	\$	\$	\$	\$	\$
Due (to) from other funds	2,500	5,000	74,249	42,296	24,120	26,069	18,457	192,691
	<u>\$ 2,500</u>	<u>\$ 5,000</u>	<u>\$ 74,249</u>	<u>\$ 42,296</u>	<u>\$ 24,120</u>	<u>\$ 26,069</u>	<u>\$ 18,457</u>	<u>\$ 192,691</u>
REVENUE								
Investment income	\$		1,611	918	746	1,016	851	\$ 5,142
Other income								
Total revenue			<u>1,611</u>	<u>918</u>	<u>746</u>	<u>1,016</u>	<u>851</u>	<u>5,142</u>
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES			1,611	918	746	1,016	851	5,142
TRANSFERS								
Debt repayment								
Transfers from operating fund	2,500	5,000						7,500
Transfers to operating fund					(4,200)			(4,200)
Transfers from utility fund								
Transfers to utility fund						(10,380)	(10,380)	(20,760)
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	2,500	5,000	1,611	918	(3,454)	(9,364)	(9,529)	(12,318)
FUND SURPLUS, BEGINNING OF YEAR			72,638	41,378	27,574	35,433	27,986	205,009
FUND SURPLUS, END OF YEAR	<u>\$ 2,500</u>	<u>\$ 5,000</u>	<u>\$ 74,249</u>	<u>\$ 42,296</u>	<u>\$ 24,120</u>	<u>\$ 26,069</u>	<u>\$ 18,457</u>	<u>\$ 192,691</u>



RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2019

	2019							
	Cemetery Reserve - Eriksdale	Eriksdale Utility General Reserve	Building and Land Reserve - Eriksdale	Gas Tax Reserve	General Reserve - Siglunes	Equipment Replacement Reserve - Siglunes	Fire Department Reserve - Siglunes	Sub Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ 14,800	\$ 8,241	\$ 24,329	\$ 200,482	\$	\$	\$	\$ 247,852
Due (to) from other funds	<u>6,005</u>	<u>30,961</u>	<u>2,701</u>	<u>895,985</u>	<u>53,725</u>	<u>30,795</u>	<u>116,882</u>	<u>1,137,054</u>
	<u>\$ 20,805</u>	<u>\$ 39,202</u>	<u>\$ 27,030</u>	<u>\$ 1,096,467</u>	<u>\$ 53,725</u>	<u>\$ 30,795</u>	<u>\$ 116,882</u>	<u>\$ 1,384,906</u>
REVENUE								
Investment income	\$ 315	447	560	5,831	1,284	4,083	2,570	\$ 15,090
Other income								
Total revenue	<u>315</u>	<u>447</u>	<u>560</u>	<u>5,831</u>	<u>1,284</u>	<u>4,083</u>	<u>2,570</u>	<u>15,090</u>
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	315	447	560	5,831	1,284	4,083	2,570	15,090
TRANSFERS								
Debt repayment								
Transfers from operating fund				231,912	37,913			269,825
Transfers to operating fund				(41,932)	(33,883)	(150,000)	(1,550)	(227,365)
Transfers from utility fund		10,320						10,320
Transfers to utility fund								
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	315	10,767	560	195,811	5,314	(145,917)	1,020	67,870
FUND SURPLUS, BEGINNING OF YEAR	<u>20,490</u>	<u>28,435</u>	<u>26,470</u>	<u>900,656</u>	<u>48,411</u>	<u>176,712</u>	<u>115,862</u>	<u>1,317,036</u>
FUND SURPLUS, END OF YEAR	<u>\$ 20,805</u>	<u>39,202</u>	<u>27,030</u>	<u>1,096,467</u>	<u>53,725</u>	<u>30,795</u>	<u>116,882</u>	<u>\$ 1,384,906</u>



RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2019

	2019						2018	
	General Reserve - Eriksdale	Equipment Reserve - Eriksdale	Road Replacement Reserve - Eriksdale	Health Care Reserve - Eriksdale	Fire Equipment Reserve - Eriksdale	Drainage Reserve - Eriksdale	Total	Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ 145,046	\$ 62,823	\$ 3,861	\$ 34,001	\$ 27,968	\$ 35,171	\$ 556,722	\$ 662,256
Due (to) from other funds	42,844			35,051	1,181		1,664,074	1,584,719
Total revenue	\$ 187,890	\$ 62,823	\$ 3,861	\$ 69,052	\$ 29,149	\$ 35,171	\$ 2,220,796	\$ 2,246,975
REVENUE								
Investment income	\$ 3,742	3,420	77	909	920	748	\$ 30,842	\$ 41,633
Other income								
Total revenue	3,742	3,420	77	909	920	748	30,842	41,633
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	3,742	3,420	77	909	920	748	30,842	41,633
TRANSFERS								
Debt repayment								
Transfers from operating fund	33,585						386,846	174,290
Transfers to operating fund	(15,836)	(130,000)		(10,000)	(13,016)		(433,427)	(334,517)
Transfers from utility fund							10,320	10,320
Transfers to utility fund							(20,760)	(97,765)
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	21,491	(126,580)	77	(9,091)	(12,096)	748	(26,179)	(206,039)
FUND SURPLUS, BEGINNING OF YEAR	166,399	189,403	3,784	78,143	41,245	34,423	2,246,975	2,453,014
FUND SURPLUS, END OF YEAR	\$ 187,890	62,823	3,861	69,052	29,149	35,171	\$ 2,220,796	\$ 2,246,975

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Ashern
For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Taxation	\$ 180,824	\$ 180,824	\$ 189,927
GBG No. 3/14		53,465	51,250
Other revenue	2,000	8,941	2,138
	<u>182,824</u>	<u>243,230</u>	<u>243,315</u>
EXPENSES			
General government			
Indemnities	13,330	13,030	12,600
Other general government	6,994	675	6,618
Transportation services			
Road and street maintenance	62,500	49,862	42,385
Sidewalk and boulevard maintenance	6,500	275	5,045
Street lighting	18,000	15,580	17,891
Environmental health			
Waste collection and disposal		39,632	45,775
Regional planning and development			
Beautification and land rehabilitation	1,000	4,238	363
Urban area weed control	5,000		
Recreation and cultural services			
Parks and playgrounds	4,500	5,156	2,133
	<u>117,824</u>	<u>128,448</u>	<u>132,810</u>
Total expenses			
NET REVENUES	65,000	114,782	110,505
TRANSFERS			
Transfers from (to) L.U.D. reserve	(5,000)	(70,936)	20,886
Contribution to capital	(60,000)	(43,846)	(131,391)
CHANGES IN L.U.D. BALANCES	\$		
UNEXPENDED BALANCE, BEGINNING OF YEAR			
UNEXPENDED BALANCE, END OF YEAR		\$	\$

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2019

	2019			2018
	Eriksdale	Ashern	Total	Total
FINANCIAL ASSETS				
Cash and temporary investments (Note 3)	\$	\$ 100	\$ 100	\$ 100
Amounts receivable (Note 4)		17,737	17,737	19,693
Due from other funds	51,004		51,004	
	<u>51,004</u>	<u>17,837</u>	<u>68,841</u>	<u>19,793</u>
LIABILITIES				
Due to other funds		300,016	300,016	231,707
		<u>300,016</u>	<u>300,016</u>	<u>231,707</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>51,004</u>	<u>(282,179)</u>	<u>(231,175)</u>	<u>(211,914)</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	15,599	1,466,332	1,481,931	1,505,461
	<u>15,599</u>	<u>1,466,332</u>	<u>1,481,931</u>	<u>1,505,461</u>
FUND SURPLUS	<u>\$ 66,603</u>	<u>\$ 1,184,153</u>	<u>\$ 1,250,756</u>	<u>\$ 1,293,547</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Eriksdale
For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Property taxes	\$ 18,820	\$ 18,820	\$ 18,820
Total revenue	<u>18,820</u>	<u>18,820</u>	<u>18,820</u>
EXPENSES			
General			
Administration	<u>3,000</u>	<u>4,339</u>	1,660
Sub-Total - General	<u>3,000</u>	<u>4,339</u>	<u>1,660</u>
Sewer General			
Collection system costs	100	1,276	387
Lift station costs	<u>5,400</u>	<u>3,157</u>	<u>26,502</u>
Sub-Total - Sewer General	<u>5,500</u>	<u>4,433</u>	<u>26,889</u>
Sewer Amortization and Interest			
Amortization		<u>5,021</u>	1,332
Sub-Total - Sewer Amortization & Interest		<u>5,021</u>	<u>1,332</u>
Total expenses	<u>8,500</u>	<u>13,793</u>	<u>29,881</u>
NET REVENUES (DEFICIT)	<u>\$ 10,320</u>	<u>5,027</u>	<u>(11,061)</u>
TRANSFERS			
Transfers from (to) reserve funds		<u>(10,320)</u>	9,680
CHANGE IN UTILITY FUND BALANCE		<u>(5,293)</u>	<u>(1,381)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>71,896</u>	<u>73,277</u>
FUND SURPLUS, END OF YEAR	<u>\$ 66,603</u>	<u>\$ 71,896</u>	

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Ashern
 For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 62,000	\$ 64,861	\$ 60,551
Sub-Total - Water	<u>62,000</u>	<u>64,861</u>	<u>60,551</u>
Government transfers			
Government transfers - provincial			85,813
Government transfers - federal			171,625
Sub-Total - Government transfers			<u>257,438</u>
Other			
Hydrant rentals	3,000	3,000	3,000
Penalties	3,400	1,003	2,050
Other income	500		
Sub-Total - Other	<u>6,900</u>	<u>4,003</u>	<u>5,050</u>
Total revenue	<u>\$ 68,900</u>	<u>\$ 68,864</u>	<u>\$ 323,039</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Ashern
For the year ended December 31, 2019

	Budget	2019	2018
EXPENSES			
General			
Administration	\$	\$ 2,930	\$ 2,818
Sub-Total - General		<u>2,930</u>	<u>2,818</u>
Water General			
Purification and treatment	<u>55,310</u>	<u>70,106</u>	<u>61,142</u>
Sub-Total - Water General	<u>55,310</u>	<u>70,106</u>	<u>61,142</u>
Water Amortization & Interest			
Amortization		<u>19,410</u>	<u>22,812</u>
Sub-Total - Water Amortization & Interest		<u>19,410</u>	<u>22,812</u>
Sewer General			
Collection system costs	25,400	13,112	27,188
Treatment and disposal cost	2,650	5,018	2,271
Lift station costs	6,300	2,437	8,015
Connection costs		<u>2,191</u>	<u>424</u>
Sub-Total - Sewer General	<u>34,350</u>	<u>22,758</u>	<u>37,898</u>
Sewer Amortization & Interest			
Amortization		<u>11,918</u>	<u>9,202</u>
Sub-Total - Water Amortization & Interest		<u>11,918</u>	<u>9,202</u>
Total expenses	<u>89,660</u>	<u>127,122</u>	<u>133,872</u>
NET REVENUES (DEFICIT)	<u>\$ (20,760)</u>	<u>(58,258)</u>	<u>189,167</u>
TRANSFERS			
Transfers from reserve funds		<u>20,760</u>	<u>77,765</u>
CHANGE IN UTILITY FUND BALANCE		<u>(37,498)</u>	<u>266,932</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>1,221,651</u>	<u>954,719</u>
FUND SURPLUS, END OF YEAR	<u>\$ 1,184,153</u>	<u>\$ 1,221,651</u>	

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2019

	<u>Financial Plan General</u>	<u>Financial Plan Utility</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
REVENUE							
Property taxes	\$ 1,962,099	18,820					\$ 1,980,919
Grants in lieu of taxation	138,394						138,394
User fees	140,090					42,619	182,709
Grants - Province of Manitoba	192,000					20,863	212,863
Grants - other	133,010					165,063	298,073
Permits, licences and fines	7,950						7,950
Investment income	500					230	730
Other revenue	80,000					657	80,657
Water and sewer		68,900					68,900
Transfer from accumulated surplus	138,920				(138,920)		
Transfers from reserves		10,440			(10,440)		
Total revenue	<u>2,792,963</u>	<u>98,160</u>			<u>(149,360)</u>	<u>229,432</u>	<u>2,971,195</u>
EXPENSES							
General government services	794,440		9,802		1,880		806,122
Protective services	166,470		43,419	46,985			256,874
Transportation services	874,730		112,547				987,277
Environmental health services	237,765		18,717			137,878	394,360
Public health and welfare services	20,190		4,494			47,812	72,496
Regional planning and development	42,000					1,673	43,673
Resource cons and industrial dev	102,500		417				102,917
Recreation and cultural services	102,230		7,727			44,272	154,229
Water and sewer services		98,160	36,348				134,508
Fiscal services:							
Transfer to capital	88,000		(88,000)				
Deficit recovery	23,490				(23,490)		
Debenture debt charges	138,920			(138,920)			
Transfer to reserves	200,348				(200,348)		
Allowance for tax assets	1,880				(1,880)		
Total expenses	<u>2,792,963</u>	<u>98,160</u>	<u>145,471</u>	<u>(91,935)</u>	<u>(223,838)</u>	<u>231,635</u>	<u>2,952,456</u>
Surplus (Deficit)	<u>\$</u>		<u>(145,471)</u>	<u>91,935</u>	<u>74,478</u>	<u>(2,203)</u>	<u>\$ 18,739</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2019

	2019	2018
Balance, beginning of year	\$ 754,632	\$ 694,900
Add:		
Tax levy (Schedule 12)	3,310,135	3,196,801
Taxes added	10,556	18,006
Penalties or interest	91,871	85,363
Other accounts added	15,587	19,502
Tax adjustments (Tax sale)	76,416	16,264
Sub-total	3,504,565	3,335,936
Deduct:		
Cash collections - current	2,560,886	2,456,088
Cash collections - arrears	607,304	406,437
E.P.T.C. - cash advance	350,904	413,679
Sub-total	3,519,094	3,276,204
Balance, end of year	\$ 740,103	\$ 754,632

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 12 - ANALYSIS OF TAX LEVY
 For the year ended December 31, 2019

	2019		2018	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Ashern	17,571,660	8.194	\$ 143,982	\$ 151,287
Sub-Total - L.U.D			<u>143,982</u>	<u>151,287</u>
General Municipal - At Large	81,134,770	7.173	<u>581,980</u>	<u>537,212</u>
Special levies:				
Ward 1 - Sewer BL No. 2/06			18,820	18,820
Ward 1 - GBG BL No. 6/15			92,000	87,210
Ward 2 - LUD GBG BL No. 3/14			53,465	51,250
Deficit Recovery W2	52,801,350	0.404	21,332	21,348
Ward 1	28,333,420	15.275	432,793	422,538
Ward 2	52,801,350	6.287	331,962	286,441
Ward 2 - Rural	35,229,690	8.998	316,997	321,621
Sub-Total - Special levies			<u>1,267,369</u>	<u>1,209,228</u>
Total municipal taxes (Schedule 2)			<u>1,993,331</u>	<u>1,897,727</u>
Education support levy	12,501,270	9.770	<u>122,137</u>	<u>125,670</u>
Special levy:				
Lakeshore School Division	79,591,390	15.010	1,194,667	1,173,404
Sub-Total - Special levies			<u>1,194,667</u>	<u>1,173,404</u>
Total education taxes			<u>1,316,804</u>	<u>1,299,074</u>
Total tax levy (Schedule 11)			<u>\$ 3,310,135</u>	<u>\$ 3,196,801</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the year ended December 31, 2019

	2019	2018
General government services:		
Legislative	\$ 134,537	\$ 136,877
General administrative	687,444	653,395
Other	9,476	10,845
	<u>831,457</u>	<u>801,117</u>
Protective services:		
Fire	125,823	187,562
Emergency measures	92,354	115,262
Other	48,969	54,135
	<u>267,146</u>	<u>356,959</u>
Transportation services:		
Road transport		
Administration and engineering	393,751	356,807
Road and street maintenance	573,024	522,633
Sidewalk and boulevard maintenance	45,777	
Street lighting	26,351	29,639
Loss on sale of tangible capital assets	75,777	
	<u>1,114,680</u>	<u>909,079</u>
Environmental health services:		
Waste collection and disposal	229,978	229,697
Recycling	8,840	27,710
Other	7,694	657
	<u>246,512</u>	<u>258,064</u>
Public health and welfare services:		
Public health	8,045	4,819
Medical care	36,429	19,096
Social assistance	5,311	5,311
	<u>49,785</u>	<u>29,226</u>
Regional planning and development:		
Planning and zoning	31,564	37,342
Beautification and land rehabilitation	13,698	1,627
Other	4,784	
	<u>50,046</u>	<u>38,969</u>
Sub-total	<u>\$ 2,559,626</u>	<u>\$ 2,393,414</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES - continued
 For the year ended December 31, 2019

	2019	2018
Sub-total (carry forward)	\$ 2,559,626	\$ 2,393,414
Resource conservation and industrial development:		
Veterinary services	21,320	16,320
Water resources and conservation	14,751	14,745
Regional development	41,667	60,260
Tourism	1,525	800
Other	417	417
	<u>79,680</u>	<u>92,542</u>
Recreation and cultural services:		
Administration	15,452	19,671
Community centres and halls	44,423	27,915
Swimming pools and beaches	100	
Skating and curling rinks	8,975	8,085
Parks and playgrounds	11,037	10,808
Other recreational facilities	2,157	2,800
Museums	1,227	1,117
Libraries	25,026	23,270
Other cultural facilities	750	10,080
	<u>109,147</u>	<u>103,746</u>
Total expenses	<u><u>\$ 2,748,453</u></u>	<u><u>\$ 2,589,702</u></u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2019

		2019		2018	
		General	Utility	Total	Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT		\$ 14,123	\$ (19,260)	\$ (5,137)	\$ (96,759)
Adjustments for reporting under public sector accounting standards					
Eliminate expense - transfers to reserves		386,846	10,320	397,166	184,610
Eliminate revenue - transfers from reserves		(433,427)	(20,760)	(454,187)	(432,282)
Increase revenue - reserve funds interest		30,842		30,842	41,633
Increase (decrease) revenue - net surplus (deficit) of consolidated entities		(13,325)		(13,325)	(1,767)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)		114,782		114,782	110,505
Eliminate revenue - transfer from nominal surplus		(115,430)		(115,430)	(115,430)
Increase expense - amortization of tangible capital assets		(197,122)	(36,349)	(233,471)	(230,035)
Decrease expense - principal portion of debenture debt		91,935		91,935	88,826
Increase (decrease) revenue (loss) on sale of tangible capital assets		(73,010)		(73,010)	
Eliminate revenue - proceeds on sale of tangible capital assets		(141,867)		(141,867)	
Eliminate expense - acquisitions of tangible capital assets		666,013	12,818	678,831	1,189,222
NET SURPLUS (DEFICIT) PER STATEMENT OF OPERATIONS		\$ 330,360	\$(53,231)	\$ 277,129	\$ 738,523

