

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

RURAL MUNICIPALITY OF WEST INTERLAKE

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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of West Interlake:

The Municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the consolidated financial statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the Municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Sensus Chartered Professional Accountants Ltd., an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

Arnthor Jonasson
Reeve

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, 2021 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 paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rural Municipality of West Interlake as at December 31, 2021, 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

We were not able to observe the counting of the physical inventories or satisfy ourselves concerning those inventory quantities by alternative means for the gravel inventory balance. Since opening inventories affect the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for the year ended December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2021, was modified accordingly because of the possible effects of this limitation in scope. Accordingly, we were unable to determine whether any adjustments might have been found necessary in inventory, statement of operations, statement of changes in net assets and cash flow statement balances.

The Municipality has control of municipal entities 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 Rural Municipality of West Interlake. The financial statements and information to support the completeness, existence, accuracy and valuation of the financial data of Lakeshore Handivan was not subject to an audit 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 Lakeshore Handivan that has been consolidated into these financial statements.

The Province of Manitoba has stringent environmental approval processes for landfill sites that are set out by legislation and regulation. Prior to receiving environmental approval and accepting any waste, a landfill operator is obligated to include responsibility for closure and post-closure care of the approved sites, which requires the Municipality to set up a liability and accrue for the future expense to restore the land after closure. The Municipality has not recorded a liability related to landfills under their control, as a result we have qualified our audit opinion.

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 qualified 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 3,054,392	\$ 3,041,797
Amounts receivable (Note 4)	770,910	809,577
Portfolio investments (Note 5)	3,200	
	<u>3,828,502</u>	<u>3,851,374</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	420,825	525,847
Deferred revenue (Note 2)	83,938	73,680
Long-term debt (Note 9)	1,243,389	1,419,621
	<u>1,748,152</u>	<u>2,019,148</u>
NET FINANCIAL ASSETS	<u>2,080,350</u>	<u>1,832,226</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	6,066,342	5,574,527
Inventories (Note 6)	24,213	30,701
Prepaid expenses	63,310	61,792
Real estate properties held for sale (Note 2)	9,547	16,725
	<u>6,163,412</u>	<u>5,683,745</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 8,243,762</u>	<u>\$ 7,515,971</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	2021 Budget (Note 13)	2021 Actual	2020 Actual
REVENUE			
Property taxes	\$ 2,222,505	\$ 2,237,649	\$ 2,239,246
Grants in lieu of taxation	148,552	155,352	148,552
User fees	245,598	333,317	185,908
Permits, licences and fines	350	19,577	12,197
Investment income	702	21,721	31,812
Other revenue	81,212	247,085	279,754
Water and sewer	117,700	162,266	118,611
Grants - Province of Manitoba	308,071	292,160	524,540
Grants - Other	349,313	483,549	228,019
Total revenue (Schedules 2, 4 and 5)	<u>3,474,003</u>	<u>3,952,676</u>	<u>3,768,639</u>
EXPENSES			
General government services	944,335	936,492	895,077
Protective services	279,249	276,320	326,327
Transportation services	1,158,734	1,025,255	1,171,345
Environmental health services	444,664	425,454	424,374
Public health and welfare services	29,997	29,135	32,793
Regional planning and development	96,388	81,858	73,210
Resource conservation and industrial development	92,360	113,244	92,748
Recreation and cultural services	169,303	177,004	139,216
Water and sewer services	170,251	160,123	193,379
Total expenses (Schedules 3, 4 and 5)	<u>3,385,281</u>	<u>3,224,885</u>	<u>3,348,469</u>
ANNUAL SURPLUS	<u>\$ 88,722</u>	<u>727,791</u>	<u>420,170</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		7,515,971	7,095,801
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,243,762</u>	<u>\$ 7,515,971</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2021

	2021 Budget (Note 13)	2021 Actual	2020 Actual
ANNUAL SURPLUS	\$ 88,722	\$ 727,791	\$ 420,170
Acquisition of tangible capital assets	(1,807,700)	(849,850)	(705,509)
Amortization of tangible capital assets	305,136	305,136	301,575
Gain on sale of tangible capital assets		(55,033)	(134,816)
Proceeds on sale of tangible capital assets		107,932	139,822
Decrease in properties held for sale		7,178	16,308
Decrease (increase) in inventories		6,489	(12,396)
Increase in prepaid expenses		(1,519)	(8,038)
	(1,502,564)	(479,667)	(403,054)
CHANGE IN NET FINANCIAL ASSETS	\$ (1,413,842)	248,124	17,116
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,832,226	1,815,110
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,080,350	\$ 1,832,226

RURAL MUNICIPALITY OF WEST INTERLAKE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 727,791	\$ 420,170
Changes in non-cash items:		
Amounts receivable	38,666	115,422
Inventories	6,489	(12,396)
Prepays	(1,519)	(8,038)
Accounts payable and accrued liabilities	(105,493)	(801,249)
Deferred revenue	10,259	65,134
Severance and sick leave payable	471	2,354
Loss (gain) on sale of properties held for resale	(2,472)	16,481
Gain on sale of tangible capital assets	(55,033)	(134,816)
Amortization	305,136	301,575
Cash provided by operating transactions	924,295	(35,363)
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	107,932	139,822
Cash used to acquire tangible capital assets	(849,850)	(705,509)
Cash applied to capital transactions	(741,918)	(565,687)
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	9,650	7,005
Purchase of portfolio investments	(3,200)	
Acquisition of real estate properties		(7,178)
Cash applied to investing transactions	6,450	(173)
FINANCING TRANSACTIONS		
Proceeds of long-term debt		325,324
Debt repayment	(176,232)	(156,200)
Cash applied to financing transactions	(176,232)	169,124
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	12,595	(432,099)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	3,041,797	3,473,896
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 3,054,392	\$ 3,041,797

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

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
Lakeshore Handivan

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% (2020 - 37%)
Parkland Regional Library Service - 4% (2020 - 4%)
Western Interlake Planning District Board - 42.32% (2020 - 42.32%)
West Interlake Handivan Association - 0% (2020 - 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 16.

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

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.

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.

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, 2021

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, 2021

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, 2021

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	\$ 2,988,156	\$ 2,970,846
Temporary investments	66,236	70,951
	<u>\$ 3,054,392</u>	<u>\$ 3,041,797</u>

Temporary investments are comprised of guaranteed investment certificates and term deposits that have a market value approximating cost. The Municipality has designated \$2,540,157 (2020 - \$2,445,432) to reserves for debt principal repayments and tangible capital asset acquisitions of which \$2,376,101 (2020 - \$2,377,405) is held in cash and temporary investments with the remainder representing the unfunded balance of \$164,056 (2020 - \$68,027). See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2021	2020
Taxes on roll (Schedule 11)	\$ 481,894	\$ 624,944
Utility customers (Schedule 8)	57,271	48,022
Organizations and individuals	128,968	59,999
Other governments	102,777	76,612
	<u>\$ 770,910</u>	<u>\$ 809,577</u>

5. PORTFOLIO INVESTMENTS

	2021	2020
Marketable securities:		
Maturity date of December 16, 2024, interest rate of 0.40%.	\$ 3,200	\$

6. INVENTORIES

	2021	2020
Inventories for use:		
Culverts	\$ 24,213	\$ 30,701

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable	\$ 181,590	\$ 294,788
Accrued expenses	70,635	40,963
School levies	168,600	190,096
	<u>\$ 420,825</u>	<u>\$ 525,847</u>

8. LINE OF CREDIT

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 2.075% (2020 - 2.075%). The line of credit is secured by a general security agreement and the current year tax revenue.

9. LONG TERM DEBT

	2021	2020
General Authority		
Ward 2 debenture, payable at \$138,920 annually including interest at 3.50%, maturing December 2030.	\$ 1,056,861	\$ 1,155,344
Debenture, payable at \$66,631 annually including interest at 2.69%, maturing December 2024.	186,528	246,527
Variable rate loan, payable at \$17,750 annually plus interest at 4.45%, maturing September 2021. (Lakeshore Handivan - 100%)		17,750
	<u>\$ 1,243,389</u>	<u>\$ 1,419,621</u>

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

2022	\$ 163,472
2023	168,694
2024	170,980
2025	113,012
2026	116,967
	<u>\$ 733,125</u>

10. DEBENTURES PENDING

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
By-law 6-2022	To amend By-law 7-2021 authorizing a local improvement borrowing for the construction of the new Ashern fire hall and grader garage.	\$ 900,000

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

11. 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 \$44,306 (2020 - \$41,496) 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, 2020 indicated the plan was 96.7% funded on a going concern basis and has an unfunded solvency liability of \$333.3 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, 2020.

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.

12. 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, 2021

13. 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.

14. ACCUMULATED SURPLUS

	2021	2020
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 854,832	\$ 950,799
Utility Operating Fund(s) - Deficit	(80,085)	(134,878)
TCA net of related borrowings	4,592,204	3,930,380
Reserve Funds	2,540,157	2,445,432
Accumulated Surplus of Municipality Unconsolidated	7,907,108	7,191,733
Accumulated Surpluses of Consolidated Entities	336,654	324,238
Accumulated Surplus per Consolidated Statement of Financial Position	\$ 8,243,762	\$ 7,515,971

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

15. 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, 2021:

a) Compensation paid to members of council amounted to \$59,432 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>
Art Jonasson	\$ 8,630	\$ 3,172	11,802
Edith Peterson	5,448	2,471	7,919
John Bezemer	6,937	3,376	10,313
Randy Helgason	6,310	3,278	9,588
Penny-Anne Wainwright	7,225	3,060	10,285
Paul Murphy	7,222	3,283	10,505
Gudjon Lyle Finney	5,760	3,142	8,902
Karen Carmichael - LUD	3,500		3,500
Stefan Jonasson	4,200		4,200
Trevor Emilson - LUD	4,200		4,200
	<u>\$ 59,432</u>	<u>\$ 21,782</u>	<u>81,214</u>

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

16. 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	\$ 40,531	\$ (11,351)	\$ 29,180

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

17. 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	\$ 743,600	\$	\$ 28,600	\$ 715,000

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	\$ 247,140	\$	\$ 5,149	\$ 241,991

RURAL MUNICIPALITY OF WEST INTERLAKE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

18. 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.

19. 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:

	2021	2020
Financial Position		
Financial assets	\$ 69,635	\$ 96,771
Liabilities	4,535	42,139
Net financial assets	65,100	54,632
Non-financial assets	74,599	79,456
Accumulated surplus	\$ 139,699	\$ 134,088
Result of Operations		
Revenues	\$ 203,111	\$ 197,570
Expenses	250,654	244,998
Intercompany revenue and expense eliminations	56,802	53,039
Annual surplus (deficit)	\$ 9,259	\$ 5,611

20. OTHER MATTERS

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the Municipality has not suffered any significant disruptions, and we are therefore unable to estimate the effect of the pandemic on the Municipality'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, 2021

21. COMMITMENTS

The Municipality has committed to the construction of a new fire hall and grader garage in Ashern Manitoba. The total estimated project costs are anticipated to be \$1,263,308 which will be financed by \$900,000 in borrowing, \$100,000 from the general operating fund and the remaining \$263,308 being borne by reserves.

Construction started in September of 2021. As of the year end date total costs of \$662,069 were incurred of which \$73,738 was covered by the fire department reserve.

The Municipality has committed to the construction of life station upgrades. The total estimated project costs are anticipated to be \$40,000 which will be financed by reserves. No costs were incurred as of December 31, 2021.

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2021

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	2021	2020
Opening costs	\$ 1,777,615	1,697,259	2,573,018	135,220	18,784	6,466,884	2,678,085	\$ 15,346,865	\$ 14,991,809
Additions during the year	45,673	9,058	30,174	1,919	744,624	18,402		849,850	705,509
Disposals and write downs	(52,079)	(5,000)	(820)					(57,899)	(350,453)
Transfers									
Closing costs	1,771,209	1,701,317	2,602,372	137,139	763,408	6,485,286	2,678,085	16,138,816	15,346,865
Accumulated Amortization									
Opening accum'd amortization	136,087	1,151,690	1,267,056	90,563		5,890,476	1,236,466	9,772,338	9,816,210
Amortization	33,647	35,045	147,226	13,126		31,512	44,580	305,136	301,575
Disposals and write downs		(5,000)						(5,000)	(345,447)
Closing accum'd amortization	169,734	1,181,735	1,414,282	103,689		5,921,988	1,281,046	10,072,474	9,772,338
Net Book Value of Tangible Capital Assets	\$ 1,601,475	519,582	1,188,090	33,450	763,408	563,298	1,397,039	\$ 6,066,342	\$ 5,574,527

Water and sewer underground networks contributed to the Municipality totals \$2,646,759 and were capitalized at their fair value at the time of their receipt.

The Municipality has 234 km of roads that were capitalized at a nominal value of \$1,032,979.

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
For the year ended December 31, 2021

	2021 Actual	2020 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 2,225,061	\$ 2,245,239
Taxes added	34,221	18,249
Discounts	(21,633)	(24,242)
	<u>2,237,649</u>	<u>2,239,246</u>
Grants in lieu of taxation:	<u>155,352</u>	<u>148,552</u>
User fees:		
Sales of service	233,894	116,316
Rentals	99,423	69,592
	<u>333,317</u>	<u>185,908</u>
Permits, licences and fines:		
Permits	19,069	10,164
Licences	508	2,033
	<u>19,577</u>	<u>12,197</u>
Investment income:		
Cash and temporary investments	<u>21,721</u>	<u>31,812</u>
Other revenue:		
Gain on sale of tangible capital assets	55,033	139,822
Gain on sale of real estate held for sale	2,472	
Penalties and interest	61,315	50,239
Miscellaneous	128,265	27,055
Acquisition of small entity		62,638
	<u>247,085</u>	<u>279,754</u>
Water and sewer		
Municipal utility	<u>162,266</u>	<u>118,611</u>
Grants - Province of Manitoba:		
Municipal operating grants	192,955	329,405
Conditional grants	99,205	195,135
	<u>292,160</u>	<u>524,540</u>
Grants - other:		
Federal government - gas tax funding	237,992	116,352
Federal government - other	61,570	6,320
Other municipal governments	183,987	105,347
	<u>483,549</u>	<u>228,019</u>
Total revenue	<u>\$ 3,952,676</u>	<u>\$ 3,768,639</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended December 31, 2021

	2021 Actual	2020 Actual
General government services:		
Legislative	\$ 98,564	\$ 95,846
General administrative	831,110	775,450
Other	6,818	7,300
Loss on sale of real estate held for sale		16,481
	<u>936,492</u>	<u>895,077</u>
Protective services:		
Fire	173,347	157,972
Emergency measures	50,488	121,787
Other protection	52,485	46,568
	<u>276,320</u>	<u>326,327</u>
Transportation services:		
Road transport		
Administration and engineering	431,435	381,223
Road and street maintenance	492,843	697,178
Street lighting	29,090	27,605
Interest on debenture	71,887	43,009
Loss on sale of tangible capital assets		5,006
Withdrawal from small entity		17,324
	<u>1,025,255</u>	<u>1,171,345</u>
Environmental health services:		
Waste collection and disposal	416,044	415,032
Recycling	8,745	8,698
Other	665	644
	<u>425,454</u>	<u>424,374</u>
Public health and welfare services:		
Public health	3,023	2,943
Medical care	20,801	24,539
Social assistance	5,311	5,311
	<u>29,135</u>	<u>32,793</u>
Regional planning and development:		
Planning and zoning	78,738	64,732
Beautification and land rehabilitation	3,120	8,478
	<u>81,858</u>	<u>73,210</u>
Sub-total	<u>\$ 2,774,514</u>	<u>\$ 2,923,126</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES - Continued
For the year ended December 31, 2021

	2021 Actual	2020 Actual
Sub-total (Carry forward)	\$ 2,774,514	\$ 2,923,126
Resource conservation and industrial development:		
Veterinary services	21,320	21,320
Water resources and conservation	14,904	14,928
Regional development	74,119	54,103
Tourism	2,484	1,980
Other	417	417
	113,244	92,748
Recreation and cultural services:		
Administration	17,223	16,920
Community centres and halls	59,063	41,400
Skating and curling rinks	3,471	6,028
Parks and playgrounds	5,159	4,265
Museums	1,121	1,102
Libraries	89,607	68,732
Other cultural facilities	1,360	769
	177,004	139,216
Water and sewer (Schedule 9)		
Municipal utility	160,123	193,379
Total expenses	\$ 3,224,885	\$ 3,348,469

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the year ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ 2,218,829	\$ 2,220,426								
Grants in lieu of taxation	155,352	148,552								
User fees	185,505	101,151	22,971	10,986	41,833	18,444	78,158	48,843	2,950	1,950
Grants - other	300,762	117,552			62,691	2,582	68,927	57,202		
Permits, licences and fines	508	2,033								
Investment income	21,102	30,794			26	340	531	433		
Other revenue	241,340	260,932			511	16,885				
Water and sewer										
Prov of MB - unconditional grants	192,957	322,393				7,011				
Prov of MB - conditional grants	29,125	133,718			10,329	9,571	12,731	17,514		
Total revenue	3,345,480	3,337,551	22,971	10,986	115,390	54,833	160,347	123,992	2,950	1,950
EXPENSES										
Personnel services	422,892	375,961	69,088	58,370	315,455	269,687	80,771	87,616		
Contract services	225,102	105,741	32,886	62,463	146,339	170,327	252,187	248,252	5,737	6,175
Utilities	6,818	7,300	15,071	17,382	72,468	48,462	3,633	3,866	2,597	2,079
Maintenance, materials and supplies	249,971	268,772	71,414	97,813	339,370	521,669	47,113	43,438	3,731	1,658
Grants and contributions	6,227	70,902							12,573	18,384
Amortization	18,607	18,807	47,424	46,532	142,671	132,211	41,750	41,202	4,497	4,497
Interest on long term debt			40,437	43,767	6,631	5,584				
Other	6,875	47,594			2,321	23,405				
Total expenses	936,492	895,077	276,320	326,327	1,025,255	1,171,345	425,454	424,374	29,135	32,793
Surplus (Deficit)	\$ 2,408,988	\$ 2,442,474	(253,349)	(315,341)	(909,865)	(1,116,512)	(265,107)	(300,382)	(26,185)	(30,843)

* 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, 2021

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes							18,820	18,820	\$ 2,237,649	\$ 2,239,246
Grants in lieu of taxation									155,352	148,552
User fees					1,900	4,534			333,317	185,908
Grants - other	24,778	21,340			26,391	29,343			483,549	228,019
Permits, licences and fines	19,069	10,164							19,577	12,197
Investment income	11	17	24	43	27	185			21,721	31,812
Other revenue	3,812	1,137			1,422	800			247,085	279,754
Water and sewer							162,266	118,611	162,266	118,611
Prov of MB - unconditional grants									192,957	329,404
Prov of MB - conditional grants					47,018	34,333			99,203	195,136
Total revenue	47,670	32,658	24	43	76,758	69,195	181,086	137,431	3,952,676	3,768,639
EXPENSES										
Personnel services	37,367	35,242	72,576	45,111	22,250	21,516	56,683	52,037	1,077,082	945,540
Contract services	4,733	3,867	1,540	3,940	59,986	12,129	16,487	40,334	744,997	653,228
Utilities					26,315	26,948	12,326	13,434	139,228	119,471
Maintenance, materials and supplies	14,131	13,705	2,487	2,032	24,929	15,131	30,047	42,973	783,193	1,007,191
Grants and contributions	25,514	19,630	36,224	36,248	29,515	50,782			110,053	195,946
Amortization	113	766	417	417	13,798	12,542	44,580	44,601	313,857	301,575
Interest on long term debt									47,068	49,351
Other				5,000	211	168			9,407	76,167
Total expenses	81,858	73,210	113,244	92,748	177,004	139,216	160,123	193,379	3,224,885	3,348,469
Surplus (Deficit)	(34,188)	(40,552)	(113,220)	(92,705)	(100,246)	(70,021)	20,963	(55,948)	\$ 727,791	\$ 420,170

RURAL MUNICIPALITY OF WEST INTERLAKE

SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the year ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE								
Property taxes	\$ 2,237,649	\$ 2,239,246					\$ 2,237,649	\$ 2,239,246
Grants in lieu of taxation	155,352	148,552					155,352	148,552
User fees	296,428	143,170	12,495	6,468	24,394	36,270	333,317	185,908
Grants - other	315,234	123,872	50,219	1,000	118,096	103,147	483,549	228,019
Permits, licences and fines	508	2,033			19,069	10,164	19,577	12,197
Investment income	21,102	30,794	50	239	569	779	21,721	31,812
Other revenue	241,340	260,932	511	16,879	5,234	1,943	247,085	279,754
Water and sewer	162,266	118,611					162,266	118,611
Prov of MB - unconditional grants	192,957	322,393				7,011	192,957	329,404
Prov of MB - conditional grants	53,125	147,309	10,329	9,571	35,749	38,256	99,203	195,136
Total revenue	3,675,961	3,536,912	73,604	34,157	203,111	197,570	3,952,676	3,768,639
EXPENSES								
Personnel services	1,006,299	882,961	11,166	4,690	59,617	57,889	1,077,082	945,540
Contract services	627,422	528,615	2,926	6,504	114,649	118,109	744,997	653,228
Utilities	113,878	115,013	22,310	1,004	3,040	3,454	139,228	119,471
Maintenance, materials and supplies	716,343	959,114	12,552	3,979	54,298	44,098	783,193	1,007,191
Grants and contributions	104,755	191,060			5,298	4,886	110,053	195,946
Amortization	284,792	272,561	15,524	12,685	13,541	16,329	313,857	301,575
Interest on long term debt	47,068	49,351					47,068	49,351
Other	6,875	52,600	2,321	6,010	211	17,557	9,407	76,167
Total expenses	2,907,432	3,051,275	66,799	34,872	250,654	262,322	3,224,885	3,348,469
Surplus (Deficit)	<u>\$ 768,529</u>	<u>\$ 485,637</u>	<u>6,805</u>	<u>(715)</u>	<u>(47,543)</u>	<u>(64,752)</u>	<u>\$ 727,791</u>	<u>\$ 420,170</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2021

	2021							
	Protective Services	Rec Reserve - Siglunes	Health Care Reserve - Siglunes	LUD of Ashern Reserve	Siglunes Surplus	General Reserve	Waste Disposal Grounds	Sub Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ 30,000	\$ 14,170	\$ 4,916	\$ 193,797	\$	\$ 161,354	\$ 12,679	\$ 416,916
Due (to) from other funds	30,000	29,819	1	46,491	1,642		13,756	121,709
	<u>\$ 60,000</u>	<u>\$ 43,989</u>	<u>\$ 4,917</u>	<u>\$ 240,288</u>	<u>\$ 1,642</u>	<u>\$ 161,354</u>	<u>\$ 26,435</u>	<u>\$ 538,625</u>
REVENUE								
Investment income	\$	110	38	2,086		1,051	99	\$ 3,384
Other income								
Total revenue		110	38	2,086		1,051	99	3,384
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES		110	38	2,086		1,051	99	3,384
TRANSFERS								
Debt repayment								
Transfers from operating fund	60,000	29,805		14,767		35,000	13,756	153,328
Transfers to operating fund				(52,271)		(4,164)		(56,435)
Transfers from utility fund								
Transfers to utility fund								
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	60,000	29,915	38	(35,418)		31,887	13,855	100,277
FUND SURPLUS, BEGINNING OF YEAR		14,074	4,879	275,706	1,642	129,467	12,580	438,348
FUND SURPLUS, END OF YEAR	<u>\$ 60,000</u>	<u>43,989</u>	<u>4,917</u>	<u>240,288</u>	<u>1,642</u>	<u>161,354</u>	<u>26,435</u>	<u>\$ 538,625</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2021

	2021							
	Technology Reserve	Elections Reserves	Drainage Reserve - Siglunes	Equipment Reserve	Community Services Reserve - Siglunes	Water Reserve - Siglunes	Sewer Reserve - Siglunes	Sub Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ 7,559	\$ 15,117	\$ 75,913	\$ 20,000	\$ 12,798	\$ 26,626	\$ 18,850	\$ 176,863
Due (to) from other funds	1	2	16		(5,446)	13,731	13,730	22,034
	<u>\$ 7,560</u>	<u>\$ 15,119</u>	<u>\$ 75,929</u>	<u>\$ 20,000</u>	<u>\$ 7,352</u>	<u>\$ 40,357</u>	<u>\$ 32,580</u>	<u>\$ 198,897</u>
REVENUE								
Investment income	\$ 36	71	667		165	208	147	\$ 1,294
Other income								
Total revenue	<u>36</u>	<u>71</u>	<u>667</u>		<u>165</u>	<u>208</u>	<u>147</u>	<u>1,294</u>
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	36	71	667		165	208	147	1,294
TRANSFERS								
Debt repayment								
Transfers from operating fund	2,500	5,000		20,000				27,500
Transfers to operating fund					(9,058)			(9,058)
Transfers from utility fund						5,375	5,375	10,750
Transfers to utility fund								
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	2,536	5,071	667	20,000	(8,893)	5,583	5,522	30,486
FUND SURPLUS, BEGINNING OF YEAR	5,024	10,048	75,262		16,245	34,774	27,058	168,411
FUND SURPLUS, END OF YEAR	<u>\$ 7,560</u>	<u>15,119</u>	<u>75,929</u>	<u>20,000</u>	<u>7,352</u>	<u>40,357</u>	<u>32,580</u>	<u>\$ 198,897</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2021

	2021							
	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	\$ 21,148	\$ 39,637	\$ 8,536	\$ 1,298,654	\$ 20,649	\$ 26,449	\$	\$ 1,415,073
Due (to) from other funds		8,870		201	34,426	6		43,503
	<u>\$ 21,148</u>	<u>\$ 48,507</u>	<u>\$ 8,536</u>	<u>\$ 1,298,855</u>	<u>\$ 55,075</u>	<u>\$ 26,455</u>	<u>\$</u>	<u>\$ 1,458,576</u>
REVENUE								
Investment income	\$ 149	280	183	11,718	161	242	614	\$ 13,347
Other income								
Total revenue	<u>149</u>	<u>280</u>	<u>183</u>	<u>11,718</u>	<u>161</u>	<u>242</u>	<u>614</u>	<u>13,347</u>
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	149	280	183	11,718	161	242	614	13,347
TRANSFERS								
Debt repayment								
Transfers from operating fund				237,992				237,992
Transfers to operating fund			(18,993)	(170,698)		(5,000)	(73,738)	(268,429)
Transfers from utility fund								
Transfers to utility fund								
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	149	280	(18,810)	79,012	161	(4,758)	(73,124)	(17,090)
FUND SURPLUS, BEGINNING OF YEAR	<u>20,999</u>	<u>48,227</u>	<u>27,346</u>	<u>1,219,843</u>	<u>54,914</u>	<u>31,213</u>	<u>73,124</u>	<u>1,475,666</u>
FUND SURPLUS, END OF YEAR	<u>\$ 21,148</u>	<u>48,507</u>	<u>8,536</u>	<u>1,298,855</u>	<u>55,075</u>	<u>26,455</u>	<u></u>	<u>\$ 1,458,576</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2021

	2021						2020
	General Reserve - Eriksdale	Equipment Reserve - Eriksdale	Road Replacement Reserve - Eriksdale	Health Care Reserve - Eriksdale	Fire Equipment Reserve - Eriksdale	Drainage Reserve - Eriksdale	Total
FINANCIAL ASSETS							
Cash and temporary investments	\$ 161,755	\$ 59,378	\$ 3,997	\$ 60,236	\$ 45,989	\$ 35,894	\$ 2,376,101
Due (to) from other funds	(32,027)			8,837			164,056
Total revenue	<u>\$ 129,728</u>	<u>\$ 59,378</u>	<u>\$ 3,997</u>	<u>\$ 69,073</u>	<u>\$ 45,989</u>	<u>\$ 35,894</u>	<u>\$ 2,540,157</u>
REVENUE							
Investment income	\$ 1,387	515	28	485	409	253	\$ 21,102
Other income							1,642
Total revenue	<u>1,387</u>	<u>515</u>	<u>28</u>	<u>485</u>	<u>409</u>	<u>253</u>	<u>21,102</u>
EXPENSES							
Investment charges							
Other expenses							1,163
Total expenses							<u>1,163</u>
NET REVENUES	1,387	515	28	485	409	253	21,102
TRANSFERS							
Debt repayment							
Transfers from operating fund							418,820
Transfers to operating fund	(11,500)	(5,000)			(5,525)		(355,947)
Transfers from utility fund							10,750
Transfers to utility fund							
Acquisition of tangible capital assets							
CHANGE IN RESERVE FUND BALANCES	(10,113)	(4,485)	28	485	(5,116)	253	94,725
FUND SURPLUS, BEGINNING OF YEAR	<u>139,841</u>	<u>63,863</u>	<u>3,969</u>	<u>68,588</u>	<u>51,105</u>	<u>35,641</u>	<u>2,445,432</u>
FUND SURPLUS, END OF YEAR	<u>\$ 129,728</u>	<u>59,378</u>	<u>3,997</u>	<u>69,073</u>	<u>45,989</u>	<u>35,894</u>	<u>\$ 2,540,157</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Ashern
For the year ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Taxation	\$ 178,731	\$ 178,731	\$ 183,109
GBG No. 3/14		59,275	56,635
Other revenue	2,500	1,720	3,873
Total revenue	181,231	239,726	243,617
EXPENSES			
General government			
Indemnities	12,750	12,008	12,310
Other general government	8,288		110
Transportation services			
Road and street maintenance	91,273	55,481	50,566
Sidewalk and boulevard maintenance	9,500	8,028	4,059
Street lighting	17,000	16,621	15,972
Environmental health			
Waste collection and disposal	8,000	41,621	44,880
Regional planning and development			
Beautification and land rehabilitation	6,920	4,147	1,107
Recreation and cultural services			
Parks and playgrounds		2,330	2,987
Recreation and cultural services			
Contribution to capital	22,500	84,723	73,952
Total expenses	176,231	224,959	205,943
NET REVENUES	5,000	14,767	37,674
TRANSFERS			
Transfers from L.U.D. reserve			23,874
Transfers to L.U.D. reserve	(5,000)	(14,767)	(61,548)
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, 2021

	2021			2020
	Eriksdale	Ashern	Total	Total
FINANCIAL ASSETS				
Cash and temporary investments (Note 3)	\$	\$ 100	\$ 100	\$ 100
Amounts receivable (Note 4)		57,271	57,271	48,022
Due from other funds	37,652		37,652	
	<u>37,652</u>	<u>57,371</u>	<u>95,023</u>	<u>48,122</u>
LIABILITIES				
Due to other funds		175,108	175,107	183,000
		<u>175,108</u>	<u>175,107</u>	<u>183,000</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>37,652</u>	<u>(117,737)</u>	<u>(80,084)</u>	<u>(134,878)</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	15,765	1,381,274	1,397,039	1,441,619
	<u>15,765</u>	<u>1,381,274</u>	<u>1,397,039</u>	<u>1,441,619</u>
FUND SURPLUS	<u>\$ 53,417</u>	<u>\$ 1,263,537</u>	<u>\$ 1,316,955</u>	<u>\$ 1,306,741</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Eriksdale
For the year ended December 31, 2021

	Budget	2021	2020
REVENUE			
Sewer			
Lagoon tipping fees	\$	\$ 1,890	\$ 100
Property taxes	18,820	18,820	18,820
Other			
Connection charges		2,500	
Total revenue	18,820	23,210	18,920
EXPENSES			
General			
Administration	4,500	5,695	8,823
Sub-Total - General	4,500	5,695	8,823
Sewer General			
Collection system costs	2,000	4,575	3,020
Lift station costs	12,200	3,329	17,698
Sub-Total - Sewer General	14,200	7,904	20,718
Sewer Amortization and Interest			
Amortization		1,618	1,640
Sub-Total - Sewer Amortization & Interest		1,618	1,640
Total expenses	18,700	15,217	31,181
NET REVENUES (DEFICIT)	\$ 120	7,993	(12,261)
TRANSFERS			
Transfers to reserve funds			(8,920)
CHANGE IN UTILITY FUND BALANCE		7,993	(21,181)
FUND SURPLUS, BEGINNING OF YEAR		45,424	66,605
FUND SURPLUS, END OF YEAR		\$ 53,417	\$ 45,424

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Ashern
For the year ended December 31, 2021

	Budget	2021	2020
REVENUE			
Water			
Water fees	\$ 112,000	\$ 136,623	\$ 111,972
Sub-Total - Water	112,000	136,623	111,972
Sewer			
Lagoon tipping fees	1,000	13,591	810
Sub-Total - Sewer	1,000	13,591	810
Other			
Hydrant rentals	3,000	3,000	3,000
Penalties	1,000	3,236	956
Other income	700	1,426	1,773
Sub-Total - Other	4,700	7,662	5,729
Total revenue	\$ 117,700	\$ 157,876	\$ 118,511

RURAL MUNICIPALITY OF WEST INTERLAKE**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Ashern**

For the year ended December 31, 2021

	Budget	2021	2020
EXPENSES			
General			
Administration	\$	\$ 9,722	\$ 16,671
Sub-Total - General		9,722	16,671
Water General			
Purification and treatment	75,700	78,766	76,431
Sub-Total - Water General	75,700	78,766	76,431
Water Amortization & Interest			
Amortization		22,812	22,812
Sub-Total - Water Amortization & Interest		22,812	22,812
Sewer General			
Collection system costs	22,000	4,825	14,621
Treatment and disposal cost	3,000	5,806	8,546
Lift station costs	6,250	2,825	2,967
Sub-Total - Sewer General	31,250	13,456	26,134
Sewer Amortization & Interest			
Amortization		20,150	20,150
Sub-Total - Water Amortization & Interest		20,150	20,150
Total expenses	106,950	144,906	162,198
NET REVENUES (DEFICIT)	\$ 10,750	12,970	(43,687)
TRANSFERS			
Transfers to reserve funds		(10,750)	(16,700)
CHANGE IN UTILITY FUND BALANCE		2,220	(60,387)
FUND SURPLUS, BEGINNING OF YEAR		1,261,317	1,321,704
FUND SURPLUS, END OF YEAR	\$	1,263,537	\$ 1,261,317

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2021

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 2,203,685	18,820					\$ 2,222,505
Grants in lieu of taxation	148,552						148,552
User fees	196,185					49,413	245,598
Grants - Province of Manitoba	277,000					31,071	308,071
Grants - other	127,050					222,263	349,313
Permits, licences and fines	350						350
Investment income	500					202	702
Other revenue	80,000					1,212	81,212
Water and sewer		117,700					117,700
Transfer from accumulated surplus							
Transfers from reserves	125,000				(125,000)		
Total revenue	3,158,322	136,520			(125,000)	304,161	3,474,003
EXPENSES							
General government services	924,725		18,809		801		944,335
Protective services	188,950		46,532	43,767			279,249
Transportation services	970,540		117,355	5,584		65,255	1,158,734
Environmental health services	274,735		31,582			138,347	444,664
Public health and welfare services	25,500		4,497				29,997
Regional planning and development	42,520					53,868	96,388
Resource cons and industrial dev	90,400		417			1,543	92,360
Recreation and cultural services	114,010		8,768			46,525	169,303
Water and sewer services		125,650	44,601				170,251
Fiscal services:							
Transfer to capital	148,250		(148,250)				
Deficit recovery	23,490				(23,490)		
Debenture debt charges	205,551			(205,551)			
Transfer to reserves	148,850	10,870			(159,720)		
Allowance for tax assets	801				(801)		
Total expenses	3,158,322	136,520	124,311	(156,200)	(183,210)	305,538	3,385,281
Surplus (Deficit)	\$		(124,311)	156,200	58,210	(1,377)	\$ 88,722

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2021

	2021	2020
Balance, beginning of year	\$ 624,944	\$ 740,103
Add:		
Tax levy (Schedule 12)	3,573,780	3,601,227
Taxes added	34,221	18,249
Penalties or interest	61,315	50,239
Other accounts added		2,662
Tax adjustments (Tax sale)	45,066	6,725
Sub-total	3,714,382	3,679,102
Deduct:		
Cash collections - current	3,179,577	2,791,739
Cash collections - arrears	383,734	609,547
Writeoffs	6,403	13,699
Tax discounts	21,633	24,242
E.P.T.C. - cash advance	266,085	355,034
Sub-total	3,857,432	3,794,261
Balance, end of year	\$ 481,894	\$ 624,944

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 12 - ANALYSIS OF TAX LEVY
For the year ended December 31, 2021

	2021		2020
	Assessment	Mill Rate	Levy
Other governments (L.U.D.):			
Ashern			\$ 145,990
Sub-Total - L.U.D			<u>145,990</u>
Debt charges:			
BL No. 4/18 Siglunes			12,822
BL No. 19/19 Graders	68,189,480	0.953	<u>64,985</u>
Sub-Total - Debt charges			<u>77,820</u>
General Municipal - At Large	85,907,710	15.385	<u>1,321,690</u>
Special levies:			
Ward 1 - Sewer BL No. 2/06			18,820
Ward 1 - GBG BL No. 6/15			92,000
Ward 2 - LUD GBG BL No. 3/14			56,635
Deficit Recovery W2	55,821,130	0.385	<u>21,491</u>
Ward 1			460,426
Ward 2			352,613
Ward 2 - Rural			337,284
Rural only	68,189,480	8.133	<u>554,585</u>
LUD	17,670,430	8.052	<u>142,282</u>
Sub-Total - Special levies			<u>1,339,229</u>
Total municipal taxes (Schedule 2)			<u>2,225,061</u>
Education support levy	12,299,670	8.809	<u>108,348</u>
Special levy:			
Lakeshore School Division	84,321,620	14.710	<u>1,240,371</u>
Sub-Total - Special levies			<u>1,240,371</u>
Total education taxes			<u>1,348,719</u>
Total tax levy (Schedule 11)			<u>\$ 3,573,780</u>
			<u>\$ 3,601,227</u>

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the year ended December 31, 2021

	2021	2020
General government services:		
Legislative	\$ 98,564	\$ 95,846
General administrative	831,110	775,450
Other	6,818	7,300
Loss on sale of real estate held for sale		16,481
	936,492	895,077
Protective services:		
Fire	173,347	157,972
Emergency measures	50,488	121,787
Other	52,485	46,568
	276,320	326,327
Transportation services:		
Road transport		
Administration and engineering	431,435	381,223
Road and street maintenance	492,843	697,178
Street lighting	29,090	27,605
Interest on debenture	71,887	43,009
Loss on sale of tangible capital assets		5,006
Withdrawal from small entity		17,324
	1,025,255	1,171,345
Environmental health services:		
Waste collection and disposal	416,044	415,032
Recycling	8,745	8,698
Other	665	644
	425,454	424,374
Public health and welfare services:		
Public health	3,023	2,943
Medical care	20,801	24,539
Social assistance	5,311	5,311
	29,135	32,793
Regional planning and development:		
Planning and zoning	78,738	64,732
Beautification and land rehabilitation	3,120	8,478
	81,858	73,210
Sub-total	\$ 2,774,514	\$ 2,923,126

RURAL MUNICIPALITY OF WEST INTERLAKE

SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES - continued

For the year ended December 31, 2021

	2021	2020
Sub-total (carry forward)	\$ 2,774,514	\$ 2,923,126
Resource conservation and industrial development:		
Veterinary services	21,320	21,320
Water resources and conservation	14,904	14,928
Regional development	74,119	54,103
Tourism	2,484	1,980
Other	417	5,417
	113,244	97,748
Recreation and cultural services:		
Administration	17,223	16,920
Community centres and halls	59,063	41,400
Skating and curling rinks	3,471	6,028
Parks and playgrounds	5,159	4,265
Museums	1,121	1,102
Libraries	89,607	68,732
Other cultural facilities	1,360	769
	177,004	139,216
Total expenses	\$ 3,064,762	\$ 3,160,090

RURAL MUNICIPALITY OF WEST INTERLAKE
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2021

				MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT			
				Adjustments for reporting under public sector accounting standards			
				NET SURPLUS PER STATEMENT OF OPERATIONS			
				Eliminate expense - transfers to reserves			
				Eliminate revenue - transfers from reserves			
				Increase revenue - reserve funds interest			
				Increase (decrease) revenue - net surplus (deficit) of consolidated entities			
				Increase (decrease) revenue - net surplus (deficit) of LUD(s)			
				Eliminate revenue - transfer from nominal surplus			
				Increase expense - amortization of tangible capital assets			
				Decrease expense - principal portion of debenture debt			
				Increase (decrease) revenue - gain (loss) on sale of tangible capital assets			
				Eliminate revenue - proceeds on new debenture debt			
				Eliminate revenue - proceeds on sale of tangible capital assets			
				Eliminate expense - acquisitions of tangible capital assets			