

RURAL MUNICIPALITY OF STANLEY

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

STATEMENT OF RESPONSIBILITY

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

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

Council of the 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.

Exchange Chartered Professional Accountants LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' 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.



Dale Toews
Chief Administrative Officer



INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
RURAL MUNICIPALITY OF STANLEY

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Stanley, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Stanley as at December 31, 2020, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2020 in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the 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 Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
September 16, 2021

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RURAL MUNICIPALITY OF STANLEY

Consolidated Financial Statements

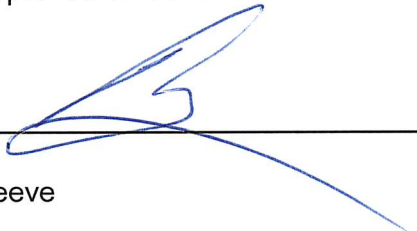
For the Year Ended December 31, 2020

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**RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020**

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 7,413,940	\$ 5,665,374
Amounts receivable (Note 4)	1,213,992	1,189,758
Other assets	-	547
	<u>\$ 8,627,932</u>	<u>\$ 6,855,679</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 1,057,285	\$ 1,190,976
Severance and sick leave payable (Note7)	1,530	-
Deferred revenue	67,951	87,988
Landfill closure and post closure liabilities (Note 8)	2,154	1,176
Long-term debt (Note 9)	4,336,989	4,597,562
	<u>5,465,909</u>	<u>5,877,702</u>
NET DEBT	<u>\$ 3,162,023</u>	<u>\$ 977,977</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 27,844,592	\$ 27,460,421
Inventories (Note 5)	553,922	631,099
Prepaid expenses	34,594	28,664
	<u>28,433,108</u>	<u>28,120,184</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 31,595,131</u>	<u>\$ 29,098,161</u>

Approved on behalf of Council:



Reeve



Councillor

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	<u>2020 Budget (Note 12)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Property taxes	\$ 5,801,287	\$ 6,123,549	\$ 5,890,539
Grants in lieu of taxation	52,135	52,968	57,408
User fees	593,756	754,103	692,552
Permits, licences and fines	46,500	43,450	41,345
Investment income	87,592	194,754	169,079
Other revenue	173,684	133,212	42,367
Water and sewer	1,730,937	1,894,580	2,003,293
Grants - Province of Manitoba	676,775	1,311,733	988,266
Grants - other	592,716	565,777	1,049,257
Total revenue (Schedules 2, 4 and 5)	<u>9,755,382</u>	<u>11,074,126</u>	<u>10,934,106</u>
EXPENSES			
General government services	1,240,770	1,253,042	1,243,936
Protective services	637,050	612,296	706,178
Transportation services	3,681,399	3,634,148	3,965,781
Environmental health services	107,359	104,293	358,866
Public health and welfare services	93,199	92,258	75,678
Regional planning and development	616,888	613,094	503,926
Resource conservation and industrial development	82,744	88,491	91,212
Recreation and cultural services	369,120	424,711	346,745
Water and sewer services	2,081,945	1,754,823	1,698,433
Total expenses (Schedules 3, 4 and 5)	<u>8,910,474</u>	<u>8,577,156</u>	<u>8,990,755</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 844,908</u>	<u>2,496,970</u>	<u>1,943,351</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>29,098,161</u>	<u>27,154,810</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 31,595,131</u>	<u>\$ 29,098,161</u>

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	<u>2020</u> <u>Budget</u> <u>(Note 12)</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 844,908	\$ 2,496,970	\$ 1,943,351
Acquisition of tangible capital assets	-	(2,159,269)	(3,383,555)
Amortization of tangible capital assets	-	1,151,013	1,341,592
Loss (Gain) on sale of tangible capital assets	-	56,732	116,605
Proceeds on sale of tangible capital assets	-	567,354	196,554
Decrease (increase) in inventories	-	77,176	1,303,620
Decrease (increase) in prepaid expense	-	(5,930)	(20,963)
	-	(312,924)	(446,147)
CHANGE IN NET FINANCIAL ASSETS	\$ 844,908	2,184,046	1,497,204
NET FINANCIAL ASSETS, BEGINNING OF YEAR		977,977	(519,227)
NET FINANCIAL ASSETS, END OF YEAR		\$ 3,162,023	\$ 977,977

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,496,970	\$ 1,943,351
Changes in non-cash items:		
Amounts receivable	(24,234)	(246,684)
Inventories	77,176	1,303,620
Prepays	(5,930)	(20,963)
Other assets	547	(20)
Accounts payable and accrued liabilities	(133,691)	94,969
Severance and sick leave payable	1,530	-
Unearned revenue	(20,038)	(31,043)
Landfill closure and post closure liabilities	978	696
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	56,732	116,605
Amortization	1,151,013	1,341,592
	<u>3,601,053</u>	<u>4,502,123</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	567,354	196,554
Cash used to acquire tangible capital assets	(2,159,269)	(3,383,555)
	<u>(1,591,915)</u>	<u>(3,187,001)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
	<u>-</u>	<u>-</u>
Cash applied to investing transactions	-	-
FINANCING TRANSACTIONS		
Proceeds of long-term debt	333,440	416,760
Debt repayment	(594,012)	(424,476)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
	<u>(260,572)</u>	<u>(7,716)</u>
Cash applied to financing transactions	-	-
INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,748,566	1,307,406
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	5,665,374	4,357,968
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 7,413,940	\$ 5,665,374

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF STANLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Status of the Rural Municipality of Stanley

The incorporated Rural Municipality of Stanley (the "Municipality") is a municipal government that was created in 1890 pursuant to The Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Municipality owns two utilities, has several designated special purpose reserves and provide funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

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

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The 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. There were no controlled organizations at December 31, 2020.

The Municipality has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the 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:

5959544 Manitoba Ltd (24.00%) (2019 - 24.00%)
M.S.T.W Planning District (30.39%) (2019 - 30.39%)
Morden Veterinary Services District (25.11%) (2019 - 25.11%)
Pembina Valley Water Co-operative (5.56%) (2019 - 5.56%)
Solid Waste Authority Management Project (10.35%) (2019 - 10.35%)
South Central Regional Library (15.05%) (2019 - 15.05%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. Trust funds administered by the Municipality are presented in Note 17.

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

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

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

f) Landfill Closure and Post Closure Liabilities

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

g) Non-Financial Assets

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

h) Tangible Capital Assets

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

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.

i) Leases

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

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

Unearned revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

l) Measurement Uncertainty

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

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 7,413,940	\$ 5,605,085
Temporary investments	-	60,289
	<u>\$ 7,413,940</u>	<u>\$ 5,665,374</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$ 5,436,905 (2019 - \$4,971,021) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has access to a line of credit with a limit of \$2,000,000 and repayable upon demand. The line of credit bears interest at prime less .75% being 3.20% effective December 31, 2020, is secured by a general security agreement and an assignment of certain receivables. The line of credit was unutilized at December 31, 2020 (\$ - 2019).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 743,740	\$ 719,290
Government grants	-	-
Utility customers	283,286	265,540
Accrued interest	-	-
Organizations and individuals	173,409	176,517
Other governments	13,557	28,411
Other	-	-
	<u>1,213,992</u>	<u>1,189,758</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,213,992</u>	<u>\$ 1,189,758</u>

5. Inventories

	<u>2020</u>	<u>2019</u>
Culverts	\$ 129,882	\$ 123,750
Aggregate and embedded rock	352,414	442,958
Other supplies	71,626	64,391
Other (<i>specify</i>)	-	-
	<u>\$ 553,922</u>	<u>\$ 631,099</u>

6. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 483,814	\$ 529,717
Accrued expenses	152,626	110,769
Accrued wages and employee benefits	65,603	59,311
School levies	355,242	491,179
Other governments	-	-
Other (<i>specify</i>)	-	-
	<u>\$ 1,057,285</u>	<u>\$ 1,190,976</u>

7. Sick Leave Payable

The employees can accumulate a maximum of eighty-four (84) sick days. Any employee accumulating sick leave in excess to 84 days shall be reimbursed at the end of December of each year for all working days accumulated in excess of 84 days at a rate of \$60.00 per day. As at December 31, 2020, the Municipality has a liability of \$1,530 (2019 - \$-) for sick leave presented as a liability on the consolidated statement of financial position.

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 1 landfill site in partnership with the City of Morden and the City of Winkler. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2020</u>	<u>2019</u>
Estimated closure and post closure costs over the next 115 years	\$ 9,228,288	\$ 9,228,288
Discount rate	4.01%	4.50%
Discounted costs	<u>\$ 117,056</u>	<u>\$ 66,696</u>
Expected year capacity will be reached	2131	2131
Capacity (disclose in tonnes, volume, acreage, or years):		
Used to date	24	23
Remaining	111	112
Total	135	135
Percent utilized	<u>17.78%</u>	<u>17.04%</u>
Liability based on percentage	<u>\$ 20,810</u>	<u>\$ 11,363</u>
Rural Municipality of Stanley's share (10.35%)	<u>\$ 2,154</u>	<u>\$ 1,176</u>

9. Long Term Debt

	<u>2020</u>	<u>2019</u>
General Authority:		
Debenture, interest at 3.50%, payable at \$37,515 annually including interest, maturing December 2026	\$ 199,868	\$ 229,354
Debenture, interest at 4.73%, payable at \$23,648 annually including interest, maturing November 2025	103,152	121,073
Debenture, interest at 5.31%, payable at \$35,582 annually including interest, maturing June 2031	290,803	309,928
Commercial loan, interest at 4.25%, payable at \$15,431 monthly including interest, maturing January 2032	1,455,134	1,575,683
Debenture, interest at 3.75%, payable at \$33,606 annually including interest, maturing December 1, 2025	141,931	177,611
Debenture, interest at 3.89%, payable at \$32,861 annually including interest, maturing December 1, 2027	199,273	223,442
Debenture, interest at 4.19%, payable at \$43,312 annually including interest, maturing December 1, 2028	293,122	322,904
Debenture, interest at 2.59%, payable at \$16,576 annually including interest, maturing December 1, 2030	<u>144,400</u>	<u>-</u>
Total General Authority	<u>\$ 2,827,683</u>	<u>\$ 2,959,995</u>
Government Partnerships:		
CIBC, Demand facility with 30 day Bankers' Acceptances reducing by \$103,368 principal and interest installments per month, with monthly interest payments fixed through interest rate swaps at 3.56% including stamping fee of 0.81% until July 2023, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033. (5.56% of \$12,566,174)	\$ 698,679	741,935
CIBC, Demand facility with 30 day Bankers' Acceptances reducing by \$8,077 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate (2.07% at December 31, 2019) plus stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033. (5.56% of \$1,243,889)	69,160	74,549
Canadian Imperial Bank of Commerce: revolving demand facility with interest only payments until the earlier of twelve months after the initial advance and completion of each discrete project, at which time repayment terms will be set. Interest is charged at the prime rate (3.95% at December 31, 2019) minus 0.25%. At December 31, 2019, the Cooperative had unutilized capacity of under this facility of \$7,900,000. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. (5.56% of \$2,100,000)	147,803	116,760
Derivative contract, interest rate swap locked in a fixed interest rate through July 2023	-	17,360
Debenture, interest at prime plus .5%, payable at \$50 monthly	-	2,262
Total Government Partnerships	<u>\$ 915,642</u>	<u>\$ 952,866</u>
Utility Funds:		
Debenture, interest at 3.35%, payable at \$12,149 annually including interest, maturing December 2021	\$ 10,052	\$ 21,481
Debenture, interest at 4.73%, payable at \$70,944 annually including interest, maturing November 2025	309,457	363,220
Debenture, interest at 3.7%, payable at \$35,655 annually including interest, maturing December 2029	<u>274,155</u>	<u>300,000</u>
	<u>\$ 593,664</u>	<u>\$ 684,701</u>
	<u>\$ 4,336,989</u>	<u>\$ 4,597,562</u>

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

2021	\$	448,385
2022	\$	447,688
2023	\$	455,355
2024	\$	460,503
2025	\$	459,042

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% 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 \$119,831 (2019 - \$103,847) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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

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.

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

	<u>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,950,564	\$ 1,801,022
Utility operating fund(s) - Nominal surplus	(483,073)	(1,106,809)
TCA net of related borrowings	21,932,352	21,354,727
Reserve funds	<u>4,923,661</u>	<u>4,971,021</u>
Accumulated surplus of municipality unconsolidated	29,323,504	27,019,961
Accumulated surpluses of consolidated entities	<u>2,271,627</u>	<u>2,078,200</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 31,595,131</u>	<u>\$ 29,098,161</u>

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, 2020:

- a) Compensation paid to members of council amounted to \$167,007 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Reeve - M Olaf son	\$ 27,689	\$ 2,600	\$ 30,289
Councillor - P Froese	25,506	1,326	26,832
Councillor - R Giesbrecht	19,742	1,502	21,244
Councillor - D Falk	21,347	2,109	23,456
Councillor - A Loewen	20,003	935	20,938
Councillor - R Unrau	19,019	1,608	20,627
Deputy Reeve - I Friesen	21,752	1,869	23,621
	<u>\$ 155,058</u>	<u>\$ 11,949</u>	<u>\$ 167,007</u>

- c) A separate schedule of compensation of officers and employees receiving compensation in excess of \$75,000 has been prepared.

15. Trust Funds

The Rural Municipality of Stanley administers the following trust:

	Balance, beg. of the year	Excess of Receipts over Disbursements	Balance, end of the year
<i>Cheval Utility</i>	<u>\$ 17,823</u>	<u>\$ (3,579)</u>	<u>\$ 14,244</u>

16. Public Utilities Board

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

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

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Stanley	<u>\$ 3,708,483</u>	<u>\$ 172,652</u>	<u>\$ 157,109</u>	<u>\$ 3,724,026</u>

17. Subsequent Event

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the organization continues to maintain operations where possible, while looking out for the needs and safety of the public and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

18. Financial Presentation

The previous year's financial information has been changed to conform to the present year's presentation.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2020

SCHEDULE 1

	General Capital Assets				Infrastructure				Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2020	2019
Cost										
Opening costs	\$ 5,783,032	\$ 3,578,742	\$ 5,334,323	\$ 390,347	\$ 11,020	\$ 15,136,464	\$ 16,698,483	\$ 563,678	\$ 47,496,089	\$ 44,598,809
Additions during the year	-	4,480	910,649	81,742	19,296	450,409	678,283	14,410	2,159,269	3,383,555
Transfer during the year	-	-	-	-	-	-	132,929	(132,929)	-	-
Disposals and write downs	-	-	(628,851)	(9,686)	-	-	(280,085)	-	(918,622)	(486,275)
Closing costs	<u>5,783,032</u>	<u>3,583,222</u>	<u>5,616,121</u>	<u>462,403</u>	<u>30,316</u>	<u>15,586,873</u>	<u>17,229,610</u>	<u>445,159</u>	<u>48,736,736</u>	<u>47,496,089</u>
Accumulated Amortization										
Opening accum'd amortization	749,520	703,019	1,876,374	322,129	-	12,113,762	4,270,864	-	20,035,668	18,867,192
Amortization	129,572	79,603	353,232	53,107	-	152,697	382,802	-	1,151,013	1,341,592
Disposals and write downs	-	-	(252,827)	(9,686)	\$ -	-	(32,024)	-	(294,537)	(173,116)
Closing accum'd amortization	<u>879,092</u>	<u>782,622</u>	<u>1,976,779</u>	<u>365,550</u>	<u>-</u>	<u>12,266,459</u>	<u>4,621,642</u>	<u>-</u>	<u>20,892,144</u>	<u>20,035,668</u>
Net Book Value of Tangible Capital Assets	<u>\$ 4,903,940</u>	<u>\$ 2,800,600</u>	<u>\$ 3,639,342</u>	<u>\$ 96,853</u>	<u>\$ 30,316</u>	<u>\$ 3,320,414</u>	<u>\$ 12,607,968</u>	<u>\$ 445,159</u>	<u>\$ 27,844,592</u>	<u>\$ 27,460,421</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,679,067	\$ 5,649,795
Taxes added	444,482	240,744
	<u>6,123,549</u>	<u>5,890,539</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	52,968	57,408
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>52,968</u>	<u>57,408</u>
User fees		
Parking meters	-	-
Sales of service	467,507	628,379
Sales of goods	50,551	28,898
Rentals	1,000	23,275
Development charges	235,045	12,000
Facility use fees	-	-
Other (specify):	-	-
	<u>754,103</u>	<u>692,552</u>
Permits, licences and fines		
Permits	43,450	41,345
Licences	-	-
Fees	-	-
Fines	-	-
Other (specify):	-	-
	<u>43,450</u>	<u>41,345</u>
Investment income:		
Cash and temporary investments	194,754	169,079
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>194,754</u>	<u>169,079</u>
Other revenue:		
Gain on sale of tangible capital assets	(56,732)	(116,605)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	42,809	39,593
Miscellaneous (specify):	147,135	119,379
	<u>133,212</u>	<u>42,367</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	1,518,253	1,663,904
Consolidated water co-operatives	376,327	339,389
	<u>1,894,580</u>	<u>2,003,293</u>
Grants - Province of Manitoba		
Municipal operating grants	608,516	608,516
Other unconditional grants	536,972	-
Conditional grants	166,245	379,750
Other (specify):	-	-
	<u>1,311,733</u>	<u>988,266</u>
Grants - other		
Federal government - gas tax funding	482,681	962,080
Federal government - other	-	11,032
Other municipal governments	83,096	76,145
Other (specify):	-	-
	<u>565,777</u>	<u>1,049,257</u>
Total revenue	<u>\$ 11,074,126</u>	<u>\$ 10,934,106</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020	2019
	Actual	Actual
General government services:		
Legislative	\$ 162,122	\$ 172,861
General administrative	744,009	680,070
Other (specify):	346,911	391,005
	<u>1,253,042</u>	<u>1,243,936</u>
Protective services:		
Police	-	-
Fire	559,555	589,284
Emergency measures	44,366	106,391
Other (specify):	8,375	10,503
	<u>612,296</u>	<u>706,178</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	2,748,955	3,127,358
Bridge maintenance	90,393	112,522
Sidewalk and boulevard maintenance	47,408	48,895
Street lighting	56,904	53,687
Other (specify):	690,488	623,319
Air transport	-	-
Public transit	-	-
Other (specify):	-	-
	<u>3,634,148</u>	<u>3,965,781</u>
Environmental health services:		
Waste collection and disposal	-	-
Recycling	-	-
Other (specify):	104,293	358,866
	<u>104,293</u>	<u>358,866</u>
Public health and welfare services:		
Public health	-	-
Medical care	81,577	66,077
Social assistance	-	8,601
Other (specify):	10,681	1,000
	<u>92,258</u>	<u>75,678</u>
Regional planning and development		
Planning and zoning	613,094	503,926
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other (specify):	-	-
	<u>613,094</u>	<u>503,926</u>
Resource conservation and industrial development		
Rural area weed control	60	1,510
Drainage of land	-	-
Veterinary services	10,919	22,117
Water resources and conservation	43,381	41,590
Regional development	29,284	22,275
Industrial development	-	-
Tourism	-	-
Other (specify):	4,847	3,720
	<u>88,491</u>	<u>91,212</u>
Sub-totals forward	<u>\$ 6,397,622</u>	<u>\$ 6,945,577</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	<u>2020 Actual</u>	<u>2019 Actual</u>
Sub-totals forward	<u>\$ 6,397,622</u>	<u>\$ 6,945,577</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	96,970	14,250
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	61,753	60,555
Other recreational facilities	-	-
Museums	17,969	10,469
Libraries	242,031	250,971
Other cultural facilities	5,988	10,500
	<u>424,711</u>	<u>346,745</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	1,466,418	1,412,184
Consolidated water co-operatives	288,405	286,249
	<u>1,754,823</u>	<u>1,698,433</u>
Total expenses	<u>\$ 8,577,156</u>	<u>\$ 8,990,755</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2020

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 5,857,438	\$5,624,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	52,968	57,408	-	-	-	-	-	-	-	-
User fees	91,357	112,287	-	-	213,421	162,556	148,017	123,820	-	-
Grants - other	482,681	968,724	-	-	-	-	-	-	-	-
Permits, licences and fines			575	1,128	-	-	-	-	-	-
Investment income	180,162	151,443	-	-	-	-	8,778	7,016	-	-
Other revenue	46,006	155,331	(53,099)	(116,606)	-	-	363	381	-	-
Water and sewer			-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	608,516	608,516	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	626,487		8,005	78,643	-	231,644	-	-	-	-
Total revenue	\$ 7,945,615	\$ 7,678,282	\$ (44,519)	\$ (36,835)	\$ 213,421	\$ 394,200	\$ 157,158	\$ 131,217	\$ -	\$ -
EXPENSES										
Personnel services	\$ 592,127	\$ 580,613	\$ -	\$ -	\$ 885,867	\$ 845,796	\$ 34,270	\$ 31,458	\$ -	\$ -
Contract services	293,526	317,537	611,296	643,819	1,298,709	1,366,621	5,895	5,782	9,681	9,601
Utilities	23,093	23,204	-	-	63,855	62,601	2,266	2,168	-	-
Maintenance materials and supplies	95,659	95,906	-	62,359	724,170	1,043,620	29,982	30,013	-	-
Grants and contributions	6,890	12,505	1,000	-	-	-	-	-	82,577	66,077
Amortization	94,536	86,784	-	-	602,304	578,878	31,051	288,395	-	-
Interest on long term debt	86,812	93,584	-	-	36,913	44,472	-	-	-	-
Other	60,399	33,803	-	-	22,330	23,793	829	1,050	-	-
Total expenses	\$ 1,253,042	\$1,243,936	\$ 612,296	\$ 706,178	\$ 3,634,148	\$ 3,965,781	\$ 104,293	\$ 358,866	\$ 92,258	\$ 75,678
Surplus (Deficit)	\$ 6,692,573	\$ 6,434,346	\$ (656,815)	\$ (743,013)	\$ (3,420,727)	\$ (3,571,581)	\$ 52,865	\$ (227,649)	\$ (92,258)	\$ (75,678)

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

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2020

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,111	\$ 265,966	\$ 6,123,549	\$ 5,890,539
Grants in lieu of taxation	-	-	-	-	-	-	-	-	52,968	57,408
User fees	295,730	293,889	-	-	5,578	-	-	-	754,103	692,552
Grants - other	-	-	8,596	8,580	74,500	71,953	-	-	565,777	1,049,257
Permits, licences and fines	42,875	40,217	-	-	-	-	-	-	43,450	41,345
Investment income	5,532	10,533	-	-	282	87	-	-	194,754	169,079
Other revenue	116,566	2,436	-	-	23,376	825	-	-	133,212	42,367
Water and sewer	-	-	-	-	-	-	1,894,580	2,003,293	1,894,580	2,003,293
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	608,516	608,516
Prov of MB - Conditional Grants	-	-	4,771	4,771	63,954	64,692	-	-	703,217	379,750
Total revenue	\$ 460,703	\$ 347,075	\$ 13,367	\$ 13,351	\$ 167,690	\$ 137,557	\$ 2,160,691	\$ 2,269,259	\$ 11,074,126	\$ 10,934,106
EXPENSES										
Personnel services	\$ 421,959	\$ 330,463	\$ 14,946	\$ 578	\$ 133,502	\$ 136,123	\$ 261,131	\$ 243,254	\$ 2,343,802	\$ 2,168,285
Contract services	82,482	28,628	66,507	70,082	13,662	15,682	33,891	45,981	2,415,649	2,503,733
Utilities	8,568	5,520	5,879	8,254	2,134	2,652	69,176	62,024	174,971	166,423
Maintenance materials and supplies	31,352	29,393	27	6,185	143,736	69,369	928,999	916,307	1,953,925	2,253,152
Grants and contributions	-	-	-	-	120,822	112,902	-	-	211,289	191,484
Amortization	26,558	21,788	-	2,049	10,751	9,947	385,813	359,596	1,151,013	1,347,437
Interest on long term debt	-	-	28	153	-	-	74,885	69,037	198,638	207,246
Other	42,175	88,134	1,104	3,911	104	70	928	2,234	127,869	152,995
Total expenses	\$ 613,094	\$ 503,926	\$ 88,491	\$ 91,212	\$ 424,711	\$ 346,745	\$ 1,754,823	\$ 1,698,433	\$ 8,577,156	\$ 8,990,755
Surplus (Deficit)	\$ (152,391)	\$ (156,851)	\$ (75,124)	\$ (77,861)	\$ (257,021)	\$ (209,188)	\$ 405,868	\$ 570,826	\$ 2,496,970	\$ 1,943,351

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 6,123,549	\$ 5,890,539	\$ -	\$ -	\$ -	\$ -	\$ 6,123,549	\$ 5,890,539
Grants in lieu of taxation	52,968	57,408	-	-	-	-	52,968	57,408
User fees	387,347	287,147	-	-	366,756	405,405	754,103	692,552
Grants - other	455,742	968,527	-	-	110,035	80,730	565,777	1,049,257
Permits, licences and fines	43,450	41,345	-	-	-	-	43,450	41,345
Investment income	180,162	150,128	-	-	14,592	18,951	194,754	169,079
Other revenue	106,028	36,993	-	-	27,184	5,374	133,212	42,367
Water and sewer	1,546,485	1,663,903	-	-	348,095	339,390	1,894,580	2,003,293
Prov of MB - Unconditional Grants	608,516	608,516	-	-	-	-	608,516	608,516
Prov of MB - Conditional Grants	634,492	309,449	-	-	68,725	70,301	703,217	379,750
Total revenue	\$ 10,138,739	\$ 10,013,955	\$ -	\$ -	\$ 935,387	\$ 920,151	\$ 11,074,126	\$ 10,934,106
EXPENSES								
Personnel services	\$ 1,990,908	\$ 1,835,431	\$ -	\$ -	\$ 352,894	\$ 332,854	\$ 2,343,802	\$ 2,168,285
Contract services	2,367,990	2,440,560	-	-	47,659	63,173	2,415,649	2,503,733
Utilities	137,950	125,741	-	-	37,021	40,682	174,971	166,423
Maintenance materials and supplies	1,834,655	2,108,605	-	-	119,270	144,547	1,953,925	2,253,152
Grants and contributions	211,289	191,484	-	-	-	-	211,289	191,484
Amortization	1,026,650	981,431	-	-	124,363	366,006	1,151,013	1,347,437
Interest on long term debt	173,530	181,326	-	-	25,108	25,920	198,638	207,246
Other	84,119	61,777	-	-	43,750	91,218	127,869	152,995
Total expenses	\$ 7,827,091	\$ 7,926,355	\$ -	\$ -	\$ 750,065	\$ 1,064,400	\$ 8,577,156	\$ 8,990,755
Surplus (Deficit)	\$ 2,311,648	\$ 2,087,600	\$ -	\$ -	\$ 185,322	\$ (144,249)	\$ 2,496,970	\$ 1,943,351

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2020

SCHEDULE 6

	2020						2019	
	General Reserve	Machinery Replacement	Gas Tax	Lagoon	Capital Lot Levy	Utility	Total	
REVENUE								
Investment income	\$ 34,056	\$ 16,980	\$ 17,455	\$ 2,907	\$ 5,907	\$ 15,952	\$ 93,257	\$ 134,744
Other income	19,148	469	-	-	-	2,485	22,102	19,585
Total revenue	53,204	17,449	17,455	2,907	5,907	18,437	115,359	154,329
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	53,204	17,449	17,455	2,907	5,907	18,437	115,359	154,329
TRANSFERS								
Transfers from general operating fund	370,176	583,700	482,681	-	60,230	-	1,496,787	1,802,895
Transfers to general operating fund	-	-	-	-	-	-	-	(35,674)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Transfers from reserve fund	-	-	-	-	-	-	-	-
Transfers to reserve fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(30,408)	(590,577)	(525,277)	-	-	-	(1,146,262)	(1,092,272)
CHANGE IN RESERVE FUND BALANCES	392,972	10,572	(25,141)	2,907	66,137	18,437	465,884	829,278
FUND SURPLUS, BEGINNING OF YEAR	1,772,789	1,039,328	853,803	155,479	297,411	852,211	4,971,021	4,141,743
FUND SURPLUS, END OF YEAR	\$ 2,165,761	\$ 1,049,900	\$ 828,662	\$ 158,386	\$ 363,548	\$ 870,648	\$ 5,436,905	\$ 4,971,021

**SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
For the Year Ended December 31, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue (specify)	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other (specify):	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other (specify):	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other (specify):	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		<u>-</u>	<u>-</u>
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2020

SCHEDULE 8

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	283,286	265,540
Portfolio investments	-	-
Due from other funds	-	-
Other (specify):	-	-
	<u>\$ 283,286</u>	<u>\$ 265,540</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,202	\$ 18,453
Unearned revenue	-	-
Long-term debt (Note 9)	1,106,906	684,701
Due to other funds	753,197	1,354,862
Other (specify):	-	-
	<u>1,874,305</u>	<u>2,058,016</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,591,019)</u>	<u>\$ (1,792,476)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 10,961,436	\$ 10,940,805
Inventories	-	-
Prepaid expenses	1,042	966
	<u>10,962,478</u>	<u>10,941,771</u>
FUND SURPLUS (DEFICIT)	<u>\$ 9,371,459</u>	<u>\$ 9,149,295</u>

SCHEDULE OF UTILITY OPERATIONS - Name of Utility

For the Year Ended December 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
REVENUE			
Water			
Water fees	\$ 1,066,458	\$ 1,207,688	\$ 1,146,018
Bulk Water fees	-	-	-
sub-total- water	<u>1,066,458</u>	<u>1,207,688</u>	<u>1,146,018</u>
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes	<u>261,039</u>	<u>266,111</u>	<u>265,966</u>
Government transfers			
Operating	-	-	-
Capital	-	172,653	208,139
sub-total- government transfers	<u>-</u>	<u>172,653</u>	<u>208,139</u>
Other			
Hydrant rentals	-	-	-
Connection charges	150,000	131,535	289,140
Installation service	-	-	-
Penalties	5,000	5,396	5,281
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income (specify)	2,842	981	2,997
sub-total- other	<u>157,842</u>	<u>137,912</u>	<u>297,418</u>
Total revenue	<u>\$ 1,485,339</u>	<u>\$ 1,784,364</u>	<u>\$ 1,917,541</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ -	\$ -	\$ -
Training costs	-	4,696	4,103
Billing and collection	21,000	11,669	7,784
Utilities (telephone, electricity, etc.)	-	-	-
Other (specify)	-	-	-
sub-total- general	<u>21,000</u>	<u>16,365</u>	<u>11,887</u>
Water General			
Purification and treatment	323,150	300,793	285,340
Water purchases	700,150	711,074	715,729
Transmission and distribution	180,000	87,179	72,983
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other (specify)	-	-	-
sub-total- water general	<u>1,203,300</u>	<u>1,099,046</u>	<u>1,074,052</u>
Water Amortization & Interest			
Amortization	-	301,202	282,975
Interest on long term debt	261,039	49,805	43,270
sub-total- water amortization & interest	<u>261,039</u>	<u>351,007</u>	<u>326,245</u>
Sewer General			
Collection system costs	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs (specify)	-	-	-
sub-total- sewer general	<u>-</u>	<u>-</u>	<u>-</u>
Sewage Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,485,339</u>	<u>1,466,418</u>	<u>1,412,184</u>
NET OPERATING SURPLUS	-	317,946	505,357
TRANSFERS			
Transfers from (to) operating fund	-	(95,782)	(95,782)
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>222,164</u>	<u>409,575</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>9,149,295</u>	<u>8,739,720</u>
FUND SURPLUS, END OF YEAR		<u>\$ 9,371,459</u>	<u>\$ 9,149,295</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 5,556,213	\$ 245,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,801,287
Grants in lieu of taxation	52,135	-	-	-	-	-	-	52,135
User fees	227,000	-	-	-	-	-	366,756	593,756
Permits, licences and fines	46,500	-	-	-	-	-	-	46,500
Investment income	73,000	-	-	-	-	-	14,592	87,592
Other revenue	146,500	-	-	-	-	-	27,184	173,684
Water and sewer	-	1,382,842	-	-	-	-	348,095	1,730,937
Grants - Province of Manitoba	608,050	-	-	-	-	-	68,725	676,775
Grants - other	482,681	-	-	-	-	-	110,035	592,716
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	5,528,750	150,000	-	-	(5,678,750)	-	-	-
Total revenue	\$ 12,720,829	\$ 1,777,916	\$ -	\$ -	\$ (5,678,750)	\$ -	\$ 935,387	\$ 9,755,382
EXPENSES								
General government services	\$ 1,052,573	\$ -	\$ 94,536	\$ 86,812	\$ 6,849	\$ -	\$ -	\$ 1,240,770
Protective services	637,050	-	-	-	-	-	-	637,050
Transportation services	3,042,182	-	602,304	36,913	-	-	-	3,681,399
Environmental health services	16,500	-	-	-	-	-	90,859	107,359
Public health and welfare services	93,199	-	-	-	-	-	-	93,199
Regional planning and development	373,019	-	26,558	-	-	-	217,311	616,888
Resource cons and industrial dev	74,420	-	-	-	-	-	8,324	82,744
Recreation and cultural services	213,203	-	10,751	-	-	-	145,166	369,120
Water and sewer services	-	1,332,842	385,813	74,885	-	-	288,405	2,081,945
Fiscal services:								
Transfer to capital	5,528,750	150,000	-	-	(5,678,750)	-	-	-
Debt charges	391,703	245,074	-	-	(636,777)	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	1,291,381	50,000	-	-	(1,341,381)	-	-	-
Allowance for tax assets	6,849	-	-	-	(6,849)	-	-	-
Total expenses	\$ 12,720,829	\$ 1,777,916	\$ 1,119,962	\$ 198,610	\$ (7,656,908)	\$ -	\$ 750,065	\$ 8,910,474
Surplus (Deficit)	\$ -	\$ -	\$ (1,119,962)	\$ (198,610)	\$ 1,978,158	\$ -	\$ 185,322	\$ 844,908

**RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAXES ON ROLL
December 31, 2020**

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 719,290	\$ 469,240
Add:		
Tax levy (Schedule 12)	15,101,238	14,863,364
Taxes added	444,482	240,744
Penalties or interest	42,184	39,593
Other accounts added	32,973	28,954
Tax Adjustments (specify)	-	-
Sub-total	<u>15,620,877</u>	<u>15,172,655</u>
Deduct:		
Cash collections - current	13,871,976	13,260,917
Cash collections - arrears	429,030	363,867
Writeoffs	3,427	3,703
Tax discounts	-	-
E.P.T.C. - cash advance	1,291,994	1,294,118
Other credits (specify)	-	-
Sub-total	<u>15,596,427</u>	<u>14,922,605</u>
Balance, end of year	<u><u>\$ 743,740</u></u>	<u><u>\$ 719,290</u></u>

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage	\$ -	-	\$ 273,621	\$ 325,241
A Sawatzky Loan	\$ 624,195,000	0.04	23,719	23,452
Thorhill Water Loan	\$ 624,195,000	0.12	75,715	70,357
Warkentin/Crown Land Loan	\$ 624,195,000	0.06	35,579	35,737
Corridor Sewer Loan	\$ 624,195,000	0.02	12,484	12,284
Admin Office Loan	\$ 624,195,000	0.29	183,513	183,709
Massey	\$ 624,195,000	0.06	35,579	
LI.D.	\$ -	-	-	-
Other (specify)	\$ -	-	-	-
sub-total- Debt charges			<u>640,211</u>	<u>650,780</u>
Deferred surplus	\$ -	-	-	-
Reserves:				
General	\$ 624,195,000	0.36	222,838	173,658
Machinery Replacement	\$ 624,195,000	0.93	578,005	572,346
Name of reserve	\$ -	-	-	-
sub-total- Reserves			<u>800,842</u>	<u>746,004</u>
General municipal	\$ 624,195,000	5.78	<u>3,605,872</u>	<u>3,584,838</u>
Special levies:				
Fire protection	\$ 678,992,010	0.93	632,142	668,174
Name of special levy	\$ -	-	-	-
Name of special levy	\$ -	-	-	-
sub-total- Special levies			<u>632,142</u>	<u>668,174</u>
Business tax (rate%)	\$ -	-	-	-
Total municipal taxes (Schedule 2)			<u>5,679,067</u>	<u>5,649,795</u>
Education support levy	\$ 93,240,170	8.83	<u>823,124</u>	<u>809,195</u>
Special levies:				
Prairie Rose SD	\$ 382,200	10.62	4,058	3,501
Garden Valley SD	\$ 443,113,520	13.74	6,083,844	6,003,200
Western SD	\$ 179,713,400	14.05	2,510,284	2,396,855
Prairie Spirit SD	\$ 93,200	9.24	861	818
sub-total- Special levies			<u>8,599,047</u>	<u>8,404,374</u>
Total education taxes			<u>9,422,171</u>	<u>9,213,569</u>
Total tax levy (Schedule 11)			<u>\$ 15,101,238</u>	<u>\$ 14,863,364</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 162,122	\$ 172,861
General administrative	744,009	680,070
Other (specify)	346,911	391,005
	<u>1,253,042</u>	<u>1,243,936</u>
Protective services:		
Police	-	-
Fire	559,555	589,284
Emergency measures	44,366	106,391
Other (specify)	8,375	10,503
	<u>612,296</u>	<u>706,178</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	2,757,044	3,127,328
Bridge maintenance	90,393	112,522
Sidewalk and boulevard maintenance	47,408	48,895
Street lighting	56,904	53,687
Other (specify)	690,488	623,319
Air transport	-	-
Public transit	-	-
Other (specify)	-	-
	<u>3,642,237</u>	<u>3,965,751</u>
Environmental health services:		
Waste collection and disposal	-	-
Recycling	-	-
Other (specify)	13,434	17,717
	<u>13,434</u>	<u>17,717</u>
Public health and welfare services:		
Public health	-	-
Medical care	81,577	66,077
Social assistance	-	-
Other (specify)	10,681	9,601
	<u>92,258</u>	<u>75,678</u>
Regional planning and development		
Planning and zoning	416,745	259,436
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other (specify)	-	-
	<u>416,745</u>	<u>259,436</u>
Resource conservation and industrial development		
Rural area weed control	60	1,510
Drainage of land	-	-
Veterinary services	10,919	10,919
Water resources and conservation	43,381	41,590
Regional development	-	-
Industrial development	-	-
Tourism	-	-
Other (specify)	4,847	3,720
	<u>59,207</u>	<u>57,739</u>
Sub-totals forward	<u>\$ 6,089,219</u>	<u>\$ 6,326,435</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Sub-totals forward	\$ 6,089,219	\$ 6,326,435
Recreation and cultural services:		
Administration	-	-
Community centers and halls	96,970	14,250
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	61,753	60,555
Other recreational facilities	-	-
Museums	17,969	10,469
Libraries	96,865	91,932
Other cultural facilities	5,988	10,500
	<u>279,545</u>	<u>187,706</u>
Total expenses	\$ 6,368,764	\$ 6,514,141

RURAL MUNICIPALITY OF STANLEY
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2020

SCHEDULE 14

	2020		2019	
	General	Utility		Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 2,166,593	\$ 296,310	\$ 2,462,903	\$ 1,057,313
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,496,787	-	1,496,787	1,802,895
Eliminate revenue - transfers from reserves	(1,146,262)	-	(1,146,262)	(1,127,946)
Increase revenue - reserve funds interest	115,359	-	115,359	134,744
Increase revenue - reserve funds other income				19,585
Increase revenue - Net surplus of consolidated entities	(185,322)		(185,322)	(144,249)
Decrease revenue - debenture pending for tangible capital assets	-	-	-	-
Increase revenue - proceeds on debenture issued	(144,000)	-	(144,000)	(300,000)
Transfer of Inventory to Tangible Capital Asset	-	-	-	(1,125,191)
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	(95,782)
Increase expense - amortization of tangible capital assets	(849,811)	(382,802)	(1,232,613)	(972,053)
Decrease expense - principal portion of debenture debt	(276,612)	(91,137)	(367,749)	(376,361)
Eliminate expense - acquisitions of tangible capital assets	1,429,260	692,693	2,121,953	3,383,555
Increase expense - loss on disposal of tangible capital assets	(56,732)	-	(56,732)	(116,605)
Decrease revenue - proceeds on disposal of tangible capital assets	(567,354)		(567,354)	(196,554)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,981,906	\$ 515,064	\$ 2,496,970	\$ 1,943,351