

RURAL MUNICIPALITY OF STANLEY

**Consolidated Financial Statements
For the Year Ended December 31, 2019**

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 Reeve 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, 2019 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2019, 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, 2019, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2019 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.

Other Matter

The financial statements for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on the financial statements on September 19, 2019.

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
October 16, 2020

RURAL MUNICIPALITY OF STANLEY

Consolidated Financial Statements For the Year Ended December 31, 2019

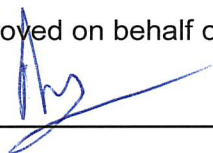
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RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	<u>2019</u>	<u>2018</u> (Note 18)
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 5,665,374	\$ 4,357,968
Amounts receivable (Note 4)	1,189,758	943,074
Other assets	547	527
	<u>\$ 6,855,679</u>	<u>\$ 5,301,569</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 1,136,738	\$ 1,057,100
Severance and sick leave payable (Note 7)	54,238	38,907
Deferred revenue	87,988	119,031
Landfill closure and post closure liabilities (Note 8)	1,176	480
Long-term debt (Note 9)	4,597,562	4,605,278
	<u>5,877,702</u>	<u>5,820,796</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ 977,977</u>	<u>\$ (519,227)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 27,460,421	\$ 25,731,617
Inventories (Note 5)	631,099	1,934,719
Prepaid expenses	28,664	7,701
	<u>28,120,184</u>	<u>27,674,037</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 29,098,161</u>	<u>\$ 27,154,810</u>

COMMITMENTS AND CONTINGENCIES (NOTE 10)

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, 2019

	2019 Budget (Note 13)	2019 Actual	2018 Actual (Note 18)
REVENUE			
Property taxes	\$ 5,750,156	\$ 5,890,539	\$ 5,531,799
Grants in lieu of taxation	53,670	57,408	52,967
User fees	501,405	700,799	1,158,978
Permits, licences and fines	36,000	41,345	21,102
Investment income	61,951	170,394	161,106
Other revenue	236,874	44,099	60,270
Water and sewer	1,563,690	1,782,825	1,650,971
Grants - Province of Manitoba	539,901	1,197,243	4,739,778
Grants - other	562,791	1,049,454	820,145
Total revenue (Schedules 2, 4 and 5)	<u>9,306,438</u>	<u>10,934,106</u>	<u>14,197,116</u>
EXPENSES			
General government services	1,211,515	1,243,936	1,169,337
Protective services	696,050	706,178	4,793,393
Transportation services	3,515,789	3,965,781	3,347,413
Environmental health services	357,649	358,866	89,419
Public health and welfare services	74,599	75,678	73,598
Regional planning and development	533,733	503,926	463,899
Resource conservation and industrial development	109,393	91,212	270,052
Recreation and cultural services	381,209	346,745	314,415
Water and sewer services	1,786,528	1,698,433	1,784,943
Total expenses (Schedules 3, 4 and 5)	<u>8,666,465</u>	<u>8,990,755</u>	<u>12,306,469</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 639,973</u>	<u>1,943,351</u>	<u>1,890,647</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>27,572,839</u>	<u>25,678,244</u>
CORRECTION OF AN ERROR (NOTE 18)		<u>(418,029)</u>	<u>(414,081)</u>
ACCUMULATED SURPLUS, AS RESTATED		<u>\$ 27,154,810</u>	<u>25,264,163</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 29,098,161</u>	<u>\$ 27,154,810</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, 2019

	<u>2019</u> <u>Budget</u> <u>(Note 13)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u> <u>(Note 18)</u>
ANNUAL SURPLUS (DEFICIT)	\$ 639,973	\$ 1,943,351	\$ 1,890,647
Acquisition of tangible capital assets	(4,268,000)	(3,383,555)	(2,933,548)
Amortization of tangible capital assets	948,371	1,341,592	989,736
Loss (Gain) on sale of tangible capital assets	-	116,605	22,660
Proceeds on sale of tangible capital assets	-	196,554	191,000
Decrease (increase) in inventories	-	1,303,620	102,839
Decrease (increase) in prepaid expense	-	(20,963)	3,916
	<u>(3,319,629)</u>	<u>(446,147)</u>	<u>(1,623,397)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (2,679,656)	1,497,204	267,250
NET FINANCIAL ASSETS (DEBT), AS PREVIOUSLY STATED		(823,566)	(1,109,130)
CORRECTION OF AN ERROR (NOTE 18)		304,339	322,653
NET FINANCIAL ASSETS (DEBT), AS RESTATED		(519,227)	(786,477)
NET FINANCIAL ASSETS (DEBT), END OF YEAR		\$ 977,977	\$ (519,227)

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, 2019

	<u>2019</u>	<u>2018</u> (Note 18)
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,943,351	\$ 1,890,647
Changes in non-cash items:		
Amounts receivable	(246,684)	105,674
Inventories	1,303,620	102,839
Prepays	(20,963)	3,916
Other assets	(20)	(527)
Accounts payable and accrued liabilities	79,638	369,680
Severance and sick leave payable	15,331	13,472
Unearned revenue	(31,043)	35,868
Landfill closure and post closure liabilities	696	45
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	116,605	22,660
Amortization	1,341,592	989,736
	<u>4,502,123</u>	<u>3,534,010</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	196,554	191,000
Cash used to acquire tangible capital assets	(3,383,555)	(2,933,548)
	<u>(3,187,001)</u>	<u>(2,742,548)</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	416,760	1,568,750
Debt repayment	(424,476)	(1,589,246)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
	<u>(7,716)</u>	<u>(20,496)</u>
Cash applied to financing transactions	(7,716)	(20,496)
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>1,307,406</u>	<u>770,966</u>
CASH AND TEMPORARY INVESTMENTS, AS PREVIOUSLY STATED	4,385,836	3,610,034
CORRECTION OF AN ERROR (NOTE 18)	<u>(27,868)</u>	<u>(23,032)</u>
CASH AND TEMPORARY INVESTMENTS, AS RESTATED	<u>4,357,968</u>	<u>3,587,002</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 5,665,374</u>	<u>\$ 4,357,968</u>

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, 2019

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, 2019.

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%) (2018 - 24.00%)
M.S.T.W Planning District (30.39%) (2018 - 30.39%)
Morden Veterinary Services District (25.11%) (2018 - 25.11%)
Pembina Valley Water Co-operative (5.56%) (2018 - 5.56%)
Solid Waste Authority Management Project (10.35%) (2018 - 10.35%)
South Central Regional Library (15.05%) (2018 - 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 16.

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>2019</u>	<u>2018</u>
Cash	\$ 5,605,085	\$ 4,195,988 (Note 18)
Temporary investments	<u>60,289</u>	<u>161,980</u>
	<u>\$ 5,665,374</u>	<u>\$ 4,357,968</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$ 4,971,021 (2018 - \$4,141,743) 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, 2019, is secured by a general security agreement and an assignment of certain receivables. The full amount of \$2,000,000 was available for use at December 31, 2019 (\$2,000,000 - 2018).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u> (Note 18)
Taxes on roll (Schedule 11)	\$ 719,290	\$ 469,240
Government grants	-	92,413
Utility customers	265,540	233,922
Accrued interest	-	-
Organizations and individuals	176,517	111,418
Other governments	28,411	36,081
Other	-	-
	<u>1,189,758</u>	<u>943,074</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,189,758</u>	<u>\$ 943,074</u>

5. Inventories

	<u>2019</u>	<u>2018</u> (Note 18)
Culverts	\$ 123,750	\$ 106,989
Aggregate and embedded rock	442,958	1,759,542
Other supplies	64,391	68,188
Other (specify)	-	-
	<u>\$ 631,099</u>	<u>\$ 1,934,719</u>

6. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u> (Note 18)
Accounts payable	\$ 529,717	\$ 524,867
Accrued expenses	56,531	105,097
Accrued wages and employee benefits	59,311	85,332
School levies	491,179	341,804
Other governments	-	-
Other (specify)	-	-
	<u>\$ 1,136,738</u>	<u>\$ 1,057,100</u>

7. Sick Leave Payable

Employees of the Municipality can accumulate a maximum of eighty-four (84) sick days. As at December 31, 2019, the Municipality had a liability of \$nil (2018 - \$38,907) for accumulated sick leave to its employees.

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>2019</u>	<u>2018</u> (Note 18)
Estimated closure and post closure costs over the next 112 years	<u>\$ 9,228,288</u>	<u>\$ 9,228,288</u>
Discount rate	<u>4.50%</u>	<u>5.25%</u>
Discounted costs	<u>\$ 66,696</u>	<u>\$ 28,446</u>
Expected year capacity will be reached	2131	2131
Capacity (disclose in tonnes, volume, acreage, or years):		
Used to date	23	22
Remaining	112	113
Total	135	135
Percent utilized	<u>17.04%</u>	<u>16.30%</u>
Liability based on percentage	<u>\$ 11,363</u>	<u>\$ 4,636</u>
Rural Municipality of Stanley's share (10.35%)	<u>\$ 1,176</u>	<u>\$ 480</u>

9. Long Term Debt

	<u>2019</u>	<u>2018</u> (Note 18)
General Authority:		
Debenture, interest at 3.50%, payable at \$37,515 annually including interest, maturing December 2026	\$ 229,354	\$ 257,845
Debenture, interest at 4.73%, payable at \$23,648 annually including interest, maturing November 2025	121,073	138,185
Debenture, interest at 5.31%, payable at \$35,582 annually including interest, maturing June 2031	309,928	328,088
Commercial loan, interest at 4.25%, payable at \$15,431 monthly including interest, maturing January 2032	1,575,683	1,691,232
Debenture, interest at 3.75%, payable at \$33,606 annually including interest, maturing December 1, 2025	177,611	203,583
Debenture, interest at 3.89%, payable at \$32,861 annually including interest, maturing December 1, 2027	223,442	246,706
Debenture, interest at 4.19%, payable at \$43,312 annually including interest, maturing December 1, 2028	<u>322,904</u>	<u>348,000</u>
Total General Authority	<u>\$ 2,959,995</u>	<u>\$ 3,213,639</u>

Balance carried forward	<u>\$ 2,959,995</u>	<u>\$ 3,213,639</u>
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Government Partnerships:

Canadian Imperial Bank of Commerce 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 \$13,344,150)	741,935	752,912
Canadian Imperial Bank of Commerce 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 \$1,340,813)	74,549	110,706
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)	116,760	-
Derivative contract, interest rate swap locked in a fixed interest rate through July 2023	17,360	15,783
Debenture, interest at prime plus .5%, payable at \$50 monthly including principal and interest, maturing September 2022	<u>2,262</u>	<u>4,820</u>
Total Government Partnerships	<u>\$ 952,866</u>	<u>\$ 884,221</u>

Utility Funds:

Debenture, interest at 3.350%, payable at \$12,149 annually including interest, maturing December 2020	\$ 21,481	\$ 32,540
Debenture, interest at 4.730%, payable at \$70,944 annually including interest, maturing November 2025	363,220	414,556
Debenture, interest at 5.375%, payable at \$63,484 annually including interest, matured December 2019	-	60,322
Debenture, interest at 3.700%, payable at \$35,655 annually including interest, maturing December 2029	<u>300,000</u>	<u>-</u>
Total Utility Funds	<u>\$ 684,701</u>	<u>\$ 507,418</u>
	<u>\$ 4,597,562</u>	<u>\$ 4,605,278</u>

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

2020	\$ 631,109
2021	\$ 515,849
2022	\$ 511,586
2023	\$ 522,668
2024	\$ 531,385

10. Commitments

Pembina Valley Water Cooperative Inc. ("Cooperative") has entered into numerous agreements with expiry dates as noted, with the following cooperative members: the Town of Carman (2021), the City of Winkler (2028), and the City of Morden (2028). The contracts with the Town of Carman, the City of Winkler, and the City of Morden are volume based, identifying the amount of water that each Municipality must purchase from the Cooperative in any given year.

Pembina Valley Water Cooperative has entered into a memo of understanding with the Town of Carman to contribute a minimum of \$1,500,000 to upgrade the Stephenfield Water Treatment Plant and Distribution system in order to supply the Town of Carman with 100% of the potable drinking water required by the Town of Carman.

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% 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 \$103,847 (2018 - \$99,483) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2018.

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

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.

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

	<u>2019</u>	<u>2018</u> (Note 18)
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,801,022	\$ 2,028,070
Utility operating fund(s) - Nominal surplus	(1,106,809)	(690,359)
TCA net of related borrowings	21,354,727	19,452,909
Reserve funds	<u>4,971,021</u>	<u>4,141,743</u>
Accumulated surplus of municipality unconsolidated	27,019,961	24,932,363
Accumulated surpluses of consolidated entities	<u>2,078,200</u>	<u>2,222,447</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 29,098,161</u>	<u>\$ 27,154,810</u>

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, 2019:

- a) Compensation paid to members of council amounted to \$179,623 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - M Olafson	\$ 28,517	\$ 3,164	\$ 31,681
Deputy Reeve - P Froese	28,007	1,770	29,777
Councillor - R Giesbrecht	19,742	1,502	21,244
Councillor - D Falk	23,867	3,308	27,175
Councillor - A Loewen	20,492	1,516	22,008
Councillor - R Unrau	21,586	2,235	23,821
Councillor - I Friesen	<u>21,828</u>	<u>2,089</u>	<u>23,917</u>
	<u>\$ 164,039</u>	<u>\$ 15,584</u>	<u>\$ 179,623</u>

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

16. Trust Funds

The Rural Municipality of Stanley administers the following trust:

	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
<i>Cheval Utility</i>	<u>\$ 16,496</u>	<u>\$ 1,327</u>	<u>\$ 17,823</u>

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 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>\$ 3,648,820</u>	<u>\$ 208,139</u>	<u>\$ 148,476</u>	<u>\$ 3,708,483</u>

18. Correction of an Error

During the year it was determined that one of the consolidated entities was not being consolidated at the correct proportion based on the Municipality's co-op share. Adjustments to correct resulted in a net decrease in cash of \$27,868, a net decrease in accounts receivable of \$14,164, a decrease in other assets of \$203, a decrease in accounts payable of \$8,099, a decrease in deferred revenue of \$6,075, a decrease in long term debt of \$332,400, a decrease in tangible capital assets of \$719,288, a decrease in inventory of \$2,789, a decrease in prepaids of \$291, a decrease in opening accumulated surplus of \$418,029, a decrease in revenues of \$126,424 and a decrease in expenses of \$122,475 for the year ended December 31, 2018.

Adjustments to correct resulted in a net decrease in cash of \$23,032, a net decrease in accounts receivable of \$13,919, a decrease in accounts payable of \$7,229, a decrease in long term debt of \$352,376, a decrease in tangible capital assets of \$733,857, a decrease in inventory of \$2,650, a decrease in prepaids of \$227, a decrease in opening accumulated surplus of \$414,081, a decrease in revenues of \$130,364 and a decrease in expenses of \$103,892 for the year ended December 31, 2018.

The comparative figures have been restated to represent these changes.

19. Comparative Figures

Certain of the Comparative figures have been restated to more accurately reflect current year presentation.

20. Subsequent Event

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Municipality 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.

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2019

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	2019	2018 (Note 18)
Cost										
Opening costs	\$ 4,657,840	\$ 3,578,742	\$ 5,127,478	\$ 369,700	\$ 11,020	\$ 15,136,466	\$ 15,355,520	\$ 362,043	\$ 44,598,809	\$ 42,047,653
Additions during the year	1,125,191	-	693,120	20,646	-	-	1,342,963	201,635	3,383,555	2,988,886
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	(486,275)	-	-	-	-	-	(486,275)	(437,730)
Closing costs	<u>5,783,031</u>	<u>3,578,742</u>	<u>5,334,323</u>	<u>390,346</u>	<u>11,020</u>	<u>15,136,466</u>	<u>16,698,483</u>	<u>563,678</u>	<u>47,496,089</u>	<u>44,598,809</u>
Accumulated Amortization										
Opening accum'd amortization	365,783	623,360	1,716,689	283,959	-	11,966,137	3,911,264	-	18,867,192	18,046,188
Amortization	383,737	79,657	332,802	38,170	-	147,630	359,596	-	1,341,592	989,736
Disposals and write downs	-	-	(173,116)	-	-	-	-	-	(173,116)	(168,732)
Closing accum'd amortization	<u>749,520</u>	<u>703,017</u>	<u>1,876,375</u>	<u>322,129</u>	<u>-</u>	<u>12,113,767</u>	<u>4,270,860</u>	<u>-</u>	<u>20,035,668</u>	<u>18,867,192</u>
Net Book Value of Tangible Capital Assets	<u>\$ 5,033,511</u>	<u>\$ 2,875,725</u>	<u>\$ 3,457,948</u>	<u>\$ 68,217</u>	<u>\$ 11,020</u>	<u>\$ 3,022,699</u>	<u>\$ 12,427,623</u>	<u>\$ 563,678</u>	<u>\$ 27,460,421</u>	<u>\$ 25,731,617</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2019

SCHEDULE 2

	2019 Actual	2018 Actual (Note 18)
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,649,795	\$ 5,414,334
Taxes added	240,744	117,465
	5,890,539	5,531,799
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	57,408	52,967
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	57,408	52,967
User fees		
Parking meters	-	-
Sales of service	636,626	836,906
Sales of goods	28,898	31,672
Rentals	23,275	1,000
Development charges	12,000	289,400
Facility use fees	-	-
Other (specify):	-	-
	700,799	1,158,978
Permits, licences and fines		
Permits	41,345	21,102
Licences	-	-
Fees	-	-
Fines	-	-
Other (specify):	-	-
	41,345	21,102
Investment income:		
Cash and temporary investments	170,394	161,106
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	170,394	161,106
Other revenue:		
Gain on sale of tangible capital assets	(116,605)	(22,839)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	39,593	34,430
Miscellaneous (specify):	121,111	48,679
	44,099	60,270
Water and sewer		
Municipal utility(ies) (Schedule 9)	1,443,436	1,331,312
Consolidated water co-operatives	339,389	319,659
	1,782,825	1,650,971
Grants - Province of Manitoba		
Municipal operating grants	608,516	464,594
Other unconditional grants	-	-
Conditional grants	588,727	4,275,184
Other (specify):	-	-
	1,197,243	4,739,778
Grants - other		
Federal government - gas tax funding	962,080	472,765
Federal government - other	11,229	259,383
Other municipal governments	76,145	87,997
Other (specify):	-	-
	1,049,454	820,145
Total revenue	\$ 10,934,106	\$ 14,197,116

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	2019	2018
	Actual	Actual
		(Note 18)
General government services:		
Legislative	\$ 172,861	\$ 107,769
General administrative	680,070	683,091
Other (specify):	391,005	378,477
	<u>1,243,936</u>	<u>1,169,337</u>
Protective services:		
Police	-	-
Fire	589,284	654,495
Emergency measures	106,391	4,091,723
Other (specify):	10,503	47,175
	<u>706,178</u>	<u>4,793,393</u>
Transportation services:		
Road transport		
Administration and engineering	-	55,012
Road and street maintenance	3,127,358	2,544,868
Bridge maintenance	112,522	69,321
Sidewalk and boulevard maintenance	48,895	15,373
Street lighting	53,687	66,381
Other (specify):	623,319	596,458
Air transport	-	-
Public transit	-	-
Other (specify):	-	-
	<u>3,965,781</u>	<u>3,347,413</u>
Environmental health services:		
Waste collection and disposal	-	-
Recycling	-	-
Other (specify):	358,866	89,419
	<u>358,866</u>	<u>89,419</u>
Public health and welfare services:		
Public health	-	-
Medical care	66,077	66,077
Social assistance	8,601	-
Other (specify):	1,000	7,521
	<u>75,678</u>	<u>73,598</u>
Regional planning and development		
Planning and zoning	503,926	463,899
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other (specify):	-	-
	<u>503,926</u>	<u>463,899</u>
Resource conservation and industrial development		
Rural area weed control	1,510	1,890
Drainage of land	-	193,145
Veterinary services	22,117	22,267
Water resources and conservation	41,590	47,951
Regional development	22,275	-
Industrial development	-	-
Tourism	-	-
Other (specify):	3,720	4,799
	<u>91,212</u>	<u>270,052</u>
Sub-totals forward	<u>\$ 6,945,577</u>	<u>\$ 10,207,111</u>

RURAL MUNICIPALITY OF STANLEY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	2019 Actual	2018 Actual (Note 18)
Sub-totals forward	\$ 6,945,577	\$ 10,207,111
Recreation and cultural services:		
Administration	-	-
Community centers and halls	14,250	16,500
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	60,555	50,611
Other recreational facilities	-	7,666
Museums	10,469	10,469
Libraries	250,971	224,169
Other cultural facilities	10,500	5,000
	<u>346,745</u>	<u>314,415</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	1,412,184	1,466,737
Consolidated water co-operatives	286,249	318,206
	<u>1,698,433</u>	<u>1,784,943</u>
Total expenses	\$ 8,990,755	\$ 12,306,469

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ 5,624,573	\$5,146,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	57,408	52,967	-	-	-	-	-	-	-	-
User fees	112,287	449,245	-	880	162,556	320,435	123,820	116,222	-	-
Grants - other	968,724	259,383	-	-	-	472,765	-	-	-	-
Permits, licences and fines	-	21,102	1,128	-	-	-	-	-	-	-
Investment income	151,443	83,498	-	-	-	26,248	7,016	9,016	-	-
Other revenue	155,331	46,863	(116,606)	-	-	(22,618)	381	2,411	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	608,516	464,594	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	111,477	78,643	4,095,957	231,644	-	-	-	-	-
Total revenue	\$ 7,678,282	\$ 6,635,526	\$ (36,835)	\$ 4,096,837	\$ 394,200	\$ 796,830	\$ 131,217	\$ 127,649	\$ -	\$ -
EXPENSES										
Personnel services	\$ 580,613	\$ 515,254	\$ -	\$ -	\$ 845,796	\$ 845,570	\$ 31,458	\$ 28,588	\$ -	\$ -
Contract services	317,537	286,569	643,819	718,639	1,366,621	1,049,793	5,782	1,399	9,601	7,521
Utilities	23,204	2,768	-	-	62,601	48,536	2,168	9,149	-	-
Maintenance materials and supplies	95,906	156,299	62,359	4,074,754	1,049,465	810,794	30,013	22,479	-	-
Grants and contributions	12,505	16,386	-	-	-	-	-	-	66,077	66,077
Amortization	86,784	85,647	-	-	573,033	543,760	288,395	22,541	-	-
Interest on long term debt	93,584	104,555	-	-	44,472	25,646	-	-	-	-
Other	33,803	1,859	-	-	23,793	23,314	1,050	5,263	-	-
Total expenses	\$ 1,243,936	\$1,169,337	\$ 706,178	\$ 4,793,393	\$ 3,965,781	\$ 3,347,413	\$ 358,866	\$ 89,419	\$ 75,678	\$ 73,598
Surplus (Deficit)	\$ 6,434,346	\$ 5,466,189	\$ (743,013)	\$ (696,556)	\$ (3,571,581)	\$ (2,550,583)	\$ (227,649)	\$ 38,230	\$ (75,678)	\$ (73,598)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018 (Note 18)	2019	2018 (Note 18)
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,966	\$ 385,402	\$ 5,890,539	\$ 5,531,799
Grants in lieu of taxation	-	-	-	-	-	-	-	-	57,408	52,967
User fees	293,889	264,069	-	-	-	8,127	8,247	-	700,799	1,158,978
Grants - other	-	-	8,580	16,149	71,953	67,098	197	4,750	1,049,454	820,145
Permits, licences and fines	40,217	-	-	-	-	-	-	-	41,345	21,102
Investment income	10,533	8,260	-	-	87	11,315	1,315	22,769	170,394	161,106
Other revenue	2,436	23,646	-	-	825	8,956	1,732	1,012	44,099	60,270
Water and sewer	-	-	-	-	-	-	1,782,825	1,650,971	1,782,825	1,650,971
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	608,516	464,594
Prov of MB - Conditional Grants	-	-	4,771	-	64,692	65,353	208,977	2,397	588,727	4,275,184
Total revenue	\$ 347,075	\$ 295,975	\$ 13,351	\$ 16,149	\$ 137,557	\$ 160,849	\$ 2,269,259	\$ 2,067,301	\$ 10,934,106	\$ 14,197,116
EXPENSES										
Personnel services	\$ 330,463	\$ 344,641	\$ 578	\$ 515	\$ 136,123	\$ 103,477	\$ 243,254	\$ 341,176	\$ 2,168,285	\$ 2,179,221
Contract services	28,628	72,074	70,082	199,825	15,682	2,228	45,981	712,444	2,503,733	3,050,492
Utilities	5,520	2,642	8,254	9,013	2,652	-	62,024	27,311	166,423	99,419
Maintenance materials and supplies	29,393	14,141	6,185	1,918	69,369	113,230	916,307	264,136	2,258,997	5,457,751
Grants and contributions	-	-	-	54,410	112,902	72,268	-	-	191,484	209,141
Amortization	21,788	18,346	2,049	3,133	9,947	9,434	359,596	306,875	1,341,592	989,736
Interest on long term debt	-	-	153	266	-	-	69,037	101,270	207,246	231,737
Other	88,134	12,055	3,911	972	70	13,778	2,234	31,731	152,995	88,972
Total expenses	\$ 503,926	\$ 463,899	\$ 91,212	\$ 270,052	\$ 346,745	\$ 314,415	\$ 1,698,433	\$ 1,784,943	\$ 8,990,755	\$ 12,306,469
Surplus (Deficit)	\$ (156,851)	\$ (167,924)	\$ (77,861)	\$ (253,903)	\$ (209,188)	\$ (153,566)	\$ 570,826	\$ 282,358	\$ 1,943,351	\$ 1,890,647

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

	Core Government		Controlled Entities		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018 (Note 18)	2019	2018 (Note 18)
REVENUE								
Property taxes	\$ 5,890,539	\$ 5,531,799	\$ -	\$ -	\$ -	\$ -	\$ 5,890,539	\$ 5,531,799
Grants in lieu of taxation	57,408	52,967	-	-	-	-	57,408	52,967
User fees	295,394	768,470	-	-	405,405	390,508	700,799	1,158,978
Grants - other	968,724	736,898	-	-	80,730	83,247	1,049,454	820,145
Permits, licences and fines	41,345	21,102	-	-	-	-	41,345	21,102
Investment income	151,443	146,469	-	-	18,951	14,637	170,394	161,106
Other revenue	38,725	39,499	-	-	5,374	20,771	44,099	60,270
Water and sewer	1,443,435	1,209,357	-	-	339,390	441,614	1,782,825	1,650,971
Prov of MB - Unconditional Grants	608,516	464,594	-	-	-	-	608,516	464,594
Prov of MB - Conditional Grants	518,426	4,206,511	-	-	70,301	68,673	588,727	4,275,184
Total revenue	\$ 10,013,955	\$ 13,177,666	\$ -	\$ -	\$ 920,151	\$ 1,019,450	\$ 10,934,106	\$ 14,197,116
EXPENSES								
Personnel services	\$ 1,835,431	\$ 1,799,848	\$ -	\$ -	\$ 332,854	\$ 379,373	\$ 2,168,285	\$ 2,179,221
Contract services	2,440,560	3,004,311	-	-	63,173	46,181	2,503,733	3,050,492
Utilities	125,741	35,044	-	-	40,682	64,375	166,423	99,419
Maintenance materials and supplies	2,114,450	5,284,610	-	-	144,547	173,141	2,258,997	5,457,751
Grants and contributions	191,484	208,541	-	-	-	600	191,484	209,141
Amortization	975,586	856,888	-	-	366,006	132,848	1,341,592	989,736
Interest on long term debt	181,326	166,125	-	-	25,920	65,612	207,246	231,737
Other	61,777	19,213	-	-	91,218	69,759	152,995	88,972
Total expenses	\$ 7,926,355	\$ 11,374,580	\$ -	\$ -	\$ 1,064,400	\$ 931,889	\$ 8,990,755	\$ 12,306,469
Surplus (Deficit)	\$ 2,087,600	\$ 1,803,086	\$ -	\$ -	\$ (144,249)	\$ 87,561	\$ 1,943,351	\$ 1,890,647

RURAL MUNICIPALITY OF STANLEY

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	2019						2018
	General Reserve	Machinery Replacement	Gas Tax	Lagoon	Capital Lot Levy	Utility	Total
REVENUE							
Investment income	\$ 43,324	\$ 30,637	\$ 20,244	\$ 4,890	\$ 8,592	\$ 27,057	\$ 134,744
Other income	14,684	1,405	-	-	-	3,496	19,585
Total revenue	58,008	32,042	20,244	4,890	8,592	30,553	154,329
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	58,008	32,042	20,244	4,890	8,592	30,553	154,329
TRANSFERS							
Transfers from general operating fund	175,000	577,800	962,080	-	88,015	-	1,802,895
Transfers to general operating fund	-	-	-	-	(35,674)	-	(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	(63,038)	(494,864)	(534,370)	-	-	-	(1,092,272)
CHANGE IN RESERVE FUND BALANCES	169,970	114,978	447,954	4,890	60,933	30,553	829,278
FUND SURPLUS, BEGINNING OF YEAR	1,602,819	924,350	405,849	150,589	236,478	821,658	4,141,743
FUND SURPLUS, END OF YEAR	\$ 1,772,789	\$ 1,039,328	\$ 853,803	\$ 155,479	\$ 297,411	\$ 852,211	\$ 4,971,021

SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.

For the Year Ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue (specify)	-	-	-
Total revenue	-	-	-
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	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other (specify):	-	-	-
Change in L.U.D. balances	\$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		\$ -	\$ -

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2019

SCHEDULE 8

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	265,540	233,922
Portfolio investments	-	-
Due from other funds	-	-
Other (specify):	-	-
	<u>\$ 265,540</u>	<u>\$ 233,922</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 18,453	\$ 8,176
Unearned revenue	-	-
Long-term debt (Note 9)	684,701	507,418
Due to other funds	1,354,862	916,102
Other (specify):	-	-
	<u>2,058,016</u>	<u>1,431,696</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,792,476)</u>	<u>\$ (1,197,774)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 10,940,805	\$ 9,937,494
Inventories	-	-
Prepaid expenses	966	-
	<u>10,941,771</u>	<u>9,937,494</u>
FUND SURPLUS (DEFICIT)	<u>\$ 9,149,295</u>	<u>\$ 8,739,720</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2019

SCHEDULE 9

	2019 Budget (Note 13)	2019	2018
REVENUE			
Water			
Water fees	\$ 1,066,458	\$ 1,146,018	\$ 1,086,513
Bulk Water fees	-	-	-
sub-total- water	<u>1,066,458</u>	<u>1,146,018</u>	<u>1,086,513</u>
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes	<u>261,039</u>	<u>265,966</u>	<u>385,402</u>
Government transfers			
Operating	-	-	-
Capital	-	208,139	-
sub-total- government transfers	<u>-</u>	<u>208,139</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	150,000	289,140	239,879
Installation service	-	-	-
Penalties	5,000	5,281	5,408
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income (specify)	2,842	2,997	(488)
sub-total- other	<u>157,842</u>	<u>297,418</u>	<u>244,799</u>
Total revenue	<u>\$ 1,485,339</u>	<u>\$ 1,917,541</u>	<u>\$ 1,716,714</u>

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF UTILITY OPERATIONS (cont'd)
 For the Year Ended December 31, 2019

SCHEDULE 9

EXPENSES	2019 Budget (Note 13)	2019	2018
General			
Administration	\$ -	\$ 3,273	\$ 99,728
Training costs	-	4,003	3,787
Billing and collection	21,000	8,786	3,333
Utilities (telephone, electricity, etc.)	-	-	-
Other (specify)	-	-	-
sub-total- general	<u>21,000</u>	<u>16,062</u>	<u>106,848</u>
Water General			
Purification and treatment	323,150	57,785	201,937
Water purchases	700,150	715,729	704,240
Transmission and distribution	180,000	296,363	156,527
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other (specify)	-	-	-
sub-total- water general	<u>1,203,300</u>	<u>1,069,877</u>	<u>1,062,704</u>
Water Amortization & Interest			
Amortization	-	282,975	244,961
Interest on long term debt	261,039	43,270	52,224
sub-total- water amortization & interest	<u>261,039</u>	<u>326,245</u>	<u>297,185</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>1,412,184</u>	<u>1,466,737</u>
NET OPERATING SURPLUS	-	505,357	249,977
TRANSFERS			
Transfers from (to) operating fund	-	(95,782)	-
Transfers from (to) reserve funds	-	-	9,072
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>409,575</u>	<u>259,049</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>8,739,720</u>	<u>8,480,671</u>
FUND SURPLUS, END OF YEAR		<u>\$ 9,149,295</u>	<u>\$ 8,739,720</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2019

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 5,489,117	\$ 261,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,750,156
Grants in lieu of taxation	53,670	-	-	-	-	-	-	53,670
User fees	96,000	-	-	-	-	-	405,405	501,405
Permits, licences and fines	36,000	-	-	-	-	-	-	36,000
Investment income	43,000	-	-	-	-	-	18,951	61,951
Other revenue	231,500	-	-	-	-	-	5,374	236,874
Water and sewer	-	1,224,300	-	-	-	-	339,390	1,563,690
Grants - Province of Manitoba	469,600	-	-	-	-	-	70,301	539,901
Grants - other	482,061	-	-	-	-	-	80,730	562,791
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	4,218,000	50,000	-	-	(4,268,000)	-	-	-
Total revenue	\$ 11,118,948	\$ 1,535,339	\$ -	\$ -	\$ (4,268,000)	\$ -	\$ 920,151	\$ 9,306,438
EXPENSES								
General government services	\$ 1,022,459	\$ -	\$ 86,784	\$ 93,584	\$ 8,688	\$ -	\$ -	\$ 1,211,515
Protective services	696,050	-	-	-	-	-	-	696,050
Transportation services	2,892,439	-	578,878	44,472	-	-	-	3,515,789
Environmental health services	16,500	-	-	-	-	-	341,149	357,649
Public health and welfare services	74,599	-	-	-	-	-	-	74,599
Regional planning and development	273,295	-	-	15,948	-	-	244,490	533,733
Resource cons and industrial dev	75,920	-	-	-	-	-	33,473	109,393
Recreation and cultural services	214,436	-	-	7,734	-	-	159,039	381,209
Water and sewer services	-	1,174,300	282,709	43,270	-	-	286,249	1,786,528
Fiscal services:								
Transfer to capital	4,218,000	50,000	-	-	(4,268,000)	-	-	-
Debt charges	391,701	261,039	-	-	(652,740)	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	1,234,861	50,000	-	-	(1,284,861)	-	-	-
Allowance for tax assets	8,688	-	-	-	(8,688)	-	-	-
Total expenses	\$ 11,118,948	\$ 1,535,339	\$ 948,371	\$ 205,008	\$ (6,205,601)	\$ -	\$ 1,064,400	\$ 8,666,465
Surplus (Deficit)	\$ -	\$ -	\$ (948,371)	\$ (205,008)	\$ 1,937,601	\$ -	\$ (144,249)	\$ 639,973

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAXES ON ROLL
December 31, 2019

SCHEDULE 11

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 469,240	\$ 505,972
Add:		
Tax levy (Schedule 12)	14,863,364	14,500,567
Taxes added	240,744	117,465
Penalties or interest	39,593	34,163
Other accounts added	28,954	-
Tax Adjustments (specify)	-	-
Sub-total	<u>15,172,655</u>	<u>14,652,195</u>
Deduct:		
Cash collections - current	13,260,917	12,818,048
Cash collections - arrears	363,867	540,136
Write-offs	3,703	27,434
Tax discounts	-	-
E.P.T.C. - cash advance	1,294,118	1,274,400
Other credits (specify)	-	28,909
Sub-total	<u>14,922,605</u>	<u>14,688,927</u>
Balance, end of year	<u><u>\$ 719,290</u></u>	<u><u>\$ 469,240</u></u>

RURAL MUNICIPALITY OF STANLEY
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2019

SCHEDULE 12

	2019			2018
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage	\$ -	-	\$ 325,241	\$ 302,309
A Sawatzky Loan	\$ 558,385,960	0.04	23,452	23,594
Thornhill Water Loan	\$ 558,385,960	0.13	70,357	70,234
Warkentin/Crown Land Loan	\$ 558,385,960	0.06	35,737	35,666
Corridor Sewer Loan	\$ 558,385,960	0.02	12,284	12,072
Admin Office Loan	\$ 558,385,960	0.33	183,709	183,268
LI.D.	\$ -	-	-	-
Other (specify)	\$ -	-	-	-
sub-total- Debt charges			<u>650,780</u>	<u>627,143</u>
Deferred surplus	\$ -	-	-	-
Reserves:				
General	\$ 558,385,960	0.31	173,658	222,775
Machinery Replacement	\$ 558,385,960	1.03	572,346	535,537
Name of reserve	\$ -	-	-	-
sub-total- Reserves			<u>746,004</u>	<u>758,312</u>
General municipal	\$ 558,385,960	6.42	<u>3,584,838</u>	<u>3,408,012</u>
Special levies:				
Fire protection	\$ 610,761,970	1.09	668,174	620,867
Name of special levy	\$ -	-	-	-
Name of special levy	\$ -	-	-	-
sub-total- Special levies			<u>668,174</u>	<u>620,867</u>
Business tax (rate%)	\$ -	-	-	-
Total municipal taxes (Schedule 2)			<u>5,649,795</u>	<u>5,414,334</u>
Education support levy	\$ 82,815,950	9.77	<u>809,195</u>	<u>793,897</u>
Special levies:				
Prairie Rose SD	\$ 309,870	11.30	3,501	3,293
Garden Valley SD	\$ 399,760,250	15.02	6,003,200	5,906,152
Western SD	\$ 156,422,070	15.32	2,396,855	2,382,086
Prairie Spirit SD	\$ 83,840	9.76	818	805
sub-total- Special levies			<u>8,404,374</u>	<u>8,292,336</u>
Total education taxes			<u>9,213,569</u>	<u>9,086,233</u>
Total tax levy (Schedule 11)			<u>\$ 14,863,364</u>	<u>\$ 14,500,567</u>

RURAL MUNICIPALITY OF STANLEY
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 13

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 172,861	\$ 107,769
General administrative	698,659	617,643
Other (specify)	206,934	361,039
	<u>1,078,454</u>	<u>1,086,451</u>
Protective services:		
Police	-	-
Fire	589,284	654,495
Emergency measures	62,359	4,091,723
Other (specify)	54,535	46,175
	<u>706,178</u>	<u>4,792,393</u>
Transportation services:		
Road transport		
Administration and engineering	-	55,012
Road and street maintenance	3,127,328	2,610,316
Bridge maintenance	112,522	69,321
Sidewalk and boulevard maintenance	48,895	15,373
Street lighting	53,687	663,811
Other (specify)	-	596,458
Air transport	-	-
Public transit	-	-
Other (specify)	-	-
	<u>3,342,432</u>	<u>4,010,291</u>
Environmental health services:		
Waste collection and disposal	-	-
Recycling	-	-
Other (specify)	17,717	22,479
	<u>17,717</u>	<u>22,479</u>
Public health and welfare services:		
Public health	-	-
Medical care	66,077	66,077
Social assistance	-	-
Other (specify)	9,601	7,521
	<u>75,678</u>	<u>73,598</u>
Regional planning and development		
Planning and zoning	-	288,753
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other (specify)	-	-
	<u>-</u>	<u>288,753</u>
Resource conservation and industrial development		
Rural area weed control	1,510	1,890
Drainage of land	-	193,145
Veterinary services	10,919	11,811
Water resources and conservation	41,590	47,951
Regional development	-	-
Industrial development	-	-
Tourism	-	-
Other (specify)	3,720	4,799
	<u>57,739</u>	<u>259,596</u>
Sub-totals forward	<u>\$ 5,278,198</u>	<u>\$ 10,533,561</u>

RURAL MUNICIPALITY OF STANLEY
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 13

	2019	2018
	Actual	Actual
Sub-totals forward	5,278,198	10,533,561
Recreation and cultural services:		
Administration	-	-
Community centers and halls	14,250	16,500
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	52,821	50,611
Other recreational facilities	-	7,666
Museums	10,469	10,469
Libraries	91,932	78,479
Other cultural facilities	10,500	5,000
	179,972	168,725
Total expenses	5,458,170	10,702,286

RURAL MUNICIPALITY OF STANLEY

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - UNAUDITED

December 31, 2019

	2019			2018
	General	Utility	Total	(Note 18) Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 1,124,264	\$ (66,951)	\$ 1,057,313	\$ (124,546)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,802,895	-	1,802,895	1,838,294
Eliminate revenue - transfers from reserves	(1,127,946)	-	(1,127,946)	(1,631,830)
Increase revenue - reserve funds interest	107,687	27,057	134,744	116,518
Increase revenue - reserve funds other income	16,089	3,496	19,585	
Increase revenue - Net surplus of consolidated entities	(144,249)	-	(144,249)	87,561
Decrease revenue - debenture pending for tangible capital assets	-	-	-	(306,730)
Increase revenue - proceeds on debenture issued	-	(300,000)	(300,000)	79,629
Transfer of Inventory to Tangible Capital Asset	(1,125,191)	-	(1,125,191)	
Eliminate revenue - transfer from nominal surplus(es)	-	(95,782)	(95,782)	-
Increase expense - amortization of tangible capital assets	(689,344)	(282,709)	(972,053)	(896,894)
Decrease expense - principal portion of debenture debt	(253,644)	(122,717)	(376,361)	(46,581)
Eliminate expense - acquisitions of tangible capital assets	2,040,592	1,342,963	3,383,555	2,988,886
Increase expense - loss on disposal of tangible capital assets	(116,605)	-	(116,605)	(22,660)
Decrease revenue - proceeds on disposal of tangible capital assets	(196,554)	-	(196,554)	(191,000)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,437,994	\$ 505,357	\$ 1,943,351	\$ 1,890,647