

Rural Municipality of Macdonald

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


Daryl Hrehirchuk
Chief Administrative Officer



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Macdonald, 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 Macdonald 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
October 13, 2021

Rural Municipality of Macdonald

Consolidated Financial Statements

For the Year Ended December 31, 2020

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Rural Municipality of Macdonald
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 21,526,613	\$ 23,883,525
Amounts receivable (Note 4)	6,628,164	1,875,159
Loan Receivable (Note 5)	250,000	-
	<u>\$ 28,404,777</u>	<u>\$ 25,758,684</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	2,856,872	2,880,805
Severance and sick leave payable (Note 2)	169,090	150,594
Landfill closure and post closure liabilities (Note 8)	8,399	8,243
Long-term debt (Note 9)	3,131,115	3,364,973
	<u>6,165,476</u>	<u>6,404,615</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 22,239,301</u>	<u>\$ 19,354,069</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 74,454,471	\$ 75,154,421
Inventories (Note 6)	79,172	52,606
Prepaid expenses	65,445	50,874
	<u>74,599,088</u>	<u>75,257,901</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 96,838,389</u>	<u>\$ 94,611,970</u>

COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)

Approved on behalf of Council:

 Reeve

 Councillor

The accompanying notes are an integral part of this financial statement

Rural Municipality of Macdonald
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	<u>2020 Budget (Note 14)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Property taxes	\$ 7,590,461	\$ 7,882,016	\$ 7,724,564
Grants in lieu of taxation	73,394	73,394	76,013
User fees	1,149,118	886,642	994,230
Permits, licences and fines	240,000	407,105	183,006
Investment income	127,371	450,934	491,407
Other revenue	305,068	564,871	204,691
Water and sewer	2,506,490	7,051,887	3,127,510
Grants - Province of Manitoba	600,858	2,993,642	825,350
Grants - other	444,478	434,478	819,917
Total revenue (Schedules 2, 4 and 5)	<u>13,037,238</u>	<u>20,744,969</u>	<u>14,446,688</u>
EXPENSES			
General government services	1,399,577	1,434,487	1,431,697
Protective services	542,926	468,617	417,880
Transportation services	4,722,359	6,107,993	4,641,313
Environmental health services	375,167	433,586	375,657
Public health and welfare services	110,178	96,018	105,514
Regional planning and development	285,163	236,788	189,518
Resource conservation and industrial development	1,653,244	1,536,568	1,683,395
Recreation and cultural services	1,056,163	1,401,489	1,117,026
Water and sewer services	<u>3,428,903</u>	<u>6,803,004</u>	<u>3,200,093</u>
Total expenses (Schedules 3, 4 and 5)	<u>13,573,680</u>	<u>18,518,550</u>	<u>13,162,093</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (536,442)</u>	<u>2,226,419</u>	<u>1,284,595</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>94,611,970</u>	<u>93,327,375</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 96,838,389</u>	<u>\$ 94,611,970</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of Macdonald
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	<u>2020 Budget (Note 14)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ (536,442)	\$ 2,226,419	\$ 1,284,595
Acquisition of tangible capital assets	(2,436,936)	(2,545,323)	(1,716,044)
Amortization of tangible capital assets	3,195,207	3,195,207	3,174,765
Loss (Gain) on sale of tangible capital assets	-	(175,934)	8,966
Proceeds on sale of tangible capital assets	-	226,000	44,783
Decrease (increase) in inventories	-	(26,566)	65,106
Decrease (increase) in prepaid expense	-	(14,571)	19,241
	<u>758,271</u>	<u>658,813</u>	<u>1,596,817</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 221,829</u>	2,885,232	2,881,412
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>19,354,069</u>	<u>16,472,657</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 22,239,301</u>	<u>\$ 19,354,069</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of Macdonald
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,226,419	\$ 1,284,595
Changes in non-cash items:		
Amounts receivable	(4,753,005)	225,917
Inventories	(26,566)	65,106
Prepays	(14,571)	19,241
Accounts payable and accrued liabilities	(23,933)	298,048
Severance and sick leave payable	18,496	14,355
Landfill closure and post closure liabilities	156	245
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	(175,934)	8,966
Amortization	3,195,207	3,174,765
	<u>446,269</u>	<u>5,091,238</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	226,000	44,783
Cash used to acquire tangible capital assets	(2,545,323)	(1,716,044)
	<u>(2,319,323)</u>	<u>(1,671,261)</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	(250,000)	-
	<u>(250,000)</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(233,858)	(236,431)
Proceeds on temporary financing	-	-
Repayment of temporary financing	-	-
	<u>(233,858)</u>	<u>(236,431)</u>
Cash applied to investing transactions	<u>(250,000)</u>	<u>-</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	(2,356,912)	3,183,546
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	23,883,525	20,699,979
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$21,526,613</u>	<u>\$23,883,525</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of Macdonald
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Status of the Rural Municipality of Macdonald

The incorporated Rural Municipality of Macdonald ("the Municipality") is a municipality that was formed in 1891 pursuant to The Municipal Act. The municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The municipality also owns utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with 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 are no controlled organizations.

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:

Macdonald-Headingley Recreation District (consolidated 67%) (2019 – consolidated 67%)
Macdonald-Ritchot Planning District (consolidated 50%) (2019 – consolidated 50%)

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. The activity of the trusts 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 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.

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

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

m) Severance and sick leave payable

The Municipality has a contractual commitment to pay out to full time employees twenty five percent of the number of unused sick leave days standing to the employees' credit at the date of their retirement at the rate of remuneration applicable at that time. Employees with 130 days of cumulative sick leave will receive a bonus payout equivalent to an additional 5 days.

As at December 31, 2020, the remaining liability is \$169,090 (2019 - \$150,594).

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 866,983	\$ 3,227,228
Temporary investments	<u>20,659,630</u>	<u>20,656,297</u>
	<u>\$ 21,526,613</u>	<u>\$ 23,883,525</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits bearing interest rates between 1.7% and 2.3% with various maturing terms of 3 years or less, and have a market value approximating cost. The Municipality has designated \$24,084,704 (2019 \$21,649,921) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has an operating line of credit equal to the amount of the previous year's taxes at a rate of prime minus 0.865%. At December 31, 2020 the Municipality had utilized \$NIL of the available funds (December 31, 2019 - \$NIL).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 359,533	\$ 706,463
Government grants	5,148,628	429,518
Utility customers	517,510	484,280
Accrued interest	129,658	-
Organizations and individuals	482,691	294,278
Other governments	-	-
	<u>6,638,020</u>	<u>1,914,539</u>
Less allowances for doubtful amounts	<u>(9,856)</u>	<u>(39,380)</u>
	<u><u>\$ 6,628,164</u></u>	<u><u>\$ 1,875,159</u></u>

5. Loan Receivable

In accordance with section 180 (1) of the Municipal Act, the Municipality arranged for a loan of \$250,000 to John Q Public Inc. for the installation of a fibre optic network in the Municipality. The loan is to be repaid by December 31, 2026. The loan bears interest at 2.5% per annum with annual payments of \$53,812 starting December 31, 2021.

6. Inventories

Inventories for use:

	<u>2020</u>	<u>2019</u>
Chemicals, herbicides, insecticides	29,823	\$ 20,502
Fuel	27,002	32,104
Culverts	22,347	-
Aggregate	-	-
Other supplies	-	-
	<u>\$ 79,172</u>	<u>\$ 52,606</u>

7. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 2,296,417	\$ 2,240,541
Accrued expenses	-	-
Accrued interest payable	-	-
School levies	560,455	640,264
Other governments	-	-
	<u>\$ 2,856,872</u>	<u>\$ 2,880,805</u>

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

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

	<u>2020</u>	<u>2019</u>
Estimated closure and post closure costs	<u>\$ 27,500</u>	<u>\$ 27,500</u>
Discount rate	<u>1.13%</u>	<u>1.13%</u>
Discounted costs	<u>\$ 15,553</u>	<u>\$ 15,380</u>
Expected year capacity will be reached	<u>2065</u>	<u>2065</u>
Capacity (disclose in tonnes, volume, acreage, or years):		
Used to date	54	53
Remaining	46	47
Total	100	100
Percent utilized	<u>54.00%</u>	<u>53.00%</u>
Liability based on percentage	<u>\$ 8,399</u>	<u>\$ 8,243</u>

9. Long Term Debt

	<u>2020</u>	<u>2019</u>
General Authority:		
BL 5/14 Debenture, interest at 4.35%, payable at \$41,463 annually including interest, maturing in 2028	\$ 275,173	\$ 303,436
Debenture 6/14, interest at 4.70%, payable at \$242,930 annually including interest, maturing December, 2033	<u>2,323,764</u>	<u>2,451,472</u>
	<u>\$ 2,598,937</u>	<u>\$ 2,754,908</u>
Utility Funds:		
BL 31/08 Debenture for Starbuck Sewer Utility, interest at 5.75%, payable at \$20,139 annually including interest, maturing in 2022	37,053	54,083
BL 8/13 Debenture for Samborski Sewer & Water Utility, interest at 3.76%, payable at \$43,090 annually including interest, maturing in 2027	260,941	293,014
BL 9/13 Debenture for Agri Park Sewer Utility, interest at 3.76%, payable at \$38,672 annually including interest, maturing in 2027	<u>234,184</u>	<u>262,968</u>
	<u>\$ 532,178</u>	<u>\$ 610,065</u>
	<u>\$ 3,131,115</u>	<u>\$ 3,364,973</u>

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

2021	\$ 244,361
2022	\$ 255,339
2023	\$ 246,676
2024	\$ 257,519
2025	\$ 268,842

10. Commitments

The Municipality has negotiated a contract with Emterra of waste removal and recycling for \$207,387 per year. The contract ends December 2023.

11. Contingencies

Lawsuits have been filed against the Municipality for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

12. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the 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 **\$170,018** (2019 - \$165,715) 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.

13. Financial Instruments

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

14. Budget

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

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

15. Accumulated Surplus

	<u>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,232,611	\$ 962,038
Utility operating fund(s) - Nominal surplus	117,942	117,000
TCA net of related borrowings	71,323,356	71,789,448
Reserve funds	<u>24,084,704</u>	<u>21,649,921</u>
Accumulated surplus of municipality unconsolidated	96,758,613	94,518,407
Accumulated surpluses of consolidated entities	<u>79,776</u>	<u>93,563</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 96,838,389</u>	<u>\$ 94,611,970</u>

16. 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 \$244,001 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 - Brad Erb	\$ 39,234	\$ 7,432	\$ 46,666
Councillor - Doug Dobrowolski - Ward 1	27,903	7,517	35,420
Councillor - Robert Turski - Ward 2	27,390	6,035	33,425
Councillor - Barry Feller - Ward 3	25,233	2,138	27,371
Councillor - Paul Pfrimmer - Ward 4	26,054	6,780	32,834
Councillor - Robert Morse - Ward 5	26,056	5,907	31,963
Councillor - Deidre Keddie - Ward 6	29,187	7,135	36,322
	<u>\$ 201,057</u>	<u>\$ 42,944</u>	<u>\$ 244,001</u>

- c) The following officers received compensation in excess of \$75,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Baker, Grant</i>	<i>Public Works Manager</i>	\$ 117,512
<i>Bowyer, Daniel</i>	<i>WTP Operator</i>	\$ 100,507
<i>Braden, Cole</i>	<i>Asst. Public Works Manager</i>	\$ 97,573
<i>Bray-Klimack, Janine</i>	<i>Asst. C.A.O./Office Mgr.</i>	\$ 85,763
<i>Chase, Kyla</i>	<i>Chief Financial Officer</i>	\$ 76,238
<i>Hrehirchuk, Daryl</i>	<i>Chief Administrative Officer</i>	\$ 146,422
<i>Kehler, Malorie</i>	<i>WTP Operator</i>	\$ 79,791
<i>Loewen, Patrick</i>	<i>WTP Operator</i>	\$ 108,478
<i>Neufeld, Stan</i>	<i>Building Inspector</i>	\$ 100,148
<i>Shaw, Justin</i>	<i>Surveyor/Machine Operator</i>	\$ 82,249

17. Trust Funds

The Rural Municipality of Macdonald administers the following trusts:

	Balance, beg. of the year	Excess of Receipts over Disbursements	Balance, end of the year
<i>Sanford Cemetary Trust</i>	\$ 4,503	\$ (2,587)	\$ 1,916
<i>Oak Bluff Cemetary Trust</i>	\$ 19,429	\$ 3,737	\$ 23,166
<i>Starbuck Cemetary Trust</i>	\$ 98,142	\$ 4,483	\$ 102,625
	<u>\$ 122,074</u>	<u>\$ 5,633</u>	<u>\$ 127,707</u>

18. Segmented Information

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

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

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

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

19. Government Partnerships

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

	<u>2020</u>	<u>2019</u>
Financial Position		
Financial assets	\$ 177,120	\$ 166,598
Financial liabilities	<u>97,344</u>	<u>73,035</u>
Net financial assets (liabilities)	<u>79,776.00</u>	<u>93,563.00</u>
Non-financial assets	<u>-</u>	<u>-</u>
Accumulated surplus	<u><u>\$ 79,776</u></u>	<u><u>\$ 93,563</u></u>
Result of Operations		
Revenues	\$ 162,784	\$ 146,278
Expenses	<u>176,572</u>	<u>157,789</u>
Annual surplus (deficit)	<u><u>\$ (13,788)</u></u>	<u><u>\$ (11,511)</u></u>

20. 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
Water Utility (1988) Network	\$ 187,242	\$ -	\$ 9,363	\$ 177,879
Water Utility (1989) Network	364,130	-	17,342	346,788
Water Utility (1990) Network	410,191	-	18,647	391,544
Water Utility (1991) Network	504,358	-	21,931	482,427
Water Utility (1992) Network	95,457	-	3,977	91,480
Water Utility (1993) Network	130,539	-	5,222	125,317
Water Utility (1994) Network	328,347	-	12,630	315,717
Water Utility (1995) Network	223,217	-	8,268	214,949
Water Utility (1996) Network	302,515	-	10,805	291,710
Water Utility (1997) Network	234,412	-	8,084	226,328
Water Utility (1998) Network	395,355	-	13,179	382,176
Water Utility (2000) Network	81,194	-	2,537	78,657
Water Utility (2004) Network	141,188	-	3,922	137,266
Water Utility (2006) Network	432,626	-	11,385	421,241
Water Utility (2006) Network	439,685	-	9,487	430,198
Water Utility (2011) Network	671,567	-	15,340	656,227
Water Utility Equip (2008)	11,985	-	9,347	2,638
Water Utility Bldg (2008)	266,420	-	16,332	250,088
Water Utility Equip (2012)	1,123,076	-	9,712	1,113,364
Water Utility Bldg (2012)	483,625	-	228,500	255,125
Water Utility Equip (2012)	243,885	-	26,875	217,010
Water Utility Bldg (2012)	110,884	-	49,605	61,279
Water Utility (2012) Network	425,347	-	5,836	419,511
Water Utility (2013) Network	402,756	-	9,154	393,602
Water Utility (2013) Network	112,207	-	2,527	109,680
Water Utility (2014) Network	205,920	-	4,680	201,240
Water Utility (2015) Network	771,349	-	16,768	754,581
Water Utility Bldg (2016)	559,158	-	15,112	544,046
Water Utility (2016) Network	450,405	-	9,583	440,822
Water Utility Bldg (2017)	12,476	-	328	12,148
Water Utility Bldg (2017)	4,242	-	112	4,130
Water Utility Equip (2019)	57,348	-	5,735	51,613
Water Utility (2019) Network	87,208	-	1,744	85,464
Water Utility (2020) Network	-	-	-	-
	<u>\$ 10,270,314</u>	<u>\$ -</u>	<u>\$ 584,069</u>	<u>\$ 9,686,245</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Brunkild Utility (1998) Network	\$ 51,575	\$ -	\$ 1,776	\$ 49,799
Domain Utility (1996) Network	48,470	-	1,795	46,675
La Salle Utility (1982) Network	40,373	-	2,884	37,489
La Salle Utility (1985) Network	5,567	-	327	5,240
La Salle Utility (1987) Network	167,643	-	8,825	158,818
La Salle Utility (1989) Network	219,012	-	10,430	208,582
La Salle Utility (1990) Network	42,026	-	1,911	40,115
La Salle Utility (1992) Network	40,502	-	1,688	38,814
La Salle Utility (2000) Network	69,871	-	2,184	67,687
La Salle Utility (2004) Network	175,207	-	4,867	170,340
La Salle Utility (2006) Network	338,041	-	8,896	329,145
La Salle Utility (2008) Network	365,903	-	9,147	356,756
La Salle Utility (2011) Network	687,544	-	16,769	670,775
La Salle Utility (2012) Network	240,475	-	5,593	234,882
La Salle Utility (2013) Network	178,376	-	4,054	174,322
La Salle Utility (2014) Network	18,695	-	425	18,270
La Salle Utility (2015) Dev	1,149,200	-	44,200	1,105,000
Oak Bluff Utility (1990) Network	121,133	-	5,506	115,627
Oak Bluff Utility (2013) Network	439,994	-	10,233	429,761
Oak Bluff Utility (2013) Dev	319,927	-	79,982	239,945
Oak Bluff Utility (2013) Dev	474,653	-	10,788	463,865
Oak Bluff Utility (2013) Dev	714,240	-	29,760	684,480
Oak Bluff Utility (2014) Network	113,918	-	2,560	111,358
Oak Bluff Utility (2015) Dev	569,245	-	15,812	553,433
Oak Bluff Utility (2016) Dev	11,504	-	311	11,193
Oak Bluff Utility (2016) Network	1,839,350	-	39,135	1,800,215
Sanford Utility (1980) Network	39,997	-	3,334	36,663
Sanford Utility (1997) Network	97,139	-	3,350	93,789
Sanford Utility (2012) Network	96,900	-	2,253	94,647
Sanford Utility (2016) Network	693,833	-	14,762	679,071
Starbuck Utility (1978) Network	18,844	-	1,885	16,959
Starbuck Utility (1981) Network	2,775	-	214	2,561
Sewer Utility (2020) Network	-	-	-	-
	<u>\$ 9,391,932</u>	<u>\$ -</u>	<u>\$ 345,656</u>	<u>\$ 9,046,276</u>

21. Subsequent Events

The following events occurred subsequent to the fiscal year end:

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Town 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 Macdonald
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	\$ 4,286,839	\$ 5,955,633	\$ 7,033,949	\$ 290,024	\$ 193,571	\$ 43,608,693	\$ 55,736,193	\$ 111,287	\$ 117,216,189	\$ 115,619,587
Additions during the year	216,130	23,907	1,203,805	5,885	76,538	268,467	640,976	109,615	2,545,323	1,716,044
Transfer during the year	-	181,259	-	-	(181,259)	-	111,287	(111,287)	-	-
Disposals and write downs	-	-	(752,701)	-	-	-	-	-	(752,701)	(119,442)
Closing costs	<u>4,502,969</u>	<u>6,160,799</u>	<u>7,485,053</u>	<u>295,909</u>	<u>88,850</u>	<u>43,877,160</u>	<u>56,488,456</u>	<u>109,615</u>	<u>119,008,811</u>	<u>117,216,189</u>
Accumulated Amortization										
Opening accum'd amortization	417,459	5,374,656	3,922,862	198,714	-	8,659,892	23,488,185	-	42,061,768	38,952,696
Amortization	84,768	59,564	652,949	30,531	-	805,182	1,562,213	-	3,195,207	3,174,765
Disposals and write downs	-	-	(702,635)	-	-	-	-	-	(702,635)	(65,693)
Closing accum'd amortization	<u>502,227</u>	<u>5,434,220</u>	<u>3,873,176</u>	<u>229,245</u>	<u>-</u>	<u>9,465,074</u>	<u>25,050,398</u>	<u>-</u>	<u>44,554,340</u>	<u>42,061,768</u>
Net Book Value of Tangible Capital Assets	<u>\$ 4,000,742</u>	<u>\$ 726,579</u>	<u>\$ 3,611,877</u>	<u>\$ 66,664</u>	<u>\$ 88,850</u>	<u>\$ 34,412,086</u>	<u>\$ 31,438,058</u>	<u>\$ 109,615</u>	<u>\$ 74,454,471</u>	<u>\$ 75,154,421</u>

Rural Municipality of Macdonald
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,990,365	\$ 6,854,904
Taxes added	922,672	908,693
Tax discount	(31,021)	(39,033)
	<u>7,882,016</u>	<u>7,724,564</u>
Grants in lieu of taxation:		
Federal government	762	851
Federal government enterprises	-	-
Provincial government	72,632	75,162
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>73,394</u>	<u>76,013</u>
User fees		
Parking meters	-	-
Sales of service	525,924	353,194
Sales of goods	-	-
Rentals	10,791	10,713
Development charges	220,300	227,348
Facility use fees	129,627	402,975
	<u>886,642</u>	<u>994,230</u>
Permits, licences and fines		
Permits	407,055	182,236
Licences	50	770
Fees	-	-
Fines	-	-
	<u>407,105</u>	<u>183,006</u>
Investment income:		
Cash and temporary investments	450,934	491,407
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>450,934</u>	<u>491,407</u>
Other revenue:		
Gain on sale of tangible capital assets	175,934	(8,966)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	111,023	120,982
Miscellaneous (specify):	277,914	92,675
	<u>564,871</u>	<u>204,691</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	7,051,887	3,127,510
Consolidated water co-operatives	-	-
	<u>7,051,887</u>	<u>3,127,510</u>
Grants - Province of Manitoba		
Municipal operating grants	557,185	551,987
Other unconditional grants	-	-
Conditional grants	2,436,457	273,363
	<u>2,993,642</u>	<u>825,350</u>
Grants - other		
Federal government - gas tax funding	385,435	768,249
Federal government - other	-	-
Other municipal governments	49,043	51,668
	<u>434,478</u>	<u>819,917</u>
Total revenue	<u>\$ 20,744,969</u>	<u>\$ 14,446,688</u>

Rural Municipality of Macdonald
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
General government services:		
Legislative	\$ 224,075	\$ 232,277
General administrative	1,202,796	1,179,442
Other	7,616	19,978
	<u>1,434,487</u>	<u>1,431,697</u>
Protective services:		
Police	-	-
Fire	401,410	353,732
Emergency measures	13,136	13,111
Other	54,071	51,037
	<u>468,617</u>	<u>417,880</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	5,873,874	4,345,997
Bridge maintenance	77,482	60,967
Sidewalk and boulevard maintenance	31,491	98,831
Street lighting	125,146	135,518
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>6,107,993</u>	<u>4,641,313</u>
Environmental health services:		
Waste collection and disposal	433,586	375,657
Recycling	-	-
Other	-	-
	<u>433,586</u>	<u>375,657</u>
Public health and welfare services:		
Public health	90,606	101,308
Medical care	-	-
Social assistance	4,206	4,206
Other	1,206	-
	<u>96,018</u>	<u>105,514</u>
Regional planning and development		
Planning and zoning	236,788	189,518
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>236,788</u>	<u>189,518</u>
Resource conservation and industrial development		
Rural area weed control	60,632	115,257
Drainage of land	1,468,802	1,457,404
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	7,134	110,734
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>1,536,568</u>	<u>1,683,395</u>
Sub-totals forward	<u>10,314,057</u>	<u>8,844,974</u>

Rural Municipality of Macdonald
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	<u>2020 Actual</u>	<u>2019 Actual</u>
Sub-totals forward	\$ 10,314,057	\$ 8,844,974
Recreation and cultural services:		
Administration	618,911	750,462
Community centers and halls	178	182
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	229	258
Parks and playgrounds	135,000	136,214
Other recreational facilities	647,171	229,910
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	<u>1,401,489</u>	<u>1,117,026</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	6,803,004	3,200,093
Consolidated water co-operatives	-	-
	<u>6,803,004</u>	<u>3,200,093</u>
Total expenses	<u>\$ 18,518,550</u>	<u>\$ 13,162,093</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	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	\$ 7,780,114	\$ 7,622,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	73,394	76,013	-	-	-	-	-	-	-	-
User fees	70,025	59,802	42,609	48,992	36,843	35,097	36,643	32,717	59,020	72,222
Grants - other	385,435	768,249	-	-	-	-	-	-	-	-
Permits, licences and fines	-	-	50	870	-	-	-	-	-	-
Investment income	348,926	382,431	6,072	13,508	29,923	17,599	-	-	-	-
Other revenue	154,511	198,818	-	-	255,212	3,374	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	557,185	551,987	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	428,787	-	-	-	1,635,129	-	168,868	153,176	-	-
Total revenue	\$ 9,798,377	\$ 9,659,962	\$ 48,731	\$ 63,370	\$ 1,957,107	\$ 56,070	\$ 205,511	\$ 185,893	\$ 59,020	\$ 72,222
EXPENSES										
Personnel services	\$ 880,431	\$ 878,029	\$ 126,490	\$ 113,353	\$ 1,383,570	\$ 1,378,682	\$ 81,633	\$ 65,234	\$ 63,020	\$ 62,537
Contract services	430,205	456,184	93,795	99,485	1,700,181	(127,994)	337,785	293,807	1,206	-
Utilities	14,837	14,163	47,749	49,199	148,418	164,597	606	762	2,518	2,258
Maintenance materials and supplies	54,247	51,809	96,407	79,800	1,415,280	1,742,963	13,406	15,854	13,873	21,886
Grants and contributions	-	-	315	-	-	-	-	-	15,401	18,833
Amortization	30,089	30,354	103,861	76,043	1,447,344	1,468,687	-	-	-	-
Interest on long term debt	-	-	-	-	13,200	14,378	-	-	-	-
Other	24,678	1,158	-	-	-	-	156	-	-	-
Total expenses	\$ 1,434,487	\$ 1,431,697	\$ 468,617	\$ 417,880	\$ 6,107,993	\$ 4,641,313	\$ 433,586	\$ 375,657	\$ 96,018	\$ 105,514
Surplus (Deficit)	\$ 8,363,890	\$ 8,228,265	\$ (419,886)	\$ (354,510)	\$ (4,150,886)	\$ (4,585,243)	\$ (228,075)	\$ (189,764)	\$ (36,998)	\$ (33,292)

* 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, 2020

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,902	\$ 101,902	\$ 7,882,016	\$ 7,724,564
Grants in lieu of taxation	-	-	-	-	-	-	-	-	73,394	76,013
User fees	511,876	342,425	-	-	129,626	402,975	-	-	886,642	994,230
Grants - other	2,140	2,140	-	-	46,903	49,528	-	-	434,478	819,917
Permits, licences and fines	407,055	182,136	-	-	-	-	-	-	407,105	183,006
Investment income	52,922	64,630	-	-	13,091	13,239	-	-	450,934	491,407
Other revenue	155,080	2,499	-	-	68	-	-	-	564,871	204,691
Water and sewer	-	-	-	-	-	-	7,051,887	3,127,510	7,051,887	3,127,510
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	557,185	551,987
Prov of MB - Conditional Grants	175,000	61,250	-	-	28,673	58,937	-	-	2,436,457	273,363
Total revenue	\$ 1,304,073	\$ 655,080	\$ -	\$ -	\$ 218,361	\$ 524,679	\$ 7,153,789	\$ 3,229,412	\$ 20,744,969	\$ 14,446,688
EXPENSES										
Personnel services	\$ 181,716	\$ 138,707	\$ 117,003	\$ 153,701	\$ 214,992	\$ 156,964	\$ 394,351	\$ 471,847	\$ 3,443,206	\$ 3,419,054
Contract services	50,035	44,732	1,144,297	1,330,283	456,002	606,994	437,966	498,707	4,651,472	3,202,198
Utilities	981	1,698	673	969	2,822	4,087	173,098	194,850	391,702	432,583
Maintenance materials and supplies	1,916	2,241	270,906	194,753	21,748	44,278	4,211,362	459,560	6,099,145	2,613,144
Grants and contributions	2,140	2,140	-	-	542,520	134,685	-	-	560,376	155,658
Amortization	-	-	3,689	3,689	48,012	48,009	1,562,212	1,547,983	3,195,207	3,174,765
Interest on long term debt	-	-	-	-	115,219	121,898	24,015	27,146	152,434	163,422
Other	-	-	-	-	174	111	-	-	25,008	1,269
Total expenses	\$ 236,788	\$ 189,518	\$ 1,536,568	\$ 1,683,395	\$ 1,401,489	\$ 1,117,026	\$ 6,803,004	\$ 3,200,093	\$ 18,518,550	\$ 13,162,093
Surplus (Deficit)	\$ 1,067,285	\$ 465,562	\$ (1,536,568)	\$ (1,683,395)	\$ (1,183,128)	\$ (592,347)	\$ 350,785	\$ 29,319	\$ 2,226,419	\$ 1,284,595

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	\$ 7,882,016	\$ 7,882,016	\$ -	\$ -	\$ -	\$ -	\$ 7,882,016	\$ 7,724,564
Grants in lieu of taxation	73,394	73,394	-	-	-	-	73,394	76,013
User fees	819,013	903,198	-	-	67,629	91,032	886,642	994,230
Grants - other	385,435	777,354	-	-	49,043	42,563	434,478	819,917
Permits, licences and fines	407,105	183,006	-	-	-	-	407,105	183,006
Investment income	448,563	487,829	-	-	2,371	3,578	450,934	491,407
Other revenue	564,803	204,691	-	-	68	-	564,871	204,691
Water and sewer	7,051,887	3,127,510	-	-	-	-	7,051,887	3,127,510
Prov of MB - Unconditional Grants	557,185	551,987	-	-	-	-	557,185	551,987
Prov of MB - Conditional Grants	2,392,784	264,258	-	-	43,673	9,105	2,436,457	273,363
Total revenue	<u>\$ 20,582,185</u>	<u>\$ 14,455,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,784</u>	<u>\$ 146,278</u>	<u>\$ 20,744,969</u>	<u>\$ 14,446,688</u>
EXPENSES								
Personnel services	\$ 3,264,462	\$ 3,289,394	\$ -	\$ -	\$ 178,744	\$ 129,660	\$ 3,443,206	\$ 3,419,054
Contract services	4,563,141	3,090,252	-	-	88,331	111,946	4,651,472	3,202,198
Utilities	388,880	428,496	-	-	2,822	4,087	391,702	432,583
Maintenance materials and supplies	6,085,445	2,601,997	-	-	13,700	11,147	6,099,145	2,613,144
Grants and contributions	667,574	258,188	-	-	(107,198)	(102,530)	560,376	155,658
Amortization	3,195,207	3,171,396	-	-	-	3,369	3,195,207	3,174,765
Interest on long term debt	152,434	163,422	-	-	-	-	152,434	163,422
Other	24,834	1,158	-	-	174	111	25,008	1,269
Total expenses	<u>\$ 18,341,977</u>	<u>\$ 13,004,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,573</u>	<u>\$ 157,790</u>	<u>\$ 18,518,550</u>	<u>\$ 13,162,093</u>
Surplus (Deficit)	<u>\$ 2,240,208</u>	<u>\$ 1,450,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,789)</u>	<u>\$ (11,512)</u>	<u>\$ 2,226,419</u>	<u>\$ 1,284,595</u>

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

SCHEDULE 6

	2020						
	General Reserve	Gas Tax Reserve	Disaster Reserve	Recreation Reserve	Equip Warr Reserve	Sidewalk Reserve	Village St Reserve
REVENUE							
Investment income	\$ 61,895	\$ 34,493	\$ 350	\$ 11,228	\$ 1,541	\$ 807	\$ 8,236
Other income	-	-	-	-	-	-	-
Total revenue	<u>61,895</u>	<u>34,493</u>	<u>350</u>	<u>11,228</u>	<u>1,541</u>	<u>807</u>	<u>8,236</u>
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	61,895	34,493	350	11,228	1,541	807	8,236
TRANSFERS							
Transfers from general operating fund	1,012,557	385,437	-	50,000	-	20,000	399,000
Transfers to general operating fund	(501,137)	-	-	(14,001)	-	-	(225,000)
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	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	573,315	419,930	350	47,227	1,541	20,807	182,236
FUND SURPLUS, BEGINNING OF YEAR	4,452,223	1,823,211	21,236	596,807	89,628	41,071	381,858
FUND SURPLUS, END OF YEAR	\$ 5,025,538	\$ 2,243,141	\$ 21,586	\$ 644,034	\$ 91,169	\$ 61,878	\$ 564,094

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

SCHEDULE 6

	2020						
	Office Reserve	Capital Levy Reserve	Mach Repl Reserve	Public Res Reserve	Fire Reserve	Drainage Reserve	Bridge Reserve
REVENUE							
Investment income	\$ 10,854	\$ 52,414	\$ 7,419	\$ 718	\$ 5,722	\$ 849	\$ 11,071
Other income	-	-	-	-	-	-	-
Total revenue	<u>10,854</u>	<u>52,414</u>	<u>7,419</u>	<u>718</u>	<u>5,722</u>	<u>849</u>	<u>11,071</u>
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	10,854	52,414	7,419	718	5,722	849	11,071
TRANSFERS							
Transfers from general operating fund	50,000	220,300	450,000	-	100,000	-	130,000
Transfers to general operating fund	(20,490)	(75,038)	(858,494)	-	(57,590)	-	(29,700)
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	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	40,364	197,676	(401,075)	718	48,132	849	111,371
FUND SURPLUS, BEGINNING OF YEAR	631,142	3,185,503	465,213	41,730	184,385	51,571	567,872
FUND SURPLUS, END OF YEAR	\$ 671,506	\$ 3,383,179	\$ 64,138	\$ 42,448	\$ 232,517	\$ 52,420	\$ 679,243

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

SCHEDULE 6

	2020		2019
	Sewer Reserve	Water Ut Reserve	Total
REVENUE			
Investment income	\$ 51,361	\$ 108,296	\$ 367,254
Other income	-	-	-
Total revenue	51,361	108,296	367,254
EXPENSES			
Investment charges	-	-	-
Other expenses	-	-	-
Total expenses	-	-	-
NET REVENUES	51,361	108,296	367,254
TRANSFERS			
Transfers from general operating fund	561,146	1,081,337	4,459,777
Transfers to general operating fund	(235,000)	(375,797)	(2,392,247)
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	-	-	-
CHANGE IN RESERVE FUND BALANCES	377,507	813,836	2,434,784
FUND SURPLUS, BEGINNING OF YEAR	3,211,986	5,904,484	21,649,920
FUND SURPLUS, END OF YEAR	\$ 3,589,493	\$ 6,718,320	\$24,084,704

Rural Municipality of Macdonald
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2020

SCHEDULE 7

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
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	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
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	-	-	-
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 Macdonald
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2020

SCHEDULE 8

	2020			2019
	Sewer Utility	Water Utility	Total	Total
FINANCIAL ASSETS				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Amounts receivable	165,604	3,827,396	3,993,000	484,280
Portfolio investments	-	-	-	-
Due from other funds	1,416,930	-	1,416,930	949,432
	<u>\$ 1,582,534</u>	<u>\$ 3,827,396</u>	<u>\$ 5,409,930</u>	<u>\$ 1,433,712</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 67,848	\$ 67,848	\$ 59,539
Deferred revenue	-	-	-	-
Long-term debt (Note 9)	532,178	-	532,178	610,065
Due to other funds	1,284,374	3,966,693	5,251,067	1,269,504
	<u>1,816,552</u>	<u>4,034,541</u>	<u>5,851,093</u>	<u>1,939,108</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (234,018)</u>	<u>\$ (207,145)</u>	<u>\$ (441,163)</u>	<u>\$ (505,396)</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	\$ 13,787,914	\$ 17,759,759	\$ 31,547,673	\$ 32,359,295
Inventories	-	26,927	26,927	12,331
Prepaid expenses	-	-	-	-
	<u>13,787,914</u>	<u>17,786,686</u>	<u>31,574,600</u>	<u>32,371,626</u>
FUND SURPLUS (DEFICIT)	<u>\$ 13,553,896</u>	<u>\$ 17,579,541</u>	<u>\$ 31,133,437</u>	<u>\$ 31,866,230</u>

COMMITMENTS AND CONTINGENCIES (Notes 10 and 11)

Rural Municipality of Macdonald
SCHEDULE OF UTILITY OPERATIONS - Sewer
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	570,900	639,892	570,345
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>570,900</u>	<u>639,892</u>	<u>570,345</u>
Property taxes	<u>101,902</u>	<u>101,902</u>	<u>101,902</u>
Government transfers			
Operating	-	-	-
Capital	235,000	-	-
sub-total- government transfers	<u>235,000</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	239,002	125,625
Installation service	-	-	-
Penalties	2,590	2,218	2,867
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	-	-
sub-total- other	<u>2,590</u>	<u>241,220</u>	<u>128,492</u>
Total revenue	<u>910,392</u>	<u>983,014</u>	<u>800,739</u>

Rural Municipality of Macdonald
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Sewer
For the Year Ended December 31, 2020

SCHEDULE 9

EXPENSES	Budget	2020	2019
General			
Administration	-	-	16,452
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>-</u>	<u>-</u>	<u>16,452</u>
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Collection system costs	12,900	15,285	819
Treatment and disposal cost	66,040	68,329	58,377
Lift Station costs	76,800	73,399	107,831
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	108,613	112,837	106,135
sub-total- sewer general	<u>264,353</u>	<u>269,850</u>	<u>273,162</u>
Sewage Amortization & Interest			
Amortization	-	520,599	518,620
Interest on long term debt	-	24,015	27,146
sub-total- sewer amortization & interest	<u>-</u>	<u>544,614</u>	<u>545,766</u>
Total expenses	<u>264,353</u>	<u>814,464</u>	<u>835,380</u>
NET OPERATING SURPLUS	646,039	168,550	(34,641)
TRANSFERS			
Transfers from (to) operating fund	(16,945)	218,055	102,911
Transfers from (to) reserve funds	-	(561,146)	(408,653)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 629,094</u>	<u>(174,541)</u>	<u>(340,383)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>13,728,437</u>	<u>14,068,820</u>
FUND SURPLUS, END OF YEAR		<u>\$ 13,553,896</u>	<u>\$ 13,728,437</u>

Rural Municipality of Macdonald
SCHEDULE OF UTILITY OPERATIONS - Water
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
REVENUE			
Water			
Water fees	\$ 1,742,000	\$ 1,909,207	\$ 1,758,573
Bulk Water fees	55,000	60,206	65,932
sub-total- water	<u>1,797,000</u>	<u>1,969,413</u>	<u>1,824,505</u>
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	27,000
Connection charges	100,000	716,051	567,535
Installation service	-	-	-
Penalties	9,000	9,822	9,633
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	3,475,490	-
sub-total- other	<u>109,000</u>	<u>4,201,363</u>	<u>604,168</u>
Total revenue	<u>1,906,000</u>	<u>6,170,776</u>	<u>2,428,673</u>

Rural Municipality of Macdonald
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water Utility
For the Year Ended December 31, 2020

SCHEDULE 9

EXPENSES	Budget	2020	2019
General			
Administration	-	343	60,242
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>-</u>	<u>343</u>	<u>60,242</u>
Water General			
Purification and treatment	1,221,715	4,659,711	1,010,113
Water purchases	-	-	-
Transmission and distribution	301,532	286,872	341,591
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>1,523,247</u>	<u>4,946,583</u>	<u>1,351,704</u>
Water Amortization & Interest			
Amortization	-	1,041,614	1,029,362
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>1,041,614</u>	<u>1,029,362</u>
Sewer General			
Collection system costs	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
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>1,523,247</u>	<u>5,988,540</u>	<u>2,441,308</u>
NET OPERATING SURPLUS	382,753	182,236	(12,635)
TRANSFERS			
Transfers from (to) operating fund	89,946	340,849	150,000
Transfers from (to) reserve funds	-	(1,081,337)	(1,004,398)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 472,699</u>	<u>(558,252)</u>	<u>(867,033)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>18,137,793</u>	<u>19,004,826</u>
FUND SURPLUS, END OF YEAR		<u>\$ 17,579,541</u>	<u>\$ 18,137,793</u>

Rural Municipality of Macdonald
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2020

SCHEDULE 10

	<u>Financial Plan General</u>	<u>Financial Plan Utility(ies)</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Long Term Accruals</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
REVENUE								
Property taxes	\$ 7,488,559	\$ 101,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,590,461
Grants in lieu of taxation	73,394	-	-	-	-	-	-	73,394
User fees	1,081,489	-	-	-	-	-	67,629	1,149,118
Permits, licences and fines	240,000	-	-	-	-	-	-	240,000
Investment income	125,000	-	-	-	-	-	2,371	127,371
Other revenue	305,000	-	-	-	-	-	68	305,068
Water and sewer	-	2,506,490	-	-	-	-	-	2,506,490
Grants - Province of Manitoba	557,185	-	-	-	-	-	43,673	600,858
Grants - other	395,435	-	-	-	-	-	49,043	444,478
Transfers from accumulated surplus	96,434	-	-	-	(96,434)	-	-	-
Transfers from reserves	1,883,766	722,944	-	-	(2,606,710)	-	-	-
Total revenue	<u>\$ 12,246,262</u>	<u>\$ 3,331,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,703,144)</u>	<u>\$ -</u>	<u>\$ 162,784</u>	<u>\$ 13,037,238</u>
EXPENSES								
General government services	\$ 1,369,488	\$ -	\$ 30,089	\$ -	\$ -	\$ -	\$ -	\$ 1,399,577
Protective services	439,065	-	103,861	-	-	-	-	542,926
Transportation services	3,261,815	-	1,447,344	13,200	-	-	-	4,722,359
Environmental health services	375,167	-	-	-	-	-	-	375,167
Public health and welfare services	110,178	-	-	-	-	-	-	110,178
Regional planning and development	279,429	-	-	-	-	-	5,734	285,163
Resource cons and industrial dev	1,478,716	-	3,689	-	-	-	170,839	1,653,244
Recreation and cultural services	892,932	-	48,012	115,219	-	-	-	1,056,163
Water and sewer services	-	1,866,691	1,562,212	-	-	-	-	3,428,903
Fiscal services:								
Transfer to capital	1,713,994	722,944	-	-	(2,436,938)	-	-	-
Debt charges	284,393	101,902	-	(386,295)	-	-	-	-
Short term interest	39,000	-	-	-	(39,000)	-	-	-
Transfer to reserves	2,001,602	-	-	-	(2,001,602)	-	-	-
Allowance for tax assets	483	-	-	-	(483)	-	-	-
Total expenses	<u>\$ 12,246,262</u>	<u>\$ 2,691,537</u>	<u>\$ 3,195,207</u>	<u>\$ (257,876)</u>	<u>\$ (4,478,023)</u>	<u>\$ -</u>	<u>\$ 176,573</u>	<u>\$ 13,573,680</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 639,799</u>	<u>\$ (3,195,207)</u>	<u>\$ 257,876</u>	<u>\$ 1,774,879</u>	<u>\$ -</u>	<u>\$ (13,789)</u>	<u>\$ (536,442)</u>

Rural Municipality of Macdonald
ANALYSIS OF TAXES ON ROLL
December 31, 2020

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 706,463	\$ 326,399
Add:		
Tax levy (Schedule 12)	22,000,685	21,481,251
Taxes added	922,672	908,693
Penalties or interest	111,023	119,942
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Sub-total	23,034,380	22,509,886
Deduct:		
Cash collections - current	20,510,919	19,735,298
Cash collections - arrears	467,664	81,277
Cash collections - futures	780,773	686,123
Write-offs	29,525	69,039
Tax discounts	31,021	39,033
E.P.T.C. - cash advance	1,561,408	1,518,992
Other credits (specify)	-	-
Sub-total	23,381,310	22,129,762
Balance, end of year	\$ 359,533	\$ 706,523

Rural Municipality of Macdonald
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	\$ -	\$ -	\$ -
Name of LUD	\$ -	\$ -	-	-
Name of LUD	\$ -	\$ -	-	-
sub-total- L.U.D.			<u>-</u>	<u>-</u>
Debt charges:				
Frontage	\$ -	\$ -	334,683	334,369
LI.D.	\$ -	\$ -	-	-
Other (specify)	\$ -	\$ -	78,610	92,266
sub-total- Debt charges			<u>413,293</u>	<u>426,635</u>
Deferred surplus	\$ -	\$ -	<u>-</u>	<u>-</u>
Reserves:				
Name of reserve	\$ -	\$ -	-	-
Name of reserve	\$ -	\$ -	-	-
Name of reserve	\$ -	\$ -	-	-
sub-total- Reserves			<u>-</u>	<u>-</u>
General municipal	\$ 1,006,130,100	\$ 0.006	<u>6,577,072</u>	<u>6,428,269</u>
Special levies:				
sub-total- Special levies			<u>-</u>	<u>-</u>
Business tax (rate%)	\$ -	\$ -	<u>-</u>	<u>-</u>
Total municipal taxes (Schedule 2)			<u>6,990,365</u>	<u>6,854,904</u>
Education support levy	\$ 226,239,440	\$ 0.009	<u>1,997,242</u>	<u>1,906,230</u>
Special levies:				
SD Pembina Trails	\$ 538,220	\$ 0.012	6,227	6,180
SD Seine River	\$ 250,450,650	\$ 0.014	3,564,414	3,483,517
SD Red River Valley	\$ 731,655,830	\$ 0.013	9,193,092	8,993,523
SD Prairie Rose	\$ 23,485,400	\$ 0.011	249,345	236,897
sub-total- Special levies			<u>13,013,078</u>	<u>12,720,117</u>
Total education taxes			<u>15,010,320</u>	<u>14,626,347</u>
Total tax levy (Schedule 11)			<u>\$ 22,000,685</u>	<u>\$ 21,481,251</u>

Rural Municipality of Macdonald
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	<u>2020 Actual</u>	<u>2019 Actual</u>
General government services:		
Legislative	\$ 224,075	\$ 232,277
General administrative	1,202,796	1,179,442
Other	7,616	19,978
	<u>1,434,487</u>	<u>1,431,697</u>
Protective services:		
Police	-	-
Fire	401,410	353,732
Emergency measures	13,136	13,111
Other	54,071	51,037
	<u>468,617</u>	<u>417,880</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	5,873,874	4,345,997
Bridge maintenance	77,482	60,967
Sidewalk and boulevard maintenance	31,491	98,831
Street lighting	125,146	135,518
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>6,107,993</u>	<u>4,641,313</u>
Environmental health services:		
Waste collection and disposal	433,586	375,657
Recycling	-	-
Other	-	-
	<u>433,586</u>	<u>375,657</u>
Public health and welfare services:		
Public health	90,606	101,308
Medical care	-	-
Social assistance	4,206	4,206
Other	1,206	-
	<u>96,018</u>	<u>105,514</u>
Regional planning and development		
Planning and zoning	231,054	182,913
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>231,054</u>	<u>182,913</u>
Resource conservation and industrial development		
Rural area weed control	60,632	115,257
Drainage of land	1,468,802	1,457,404
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	7,134	110,734
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>1,536,568</u>	<u>1,683,395</u>
Sub-totals forward	<u>10,308,323</u>	<u>8,838,369</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2020

	<u>2020 Actual</u>	<u>2019 Actual</u>
Sub-totals forward	<u>\$ 10,308,323</u>	<u>\$ 8,838,369</u>
Recreation and cultural services:		
Administration	448,072	599,276
Community centers and halls	178	182
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	229	258
Parks and playgrounds	135,000	136,214
Other recreational facilities	647,171	229,910
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	<u>1,230,650</u>	<u>965,840</u>
Total expenses	<u>\$ 11,538,973</u>	<u>\$ 9,804,209</u>

Rural Municipality of Macdonald

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - (UNAUDITED)

December 31, 2020

	2020	2020		2019
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 218,681	\$ 52,835	\$ 271,516	\$ 80,820
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	2,817,294	1,642,483	4,459,777	3,635,834
Eliminate revenue - transfers from reserves	(1,781,450)	(610,797)	(2,392,247)	(1,505,842)
Increase revenue - reserve funds interest	367,254	-	367,254	343,401
Increase revenue - transfer from operating				-
Eliminate expense - (Gain) loss on disposal of tangible capital assets	175,934	-	175,934	8,966
Eliminate revenue - proceeds on disposal of tangible capital assets	(226,000)	-	(226,000)	(44,783)
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(13,789)	-	(13,789)	(11,511)
Increase expense - amortization of tangible capital assets	(1,632,994)	(1,562,213)	(3,195,207)	(3,174,765)
Decrease expense - principal portion of debenture debt	155,971	77,887	233,858	236,431
Eliminate expense - acquisitions of tangible capital assets	1,794,732	750,591	2,545,323	1,716,044
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,875,633	\$ 350,786	\$ 2,226,419	\$ 1,284,595