

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

# RURAL MUNICIPALITY OF WHITEHEAD

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For the year ended December 31, 2020

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## STATEMENT OF RESPONSIBILITY

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

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

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

Sensus Chartered Professional Accountants Ltd., as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditor's Report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.

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Danniele Carriere  
Chief Administrative Officer

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:  
Rural Municipality of Whitehead  
Alexander, Manitoba

### Qualified Opinion

We have audited the consolidated financial statements of Rural Municipality of Whitehead, which comprise the statement of financial position as at December 31, 2020 and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rural Municipality of Whitehead as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Municipality has shared control over several municipal reporting entities as noted in the Significant Accounting Policies note whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues, expenses and surplus are combined on a line-by-line basis in the consolidated financial statements of the Municipality. The financial statements of the government partnership the Souris Valley Recreation Commission were not subject to audit in 2020 and information to support the completeness, existence, accuracy and evaluation of their financial data in accordance with Canadian Public Sector Accounting Standards was not provided. Therefore, we were not able to determine whether any adjustments might be necessary to the financial data of this municipal reporting entity.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Rural Municipality of Whitehead in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian auditing standards, we exercise our professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Municipality of Whitehead's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rural Municipality of Whitehead's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of Whitehead to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Brandon, Manitoba  
May 9, 2022



Chartered Professional Accountants Ltd.

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

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 3,664,367	\$ 3,258,233
Amounts receivable (Note 4)	1,078,456	1,177,101
	<u>4,742,823</u>	<u>4,435,334</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	738,232	1,057,636
Severance and sick leave payable	26,312	21,094
Deferred revenue (Note 2)	7,865	28,308
Landfill closure and post closure liabilities (Note 7)	72,050	106,273
Long-term debt (Note 9)	2,270,563	2,477,158
Obligations under capital lease (Note 11)	442,964	224,161
	<u>3,557,986</u>	<u>3,914,630</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,184,837</u>	<u>520,704</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	10,987,369	11,211,398
Inventories (Note 5)	18,499	28,220
Prepaid expenses	17,792	17,634
	<u>11,023,660</u>	<u>11,257,252</u>
<b>ACCUMULATED SURPLUS (Note 16)</b>	<u>\$ 12,208,497</u>	<u>\$11,777,956</u>
<b>COMMITMENTS (Note 12)</b>		

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the year ended December 31, 2020

	2020 Budget (Note 8)	2020 Actual	2019 Actual
<b>REVENUE</b>			
Property taxes	\$ 1,827,491	\$ 1,851,700	\$ 1,859,464
Grants in lieu of taxation	44,636	44,636	43,073
User fees	99,987	154,060	146,874
Permits, licences and fines	4,000	9,840	12,703
Investment income	30,916	33,430	61,331
Other revenue	41,190	74,881	56,155
Water and sewer	427,350	515,097	501,610
Grants - Province of Manitoba	91,606	286,282	132,816
Grants - Other	145,108	229,660	240,014
Total revenue (Schedules 2, 4 and 5)	<u>2,712,284</u>	<u>3,199,586</u>	<u>3,054,040</u>
<b>EXPENSES</b>			
General government services	450,248	426,546	430,305
Protective services	226,243	231,690	208,113
Transportation services	820,793	920,239	718,991
Environmental health services	109,667	130,569	231,914
Public health and welfare services	23,428	13,552	9,987
Regional planning and development	25,000	10,031	13,430
Resource conservation and industrial development	132,634	116,447	120,420
Recreation and cultural services	51,995	51,106	57,808
Water and sewer services	951,909	868,865	830,371
Total expenses (Schedules 3, 4 and 5)	<u>2,791,917</u>	<u>2,769,045</u>	<u>2,621,339</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (79,633)</u>	430,541	432,701
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		11,777,956	11,345,255
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 12,208,497</u>	<u>\$11,777,956</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the year ended December 31, 2020

	2020 Budget (Note 8)	2020 Actual	2019 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (79,633)	\$ 430,541	\$ 432,701
Acquisition of tangible capital assets	(222,000)	(835,250)	(307,269)
Amortization of tangible capital assets	470,299	470,299	458,441
Loss on sale of tangible capital assets		57,458	79
Proceeds on sale of tangible capital assets		531,522	275
Decrease in inventories		9,721	51,357
Decrease (increase) in prepaid expenses		(158)	857
	<u>248,299</u>	<u>233,592</u>	<u>203,740</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u>\$ 168,666</u>	<u>664,133</u>	<u>636,441</u>
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>		<u>520,704</u>	<u>(115,737)</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u>\$ 1,184,837</u>	<u>\$ 520,704</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2020

	2020	2019
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 430,541	\$ 432,701
Changes in non-cash items:		
Amounts receivable	98,645	135,890
Inventories	9,721	43,341
Prepays	(158)	857
Accounts payable and accrued liabilities	(319,404)	112,110
Deferred revenue	(20,443)	(24,713)
Severance and sick leave payable	5,218	21,094
Landfill closure and post closure liabilities	(34,223)	9,000
Loss on sale of tangible capital assets	57,458	79
Amortization	470,299	458,441
Cash provided by operating transactions	697,654	1,188,800
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	531,522	275
Cash used to acquire tangible capital assets	(835,250)	(307,269)
Cash applied to capital transactions	(303,728)	(306,994)
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(206,595)	(197,363)
Advances of obligation under capital lease	218,803	47,221
Cash applied to financing transactions	12,208	(150,142)
<b>INCREASE IN CASH</b>	<b>406,134</b>	<b>731,664</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>3,258,233</b>	<b>2,526,569</b>
<b>CASH, END OF YEAR</b>	<b>\$ 3,664,367</b>	<b>\$ 3,258,233</b>

# **RURAL MUNICIPALITY OF WHITEHEAD**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2020

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### **1. STATUS OF THE RURAL MUNICIPALITY OF WHITEHEAD**

The incorporated Rural Municipality of Whitehead ("the Municipality") is a municipal government that was created on December 22, 1883 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Municipality owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **Reporting Entity**

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. The Municipality has no controlled organizations.

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Southwest Weed District - 22% (2019 - 22%)  
Whitehead Elton Regional Water Co-op Inc. - 45% (2019 - 45%)  
Souris Valley Recreation Commission - 11% (2019 - 11%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Note 18 - Trust Funds.

#### **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.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**Investments**

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

Portfolio investments are accounted for at cost.

**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.

**Landfill Closure and Post Closure Liabilities**

The municipality is currently operating a Class 2 landfill site in the RM of Whitehead. 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.

**Non-Financial Assets**

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

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

**Tangible Capital Assets**

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

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**General Tangible Capital Assets**

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

**Infrastructure Assets**

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

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

**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.

**Inventories**

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

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

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue Recognition**

Revenues are recognized as they are earned and measurable.

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

**Deferred Revenue**

Deferred revenue represents 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.

**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.

**3. CASH**

Cash is comprised of the following:

	2020	2019
Cash	\$ 3,664,367	\$ 3,258,233

The Municipality has designated \$2,235,231 (2019 - \$1,761,684) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. The Municipality had an authorized line of credit of \$100,000 in 2019 on their general operating account with interest to be charged at 3.45%. The line of credit was removed during the 2020 year.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

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**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2020	2019
Utility customers (Schedule 8)	\$ 657,882	\$ 647,778
Taxes on roll (Schedule 11)	274,508	396,209
Other governments	130,065	120,577
Organizations and individuals	16,001	12,537
	<u>\$ 1,078,456</u>	<u>\$ 1,177,101</u>

**5. INVENTORIES**

	2020	2019
<b>Inventories for use:</b>		
Chemicals - Southwest Weed District	\$ 9,830	\$ 13,535
Chemicals - Whitehead Elton Regional Water Co-op Inc. (Schedule 8)	8,669	14,685
	<u>\$ 18,499</u>	<u>\$ 28,220</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2020	2019
Accounts payable	\$ 537,659	\$ 760,035
School levies	158,771	258,136
Accrued expenses	37,912	34,673
Accrued interest payable	3,890	4,792
	<u>\$ 738,232</u>	<u>\$ 1,057,636</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

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**7. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES**

**Operating Landfill Site**

The Municipality is currently operating a Class 2 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. In 2021, a professional engineer was hired to assess the landfill site. This estimate was used in 2020 calculation of landfill liability therefore the prior year figures may not be comparative.

	<b>2020</b>	2019
Estimated closure and post closure costs over the next 2 years	<b>\$ 91,867</b>	\$ 191,735
Discount rate	<b>5.625 %</b>	5.625 %
<b>Discount costs</b>	<b>\$ 82,343</b>	\$ 130,718
Expected year capacity will be reached	<b>2022</b>	2026
Capacity (tonnes):		
Used to date	<b>87.5</b>	81.3
Remaining	<b>12.5</b>	21.4
Total	<b>100</b>	100
Percent utilized	<b>87.50 %</b>	81.30 %
<b>Liability based on percentage</b>	<b>\$ 72,050</b>	\$ 106,273

**8. 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.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**9. LONG-TERM DEBT**

	2020	2019
<b>General Authority</b>		
Westoba Credit Union Ltd. bank loan, payable at \$25,000 annually including interest at 3.950%, maturing November 2021.	\$ 30,122	\$ 53,507
Debenture, payment of \$37,655 annually including interest at 3.040%, maturing January 2024.	139,832	172,250
	<hr/> 169,954	<hr/> 225,757
<b>Utility Funds</b>		
Debenture, payable at \$78,762 annually including interest at 5.625%, maturing December 2027.	445,602	496,439
Debenture, payable at \$35,488 annually including interest at 4.125%, maturing December 2037	427,581	444,724
Debenture, payable at \$80,357 annually including interest at 4.750%, maturing December 2030.	628,099	676,331
Debenture, payable at \$34,372 annually including interest at 4.125%, maturing December 2031.	299,096	320,258
Royal Bank of Canada fixed rate term loan, payable at \$25,463 annually including interest at 3.840%, maturing December 2036.	300,231	313,649
	<hr/> 2,100,609	<hr/> 2,251,401
	<hr/> <b>\$ 2,270,563</b>	<hr/> <b>\$ 2,477,158</b>

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

2021	\$ 215,234
2022	206,889
2023	209,078
2024	218,519
2025	190,749
	<hr/> \$ 1,040,469

**10. DEBENTURES PENDING**

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
None		\$

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

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**11. OBLIGATION UNDER CAPITAL LEASE**

In 2019, the Municipality leased a 2019 Case 4-Wheel Tractor through Royal Bank of Canada with an initial payment of \$53,520 in February 2020. The remaining monthly payments are \$3,339 net of GST from March 2020 to January 2023.

In 2020, the Municipality entered into another lease agreement with Royal Bank of Canada for a 2020 John Deere Grader with monthly payments of \$11,373 net of GST from October 2020 to September 2023.

2021	\$ 176,545
2022	176,545
2023	102,353
	<hr/>
Total minimum lease	455,443
Less amount representing future interest (ranging from 2.30% to 3.40%)	(12,479)
	<hr/>
Balance of obligation	\$ 442,964
	<hr/> <hr/>

Interest expense includes \$2,208 (2019 - \$2,448) with respect to this obligation.

Assets under capital lease include vehicles, machinery and road construction equipment.

	2020	2019
Cost of leased tangible capital assets	\$ 685,797	\$ 565,832
Accumulated amortization of leased tangible capital assets	(34,751)	(101,845)
	<hr/>	<hr/>
	\$ 651,046	\$ 463,987
	<hr/> <hr/>	<hr/> <hr/>

Amortization expense includes \$30,349 (2019 - \$43,379) on leased tangible capital assets.

**12. COMMITMENTS**

The Municipality is committed to the Water System Supply Upgrade project with an anticipated project cost of \$3 million. The project will be funded with contributions of 50% to a maximum of \$1.5 million from the Province of Manitoba through the Manitoba Restart Program and the remaining will be from Whitehead Elton Regional Water Co-operative Inc. (WERWC) which will be funded equally by the Rural Municipality of Whitehead and Rural Municipality of Elton. The Rural Municipality of Whitehead has spent \$474,011 subsequent to year end.

The Municipality is committed to the Waste Management Facility project. A grant application was submitted to the Province and is still pending as of the audit report date. As of the financial statement date, \$29,059 had been spent on a feasibility study with an additional \$32,327 spent subsequent to year end for the purchase of the land.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**13. RETIREMENT BENEFITS**

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2.0% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$23,593 (2019 - \$18,788) 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 has 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 requirements. As a result, solvency funding is no longer required by MEPP.

**14. 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.

**15. OTHER MATTERS**

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As a result, tax sale was moved to the following year to help the ratepayers experiencing financial difficulties. Non-essential services such as recreational facilities were closed during the year which resulted to a dramatic decline in revenues for recreation and cultural services. Furthermore, the Municipality has taken several steps to reduce the spread of the virus such as closing the municipal office and holding council meetings virtually. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of the disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**16. ACCUMULATED SURPLUS**

	2020	2019
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 1,481,954	\$ 1,271,991
Utility Operating Fund(s) - Nominal Surplus	217,930	224,755
TCA net of related borrowings	6,320,190	6,464,024
Reserve Funds	2,235,231	1,761,684
	<hr/>	
Accumulated Surplus of Municipality Unconsolidated	10,255,305	9,722,454
Accumulated Surpluses of Consolidated Entities	1,953,192	2,055,502
	<hr/>	
Accumulated Surplus per Consolidated Statement of Financial Position	<b>\$ 12,208,497</b>	<b>\$11,777,956</b>

**17. 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 \$56,532 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>
Darryl Speers	\$ 8,501	\$ 300	\$ 8,801
Tammy Black	2,683	302	2,985
Allan Sutherland	11,364	330	11,694
John Bokkel	8,371	419	8,790
Christopher Semeschuk	8,331	300	8,631
Trevor Tuttosi	8,891	583	9,474
Curtis Storey	8,391	320	8,711
	<hr/>		
	<b>\$ 56,532</b>	<b>\$ 2,554</b>	<b>\$ 59,086</b>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Cindy Izzard	Chief Administrative Officer	\$ 76,263

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

**18. TRUST FUNDS**

The Municipality administers the following trust funds:

	Balance, beginning of year	Excess (deficiency) of receipts over disbursements	Balance, end of year
Cemetery Trust	\$ 7,068	\$ (2,486)	\$ 4,582
Cenotaph Trust	2,962	31	2,993
Weed Trust	366	4	370
	<u>\$ 10,396</u>	<u>\$ (2,451)</u>	<u>\$ 7,945</u>

**19. 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. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet the recommendations of PSAB standards.

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

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

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

**Water services:**

<u>Description of Utility</u>	Unamortized Opening Balance	Additions (Disposals) During Year	Amortization During Year	Unamortized Balance Ending
Alexander	\$ 3,677,622	\$ (224,094)	\$ 103,063	\$ 3,350,465

**Sewer services:**

<u>Description of Utility</u>	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Alexander	\$ 586,584	\$	\$ 16,108	\$ 570,476

**RURAL MUNICIPALITY OF WHITEHEAD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

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**20. SEGMENTED INFORMATION**

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

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource conservation and industrial development
- Recreation and cultural services
- Water and sewer services

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

**21. GOVERNMENT PARTNERSHIPS**

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

	2020	2019
<b>Financial Position</b>		
Financial assets	\$ 194,844	\$ 599,343
Liabilities	214,564	621,151
Net debt	(19,720)	(21,808)
Non-financial assets	1,972,912	2,077,310
Accumulated surplus	<u>\$ 1,953,192</u>	<u>\$2,055,502</u>
<b>Result of Operations</b>		
Revenues	\$ 271,231	\$ 262,716
Expenses	386,298	375,792
Intercompany revenue and expense eliminations	12,757	13,013
Deficit	<u>\$ (102,310)</u>	<u>\$ (100,063)</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
For the year ended December 31, 2020

	General Capital Assets				Infrastructure		Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer	2020	2019
<b>Cost</b>								
Opening costs	\$ 67,561	399,517	1,976,469	21,675	8,818,849	11,661,944	\$ 22,946,015	\$ 22,653,240
Additions during the year		64,960	575,215			195,075	835,250	307,269
Disposals and write downs			(349,622)	(6,744)		(1,052,770)	(1,409,136)	(14,494)
Closing costs	<u>67,561</u>	<u>464,477</u>	<u>2,202,062</u>	<u>14,931</u>	<u>8,818,849</u>	<u>10,804,249</u>	<u>22,372,129</u>	<u>22,946,015</u>
<b>Accumulated Amortization</b>								
Opening accum'd amort		173,408	820,620	20,221	8,205,918	2,514,450	11,734,617	11,290,316
Amortization		10,183	140,360	944	20,622	298,190	470,299	458,441
Disposals and write downs			(157,134)	(6,745)		(656,277)	(820,156)	(14,140)
Closing accum'd amortization		<u>183,591</u>	<u>803,846</u>	<u>14,420</u>	<u>8,226,540</u>	<u>2,156,363</u>	<u>11,384,760</u>	<u>11,734,617</u>
Net Book Value of Tangible Capital Assets	<u>\$ 67,561</u>	<u>280,886</u>	<u>1,398,216</u>	<u>511</u>	<u>592,309</u>	<u>8,647,886</u>	<u>\$ 10,987,369</u>	<u>\$ 11,211,398</u>

Water and sewer underground networks contributed to the Municipality totals \$7,907,938 and were capitalized at their fair value at the time of their receipt.

The Municipality has 434 km of roads that were capitalized at a nominal value of \$7,812,000.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES**  
For the year ended December 31, 2020

	2020 Actual	2019 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 1,818,742	\$ 1,833,415
Taxes added	37,466	32,018
Discounts	(4,508)	(5,969)
	<u>1,851,700</u>	<u>1,859,464</u>
<b>Grants in lieu of taxation:</b>	<u>44,636</u>	<u>43,073</u>
<b>User fees:</b>		
Sales of service	131,357	129,871
Sales of goods	445	420
Rentals	22,258	16,583
	<u>154,060</u>	<u>146,874</u>
<b>Permits, licences and fines:</b>		
Permits	9,124	11,375
Licences	10	70
Fines	706	1,258
	<u>9,840</u>	<u>12,703</u>
<b>Investment income:</b>		
Cash and temporary investments	<u>33,430</u>	<u>61,331</u>
<b>Other revenue:</b>		
Penalties and interest	36,812	43,104
Gain on sale of tangible capital assets		275
Tax sale fees		3,496
Miscellaneous	38,069	9,280
	<u>74,881</u>	<u>56,155</u>
<b>Water and sewer</b>		
Municipal utility	313,697	312,539
Consolidated water co-operatives	201,400	189,071
	<u>515,097</u>	<u>501,610</u>
<b>Sub-total</b>	<u>\$ 2,683,644</u>	<u>\$ 2,681,210</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)**  
**For the year ended December 31, 2020**

	2020 Actual	2019 Actual
<b>Sub-total (Carry forward)</b>	\$ 2,683,644	\$ 2,681,210
<b>Grants - Province of Manitoba:</b>		
General assistance payment	132,816	132,816
Conditional grants	153,466	
	<u>286,282</u>	<u>132,816</u>
<b>Grants - other:</b>		
Federal government - gas tax funding	89,389	178,171
Federal government - other	99,444	
Other municipal governments	40,827	61,843
	<u>229,660</u>	<u>240,014</u>
<b>Total revenue</b>	<u>\$ 3,199,586</u>	<u>\$ 3,054,040</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES**  
For the year ended December 31, 2020

	2020 Actual	2019 Actual
<b>General government services:</b>		
Legislative	\$ 62,656	\$ 73,455
General administrative	352,092	342,203
Other	10,214	14,647
Loss on disposal of tangible capital assets	1,584	
	<u>426,546</u>	<u>430,305</u>
<b>Protective services:</b>		
Police	7,043	7,840
Fire	95,977	114,879
Other protection	128,670	85,394
	<u>231,690</u>	<u>208,113</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	171,086	177,525
Road and street maintenance	625,928	528,398
Sidewalk and boulevard maintenance	1,500	
Street lighting	11,591	10,620
Other	4,936	2,448
Loss on disposal of tangible capital assets	105,198	
	<u>920,239</u>	<u>718,991</u>
<b>Environmental health services:</b>		
Waste collection and disposal	130,569	222,914
Other		9,000
	<u>130,569</u>	<u>231,914</u>
<b>Public health and welfare services:</b>		
Public health	10,912	1,598
Medical care		5,749
Social assistance	2,640	2,640
	<u>13,552</u>	<u>9,987</u>
<b>Regional planning and development:</b>		
Planning and zoning	2,488	11,802
Beautification and land rehabilitation	7,543	1,628
	<u>10,031</u>	<u>13,430</u>
<b>Sub-total</b>	<u>\$ 1,732,627</u>	<u>\$ 1,612,740</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)**  
For the year ended December 31, 2020

	2020 Actual	2019 Actual
<b>Sub-total (Carry forward)</b>	<b>\$ 1,732,627</b>	<b>\$ 1,612,740</b>
<b>Resource conservation and industrial development:</b>		
Rural area weed control	114,384	118,397
Veterinary services	2,063	2,023
	<u>116,447</u>	<u>120,420</u>
<b>Recreation and cultural services</b>		
Administration	28,047	27,508
Community centres and halls	9,683	12,823
Skating and curling rinks	10,122	17,477
Parks and playgrounds	3,254	
	<u>51,106</u>	<u>57,808</u>
<b>Water and sewer (Schedule 9)</b>		
Municipal utility	553,752	530,667
Consolidated water co-operatives	315,113	299,704
	<u>868,865</u>	<u>830,371</u>
<b>Total expenses</b>	<b>\$ 2,769,045</b>	<b>\$ 2,621,339</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 4 - 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
<b>REVENUE</b>										
Property taxes	\$ 1,585,750	\$ 1,593,514								
Grants in lieu of taxation	44,636	43,073								
User fees	26,775	18,953	38,363	49,929	675	4,770	60,979	45,197		
Grants - other	188,833	178,171								
Permits, licences and fines	9,134	11,545	706	1,158						
Investment income	32,514	60,082								
Other revenue	73,594	55,390								
Water and sewer										
Prov of MB - unconditional grants	132,816	132,816								
Prov of MB - conditional grants			144,939		3,694					
<b>Total revenue</b>	<b>2,094,052</b>	<b>2,093,544</b>	<b>184,008</b>	<b>51,087</b>	<b>4,369</b>	<b>4,770</b>	<b>60,979</b>	<b>45,197</b>		
<b>EXPENSES</b>										
Personnel services	281,223	278,326	23,494	29,446	167,828	174,266	17,460	19,190	10,624	1,166
Contract services	71,244	80,986	40,784	59,549	138,520	126,524	81,372	68,731	2,640	2,640
Utilities	7,976	8,659	6,676	7,185	5,724	6,116				
Maintenance, materials and supplies	42,639	49,674	102,493	53,111	387,126	305,157	31,570	134,826		
Grants and contributions	1,000	1,500								5,749
Amortization	1,868	1,891	52,293	49,665	111,716	104,480	167	167	288	432
Interest on long term debt			5,950	9,157	4,127	2,448				
Other	20,596	9,269			105,198			9,000		
<b>Total expenses</b>	<b>426,546</b>	<b>430,305</b>	<b>231,690</b>	<b>208,113</b>	<b>920,239</b>	<b>718,991</b>	<b>130,569</b>	<b>231,914</b>	<b>13,552</b>	<b>9,987</b>
<b>Surplus (Deficit)</b>	<b>\$ 1,667,506</b>	<b>\$ 1,663,239</b>	<b>(47,682)</b>	<b>(157,026)</b>	<b>(915,870)</b>	<b>(714,221)</b>	<b>(69,590)</b>	<b>(186,717)</b>	<b>(13,552)</b>	<b>(9,987)</b>

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

# RURAL MUNICIPALITY OF WHITEHEAD

## SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM (continued)

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
<b>REVENUE</b>										
Property taxes							265,950	265,950	\$ 1,851,700	\$ 1,859,464
Grants in lieu of taxation									44,636	43,073
User fees			19,418	19,345	7,850	8,680			154,060	146,874
Grants - other			39,728	44,261	1,099	17,582			229,660	240,014
Permits, licences and fines									9,840	12,703
Investment income			916	1,215		34			33,430	61,331
Other revenue			593	765	694				74,881	56,155
Water and sewer							515,097	501,610	515,097	501,610
Prov of MB - unconditional grants									132,816	132,816
Prov of MB - conditional grants					4,833				153,466	
<b>Total revenue</b>			<b>60,655</b>	<b>65,586</b>	<b>14,476</b>	<b>26,296</b>	<b>781,047</b>	<b>767,560</b>	<b>3,199,586</b>	<b>3,054,040</b>
<b>EXPENSES</b>										
Personnel services			29,159	30,585	6,485	6,203	116,639	110,803	652,912	649,985
Contract services	2,488	11,802	2,719	2,939	23,862	26,988	2,111	3,270	365,740	383,429
Utilities			363	406	6,282	5,067	24,885	21,562	51,906	48,995
Maintenance, materials and supplies	7,543	1,628	28,680	28,028	1,807	5,373	303,018	286,652	904,876	864,449
Grants and contributions			52,913	55,886	9,410	11,432			63,323	74,567
Amortization			2,613	2,576	3,164	2,741	298,190	296,489	470,299	458,441
Interest on long term debt							104,022	111,595	114,099	123,200
Other					96	4	20,000		145,890	18,273
<b>Total expenses</b>	<b>10,031</b>	<b>13,430</b>	<b>116,447</b>	<b>120,420</b>	<b>51,106</b>	<b>57,808</b>	<b>868,865</b>	<b>830,371</b>	<b>2,769,045</b>	<b>2,621,339</b>
<b>Surplus (Deficit)</b>	<b>(10,031)</b>	<b>(13,430)</b>	<b>(55,792)</b>	<b>(54,834)</b>	<b>(36,630)</b>	<b>(31,512)</b>	<b>(87,818)</b>	<b>(62,811)</b>	<b>\$ 430,541</b>	<b>\$ 432,701</b>

# RURAL MUNICIPALITY OF WHITEHEAD

## SCHEDULE 5 - 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
<b>REVENUE</b>								
Property taxes	\$ 1,851,700	\$ 1,859,464					\$ 1,851,700	\$ 1,859,464
Grants in lieu of taxation	44,636	43,073					44,636	43,073
User fees	132,092	127,736			21,968	19,138	154,060	146,874
Grants - other	188,833	187,521			40,827	52,493	229,660	240,014
Permits, licences and fines	9,840	12,703					9,840	12,703
Investment income	32,514	60,082			916	1,249	33,430	61,331
Other revenue	73,594	55,390			1,287	765	74,881	56,155
Water and sewer	313,697	312,539			201,400	189,071	515,097	501,610
Prov of MB - unconditional grants	132,816	132,816					132,816	132,816
Prov of MB - conditional grants	148,633				4,833		153,466	
<b>Total revenue</b>	<b>2,928,355</b>	<b>2,791,324</b>			<b>271,231</b>	<b>262,716</b>	<b>3,199,586</b>	<b>3,054,040</b>
<b>EXPENSES</b>								
Personnel services	506,945	515,304			145,967	134,681	652,912	649,985
Contract services	362,305	380,061			3,435	3,368	365,740	383,429
Utilities	26,471	26,727			25,435	22,268	51,906	48,995
Maintenance, materials and supplies	791,040	748,181			113,836	116,268	904,876	864,449
Grants and contributions	63,323	73,110				1,457	63,323	74,567
Amortization	373,142	361,732			97,157	96,709	470,299	458,441
Interest on long term debt	113,727	122,163			372	1,037	114,099	123,200
Other	145,794	18,269			96	4	145,890	18,273
<b>Total expenses</b>	<b>2,382,747</b>	<b>2,245,547</b>			<b>386,298</b>	<b>375,792</b>	<b>2,769,045</b>	<b>2,621,339</b>
<b>Surplus</b>	<b>\$ 545,608</b>	<b>\$ 545,777</b>			<b>(115,067)</b>	<b>(113,076)</b>	<b>\$ 430,541</b>	<b>\$ 432,701</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES**  
For the year ended December 31, 2020

	2020				
	Employee Severance Reserve	Equipment Replacement Reserve	New General Reserve	Waste Disposal Reserve	Sub Total
<b>REVENUE</b>					
Investment income	\$ 8	429	536	40	\$ 1,013
Other income					
<b>Total revenue</b>	<u>8</u>	<u>429</u>	<u>536</u>	<u>40</u>	<u>1,013</u>
<b>EXPENSES</b>					
Investment charges					
Other expenses					
<b>Total expenses</b>					
<b>NET REVENUES</b>	8	429	536	40	1,013
<b>TRANSFERS</b>					
Debt repayment					
Transfers from operating fund	10,000	125,000	139,444	50,000	324,444
Transfers to operating fund		(113,971)	(44,960)	(14,750)	(173,681)
Transfers from utility fund					
Transfers to utility fund					
Acquisition of tangible capital assets					
<b>CHANGE IN RESERVE FUND BALANCES</b>	10,008	11,458	95,020	35,290	151,776
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>6,497</u>	<u>117,353</u>	<u>315,108</u>	<u>65,691</u>	<u>504,649</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 16,505</u>	<u>128,811</u>	<u>410,128</u>	<u>100,981</u>	<u>\$ 656,425</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)**  
For the year ended December 31, 2020

	Gas Tax Reserve	Fire Capital Reserve	2020 Utility Replacement Reserve	Rural Water Deposit Reserve	Total	2019 Total
<b>REVENUE</b>						
Investment income	\$ 2,818	836		2,797	\$ 7,464	\$ 14,639
Other income		500			500	500
Total revenue	2,818	1,336		2,797	7,964	15,139
<b>EXPENSES</b>						
Investment charges						
Other expenses						
Total expenses						
<b>NET REVENUES</b>	2,818	1,336		2,797	7,964	15,139
<b>TRANSFERS</b>						
Debt repayment						
Transfers from operating fund	89,389	50,000			463,833	443,171
Transfers to operating fund	(53,947)	(62,473)			(290,101)	(228,539)
Transfers from utility fund			10,000	492,067	502,067	90,000
Transfers to utility fund				(210,216)	(210,216)	(64,466)
Acquisition of tangible capital assets						
<b>CHANGE IN RESERVE FUND BALANCES</b>	38,260	(11,137)	10,000	284,648	473,547	255,305
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	391,733	113,183	42,300	709,819	1,761,684	1,506,379
<b>FUND SURPLUS, END OF YEAR</b>	\$ 429,993	102,046	52,300	994,467	\$ 2,235,231	\$ 1,761,684

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Alexander**  
**For the year ended December 31, 2020**

	2020 Budget	2020 Actual	2019 Actual
<b>REVENUE</b>			
Taxation	\$ 41,410	\$ 41,410	\$ 43,091
Other revenue	46,670	50,921	35,710
Total revenue	<u>88,080</u>	<u>92,331</u>	78,801
<b>EXPENSES</b>			
General government			
Indemnities	9,080	10,510	5,832
Transportation services			
Road and street maintenance	34,500	21,330	16,093
Sidewalk and boulevard maintenance	1,500	1,500	
Street lighting	10,000	8,362	9,006
Other	4,500	3,918	4,280
Regional planning and development			
Beautification and land rehabilitation	18,500	13,213	14,640
Recreation and cultural services			
Community centres and halls	7,500	884	3,841
Parks and playgrounds	2,500	1,254	
Total expenses	<u>88,080</u>	<u>60,971</u>	53,692
<b>NET REVENUES</b>		<b>31,360</b>	25,109
<b>TRANSFERS</b>			
<b>CHANGES IN L.U.D. BALANCES</b>	<u>\$</u>	<u>31,360</u>	25,109
<b>UNEXPENDED BALANCE, BEGINNING OF YEAR</b>		<u>61,794</u>	36,685
<b>UNEXPENDED BALANCE, END OF YEAR</b>		<u>\$ 93,154</u>	<u>\$ 61,794</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY**  
For the year ended December 31, 2020

	2020			2019
	Whitehead	Whitehead Elton Regional Water Co- operative Inc.	Total	Total
<b>FINANCIAL ASSETS</b>				
Cash	\$ 42,368	\$	\$ 42,368	\$ 4,457
Amounts receivable (Note 4)	552,816	105,066	657,882	647,778
Due from other funds				139,060
	<u>595,184</u>	<u>105,066</u>	<u>700,250</u>	<u>791,295</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities		212,983	212,983	658,718
Long-term debt (Note 9)	2,100,609		2,100,609	2,251,401
Due to other funds	377,254		377,254	
	<u>2,477,863</u>	<u>212,983</u>	<u>2,690,846</u>	<u>2,910,119</u>
<b>NET DEBT</b>	<u>(1,882,679)</u>	<u>(107,917)</u>	<u>(1,990,596)</u>	<u>(2,118,824)</u>
<b>NON-FINANCIAL ASSETS</b>				
Tangible capital assets (Schedule 1)	6,706,349	1,941,537	8,647,886	9,147,494
Inventories (Note 5)		8,669	8,669	14,685
Prepaid expenses		761	761	3,034
	<u>6,706,349</u>	<u>1,950,967</u>	<u>8,657,316</u>	<u>9,165,213</u>
<b>FUND SURPLUS</b>	<u>\$ 4,823,670</u>	<u>\$ 1,843,050</u>	<u>\$ 6,666,720</u>	<u>\$ 7,046,389</u>

COMMITMENTS (Note 12)

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead**  
For the year ended December 31, 2020

	Budget	2020	2019
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 196,500	\$ 214,453	\$ 196,548
Bulk water fees	2,750	1,926	3,237
Sub-Total - Water	199,250	216,379	199,785
<b>Sewer</b>			
Lagoon tipping fees		410	120
<b>Property taxes</b>	265,950	265,950	265,950
<b>Other</b>			
Hydrant rentals	1,200	1,200	1,200
Connection charges	25,000	46,250	110,000
Investment income		69	97
Gain (loss) on sale of tangible capital assets		49,324	(354)
Other income	500	65	1,691
Sub-Total - Other	26,700	96,908	112,634
<b>Total revenue</b>	<b>\$ 491,900</b>	<b>\$ 579,647</b>	<b>\$ 578,489</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead**  
For the year ended December 31, 2020

	Budget	2020	2019
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 2,500	\$ 6,316	\$ 12,910
<b>Water General</b>			
Purification and treatment	20,000	4,466	4,135
Water purchases	215,000	206,286	195,114
Connection costs	82,000	3,558	5,302
Sub-Total - Water General	317,000	214,310	204,551
<b>Water Amortization and Interest</b>			
Amortization		203,646	202,357
Interest on long term debt		103,650	110,558
Sub-Total - Water Amortization & Interest		307,296	312,915
<b>Sewer General</b>			
Collection system costs		20,000	
Treatment and disposal cost	10,000	5,830	291
Total expenses	329,500	553,752	530,667
<b>NET OPERATING SURPLUS</b>	\$ 162,400	25,895	47,822
<b>TRANSFERS</b>			
Transfers to reserve funds		(291,851)	(25,534)
<b>CHANGE IN UTILITY FUND BALANCE</b>		(265,956)	22,288
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		5,089,626	5,067,338
<b>FUND SURPLUS, END OF YEAR</b>	\$ 4,823,670	\$ 5,089,626	

# RURAL MUNICIPALITY OF WHITEHEAD

## SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead Elton Regional Water Co-operative Inc.

For the year ended December 31, 2020

	Budget	2020	2019
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 199,696	\$ 199,696	\$ 179,916
<b>Government transfers</b>			
Government transfers - operating	1,704	1,704	4,899
Government transfers - capital			4,256
Sub-Total - Government transfers	1,704	1,704	9,155
Total revenue	\$ 201,400	\$ 201,400	\$ 189,071
<b>EXPENSES</b>			
<b>General</b>			
Utilities (telephone, electricity, etc)	24,885	24,885	21,562
<b>Water General</b>			
Purification and treatment	195,312	195,312	182,973
<b>Water Amortization &amp; Interest</b>			
Amortization	94,544	94,544	94,132
Interest on long term debt	372	372	1,037
Sub-Total - Water Amortization & Interest	94,916	94,916	95,169
Total expenses	315,113	315,113	299,704
<b>DEFICIT</b>	\$ (113,713)	(113,713)	(110,633)
<b>TRANSFERS</b>			
<b>CHANGE IN UTILITY FUND BALANCE</b>		(113,713)	(110,633)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		1,956,763	2,067,396
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,843,050	\$ 1,956,763	

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET**  
For the year ended December 31, 2020

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	L.U.D. of Alexander	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 1,520,131	265,950				41,410		\$ 1,827,491
Grants in lieu of taxation	44,636							44,636
User fees	77,650					1,600	20,737	99,987
Grants - Province of Manitoba	72,087					18,000	1,519	91,606
Grants - other	89,389						55,719	145,108
Permits, licences and fines	4,000							4,000
Investment income	30,000						916	30,916
Other revenue	37,500					2,500	1,190	41,190
Water and sewer		427,350						427,350
Transfers from accumulated surplus					(24,570)	24,570		
Transfers from reserves	57,655	10,000			(67,655)			
Total revenue	<u>1,933,048</u>	<u>703,300</u>			<u>(92,225)</u>	<u>88,080</u>	<u>80,081</u>	<u>2,712,284</u>
<b>EXPENSES</b>								
General government services	439,300		1,868			9,080		450,248
Protective services	168,000		52,293	5,950				226,243
Transportation services	654,450		111,716	4,127		50,500		820,793
Environmental health services	102,000		167			7,500		109,667
Public health and welfare services	23,140		288					23,428
Regional planning and development	10,000					15,000		25,000
Resource cons and industrial dev	69,100						63,534	132,634
Recreation and cultural services	35,000		3,164			6,000	7,831	51,995
Water and sewer services		644,613	203,646	103,650				951,909
Fiscal services:								
Transfer to capital								
Debt charges	62,655	265,950		(328,605)				
Short term interest								
Transfer to reserves	364,389	10,000			(374,389)			
Allowance for tax assets	5,014				(5,014)			
Total expenses	<u>1,933,048</u>	<u>920,563</u>	<u>373,142</u>	<u>(214,878)</u>	<u>(379,403)</u>	<u>88,080</u>	<u>71,365</u>	<u>2,791,917</u>
<b>Surplus (Deficit)</b>	<u>\$</u>	<u>(217,263)</u>	<u>(373,142)</u>	<u>214,878</u>	<u>287,178</u>	<u></u>	<u>8,716</u>	<u>\$ (79,633)</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL**  
**For the year ended December 31, 2020**

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	2020	2019
<b>Balance, beginning of year</b>	<b>\$ 396,209</b>	<b>\$ 366,230</b>
<b>Add:</b>		
Tax levy (Schedule 12)	3,930,940	3,982,104
Taxes added	37,466	32,018
Penalties or interest	36,812	43,104
Other accounts added	14,489	26,639
<b>Sub-total</b>	<b>4,019,707</b>	<b>4,083,865</b>
<b>Deduct:</b>		
Cash collections - current	3,364,632	3,376,725
Cash collections - arrears	380,227	277,932
Writeoffs	14,012	8,769
Tax discounts	4,508	5,969
E.P.T.C. - cash advance	378,029	384,491
<b>Sub-total</b>	<b>4,141,408</b>	<b>4,053,886</b>
<b>Balance, end of year</b>	<b>\$ 274,508</b>	<b>\$ 396,209</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 12 - ANALYSIS OF TAX LEVY**  
For the year ended December 31, 2020

	2020		2019	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D. Alexander	9,923,230	4.180	\$ 41,479	\$ 43,153
Sub-Total - L.U.D			<u>41,479</u>	<u>43,153</u>
Debt charges:				
Frontage			58,825	58,825
L.I.D.- Water/Sewer	10,301,280	1.830	18,851	18,991
Other (Fire Department)	146,579,970	0.170	24,919	24,805
Sub-Total - Debt charges			<u>102,595</u>	<u>102,621</u>
Reserves:				
Machinery Replacement	146,579,970	0.830	121,661	74,413
Fire Replacement Reserve	146,579,970	0.340	49,837	39,395
Waste Disposal Site Reserve	146,579,970	0.340	49,837	39,395
General	146,579,970	0.340	49,837	107,972
Sub-Total - Reserves			<u>271,172</u>	<u>261,175</u>
General Municipal - Rural Area	136,656,740	4.610	629,988	714,007
- At Large	146,579,970	4.000	586,320	525,271
Special levies:				
Kemville			11,508	11,508
Rural Water			175,680	175,680
Sub-Total - Special levies			<u>187,188</u>	<u>187,188</u>
<b>Total municipal taxes (Schedule 2)</b>			<u>1,818,742</u>	<u>1,833,415</u>
Education support levy	7,880,560	9.090	71,634	70,954
Special levy:				
Brandon School Division	123,091,530	14.710	1,810,676	1,848,174
Fort La Bosse	3,042,850	7.350	22,365	24,266
Southwest Horizon	20,445,590	10.150	207,523	205,295
Sub-Total - Special levies			<u>2,040,564</u>	<u>2,077,735</u>
<b>Total education taxes</b>			<u>2,112,198</u>	<u>2,148,689</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 3,930,940</u>	<u>\$ 3,982,104</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the year ended December 31, 2020**

	2020	2019
<b>General government services:</b>		
Legislative	\$ 62,656	\$ 73,455
General administrative	352,092	342,203
Other	10,214	14,647
Loss on disposal of tangible capital assets	1,584	
	<u>426,546</u>	<u>430,305</u>
<b>Protective services:</b>		
Police	7,043	7,840
Fire	95,977	114,879
Other protection	128,670	85,394
	<u>231,690</u>	<u>208,113</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	171,086	177,525
Road and street maintenance	625,928	528,398
Sidewalk and boulevard maintenance	1,500	
Street lighting	11,591	10,620
Other	4,936	2,448
Loss on disposal of tangible capital assets	105,198	
	<u>920,239</u>	<u>718,991</u>
<b>Environmental health services:</b>		
Waste collection and disposal	130,569	222,914
Other		9,000
	<u>130,569</u>	<u>231,914</u>
<b>Public health and welfare services:</b>		
Public health	10,912	1,598
Medical care		5,749
Social assistance	2,640	2,640
	<u>13,552</u>	<u>9,987</u>
<b>Regional planning and development:</b>		
Planning and zoning	2,488	11,802
Beautification and land rehabilitation	7,543	1,628
	<u>10,031</u>	<u>13,430</u>
<b>Sub-total</b>	<u>\$ 1,732,627</u>	<u>\$ 1,612,740</u>

# RURAL MUNICIPALITY OF WHITEHEAD

## SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES (continued)

For the year ended December 31, 2020

	2020	2019
<b>Sub-total (carry forward)</b>	<b>\$ 1,732,627</b>	<b>\$ 1,612,740</b>
<b>Resource conservation and industrial development:</b>		
Rural area weed control	62,445	66,279
Veterinary services	2,063	2,023
	<hr/>	<hr/>
	64,508	68,302
<b>Recreation and cultural services:</b>		
Administration	21,558	16,551
Community centres and halls	9,683	12,823
Skating and curling rinks	10,122	17,477
Parks and playgrounds	3,254	
	<hr/>	<hr/>
	44,617	46,851
<b>Total expenses</b>	<b>\$ 1,841,752</b>	<b>\$ 1,727,893</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)**  
For the year ended December 31, 2020

	2020			2019
	General	Utility	Total	Total
<b>MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	<b>\$ 178,603</b>	<b>(6,825)</b>	<b>\$ 171,778</b>	<b>\$ 174,083</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	463,833	502,067	965,900	533,171
Eliminate revenue - transfers from reserves	(290,101)	(210,216)	(500,317)	(293,005)
Increase revenue - reserve funds interest	7,964		7,964	15,139
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	11,403	(113,713)	(102,310)	(100,063)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	31,360		31,360	25,109
Increase expense - amortization of tangible capital assets	(169,496)	(203,646)	(373,142)	(361,732)
Decrease expense - principal portion of debenture debt	55,803	150,792	206,595	197,363
Eliminate revenue - principal portion of obligations under capital lease	146,781		146,781	116,959
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(106,782)	49,324	(57,458)	(79)
Eliminate revenue - proceeds from obligations under capital lease	(365,584)		(365,584)	(164,180)
Eliminate revenue - proceeds on sale of tangible capital assets	(85,600)	(445,817)	(531,417)	(275)
Eliminate expense - acquisitions of tangible capital assets	640,175	190,216	830,391	290,211
<b>NET SURPLUS (DEFICIT) PER STATEMENT OF OPERATIONS</b>	<b>\$ 518,359</b>	<b>(87,818)</b>	<b>\$ 430,541</b>	<b>\$ 432,701</b>