

**RURAL MUNICIPALITY OF WHITEHEAD**

**ENGAGEMENT PACKAGE**

**For the year ended December 31, 2021**

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

**RURAL MUNICIPALITY OF WHITEHEAD**  
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**For the year ended December 31, 2021**

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## STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Whitehead:

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

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

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

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

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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, 2021 and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

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, Souris Valley Recreation Commission, were not subject to audit in 2021 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 qualified 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  
TBD

Chartered Professional Accountants Ltd.

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 4,447,143	\$ 3,664,367
Amounts receivable (Note 4)	949,873	1,078,456
	<b>5,397,016</b>	<b>4,742,823</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	2,195,386	738,232
Severance and sick leave payable	13,384	26,312
Deferred revenue (Note 2)	44,508	7,865
Landfill closure and post closure liabilities (Note 7)	81,583	72,050
Long-term debt (Note 9)	2,054,859	2,270,563
Obligations under capital lease (Note 11)	274,529	442,964
	<b>4,664,249</b>	<b>3,557,986</b>
<b>NET FINANCIAL ASSETS</b>	<b>732,767</b>	<b>1,184,837</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	11,875,787	10,987,369
Inventories (Note 5)	92,242	18,499
Prepaid expenses	20,634	17,792
	<b>11,988,663</b>	<b>11,023,660</b>
<b>ACCUMULATED SURPLUS (Note 16)</b>	<b>\$ 12,721,430</b>	<b>\$12,208,497</b>
<b>COMMITMENTS (Note 12)</b>		

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the year ended December 31, 2021

	2021 Budget (Note 8)	2021 Actual	2020 Actual
<b>REVENUE</b>			
Property taxes	\$ 1,848,556	\$ 1,851,693	\$ 1,851,700
Grants in lieu of taxation	44,625	44,625	44,636
User fees	103,173	113,996	154,060
Permits, licences and fines	8,500	30,379	9,840
Investment income	25,915	27,695	33,430
Other revenue	38,842	49,877	74,885
Water and sewer	1,410,175	1,453,675	515,097
Grants - Province of Manitoba	134,818	204,877	286,282
Grants - Other	907,230	239,905	229,660
Total revenue (Schedules 2, 4 and 5)	<u>4,521,834</u>	<u>4,016,722</u>	3,199,590
<b>EXPENSES</b>			
General government services	465,767	451,072	426,546
Protective services	192,723	209,716	231,690
Transportation services	881,776	777,000	920,239
Environmental health services	129,667	116,313	130,569
Public health and welfare services	23,140	5,077	13,552
Regional planning and development	25,750	4,563	10,031
Resource conservation and industrial development	249,812	153,305	116,447
Recreation and cultural services	69,259	74,995	51,106
Water and sewer services	1,524,065	1,711,748	868,865
Total expenses (Schedules 3, 4 and 5)	<u>3,561,959</u>	<u>3,503,789</u>	2,769,045
<b>ANNUAL SURPLUS</b>	<u>\$ 959,875</u>	<u>512,933</u>	430,545
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>12,208,497</u>	11,777,952
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 12,721,430</u>	<u>\$12,208,497</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the year ended December 31, 2021

	2021 Budget (Note 8)	2021 Actual	2020 Actual
<b>ANNUAL SURPLUS</b>	<b>\$ 959,875</b>	<b>\$ 512,933</b>	<b>\$ 430,545</b>
Acquisition of tangible capital assets	(1,968,000)	(1,370,304)	(835,250)
Amortization of tangible capital assets	473,960	473,960	470,299
Loss on sale of tangible capital assets		4,017	57,458
Proceeds on sale of tangible capital assets		3,909	531,522
Increase in inventories		(73,743)	
Increase in prepaid expenses		(2,842)	(159)
	<b>(1,494,040)</b>	<b>(965,003)</b>	223,870
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (534,165)</b>	<b>(452,070)</b>	654,415
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>1,184,837</b>	530,422
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 732,767</b>	<b>\$ 1,184,837</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2021

	2021	2020
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 512,933	\$ 430,545
Changes in non-cash items:		
Amounts receivable	128,583	98,645
Inventories	(73,743)	9,721
Prepays	(2,842)	(159)
Accounts payable and accrued liabilities	1,457,154	(319,403)
Deferred revenue	36,643	(20,442)
Severance and sick leave payable	(12,928)	5,218
Landfill closure and post closure liabilities	9,533	(34,223)
Loss on sale of tangible capital assets	4,017	57,458
Amortization	473,960	470,299
Cash provided by operating transactions	<u>2,533,310</u>	<u>697,659</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	3,909	531,522
Cash used to acquire tangible capital assets	(1,370,304)	(835,250)
Cash applied to capital transactions	<u>(1,366,395)</u>	<u>(303,728)</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(215,704)	(206,595)
Advances (repayment) of obligation under capital lease	(168,435)	218,802
Cash applied to financing transactions	<u>(384,139)</u>	<u>12,207</u>
<b>INCREASE IN CASH</b>	<u>782,776</u>	<u>406,138</u>
<b>CASH, BEGINNING OF YEAR</b>	<u>3,664,367</u>	<u>3,258,229</u>
<b>CASH, END OF YEAR</b>	<u>\$ 4,447,143</u>	<u>\$ 3,664,367</u>

# **RURAL MUNICIPALITY OF WHITEHEAD**

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

**For the year ended December 31, 2021**

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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 formed on December 22, 1883 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Municipality owns 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% (2020 - 22%)  
Whitehead Elton Regional Water Co-op Inc. - 45% (2020 - 45%)  
Souris Valley Recreation Commission - 11% (2020 - 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, 2021**

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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, 2021**

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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, 2021**

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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:

	<b>2021</b>	2020
Cash	<b>\$ 4,447,143</b>	\$ 3,664,367

The Municipality has designated \$1,942,592 (2020 - \$2,235,228) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

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

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**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2021	2020
Taxes on roll (Schedule 11)	\$ 260,750	\$ 274,508
Utility customers (Schedule 8)	610,236	657,882
Other governments	51,787	130,065
Organizations and individuals	27,100	16,001
	<u>\$ 949,873</u>	<u>\$ 1,078,456</u>

**5. INVENTORIES**

**Inventories for use:**

	2021	2020
Gravel	\$ 71,377	\$ 9,830
Chemicals - Southwest Weed District	18,847	8,669
Chemicals - Whitehead Elton Regional Water Co-op Inc. (Schedule 8)	2,018	8,669
	<u>\$ 92,242</u>	<u>\$ 18,499</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2021	2020
Accounts payable	\$ 1,990,876	\$ 537,659
School levies	162,586	158,771
Accrued expenses	38,963	37,912
Accrued interest payable	2,961	3,890
	<u>\$ 2,195,386</u>	<u>\$ 738,232</u>

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

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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 are comparative.

	<b>2021</b>	2020
Estimated closure and post closure costs over the next year	<b>\$ 91,867</b>	\$ 91,867
Discount rate	<b>5.625 %</b>	5.625 %
<b>Discount costs</b>	<b>86,975</b>	82,343
Expected year capacity will be reached	<b>2022</b>	2022
Capacity (tonnes):		
Used to date	<b>93.8</b>	87.5
Remaining	<b>6.2</b>	12.5
Total	<b>100</b>	100
Percent utilized	<b>93.80 %</b>	87.50 %
<b>Liability based on percentage</b>	<b>\$ 81,583</b>	\$ 72,050

**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, 2021**

**9. LONG-TERM DEBT**

	2021	2020
<b>General Authority</b>		
Westoba Credit Union Ltd. bank loan, payable at \$25,000 annually including interest at 3.950%, maturing November 2021.	\$ 5,859	\$ 30,122
Debenture, payment of \$37,655 annually including interest at 3.040%, maturing January 2024.	<b>106,428</b>	139,832
	<b>112,287</b>	169,954
<b>Utility Funds</b>		
Debenture, payable at \$78,762 annually including interest at 5.625%, maturing December 2027.	<b>391,905</b>	445,602
Debenture, payable at \$35,488 annually including interest at 4.125%, maturing December 2037	<b>409,731</b>	427,581
Debenture, payable at \$80,357 annually including interest at 4.750%, maturing December 2030.	<b>577,577</b>	628,099
Debenture, payable at \$34,372 annually including interest at 4.125%, maturing December 2031.	<b>277,062</b>	299,096
Royal Bank of Canada fixed rate term loan, payable at \$25,463 annually including interest at 3.840%, maturing December 2036.	<b>286,297</b>	300,231
	<b>1,942,572</b>	2,100,609
	<b>\$ 2,054,859</b>	<b>\$ 2,270,563</b>

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

2022	\$ 205,917
2023	209,078
2024	218,519
2025	190,749
2026	199,956
	<b>\$ 1,024,219</b>

**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, 2021**

**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 terms of the lease include monthly payments of \$3,339 net of GST expiring 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 expiring September 2023.

2022	\$ 176,545
2023	102,353
	<hr/>
Total minimum lease	278,898
Less amount representing future interest (ranging from 2.13% to 3.40%)	(4,369)
	<hr/>
Balance of obligation	<u>\$ 274,529</u>

Interest expense includes \$8,111 (2020 - \$2,208) with respect to this obligation.

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

	2021	2020
Cost of leased tangible capital assets	\$ 685,797	\$ 685,797
Accumulated amortization of leased tangible capital assets	(103,331)	(34,751)
	<hr/>	<hr/>
	<u>\$ 582,466</u>	<u>\$ 651,046</u>

Amortization expense includes \$68,580 (2020 - \$30,349) 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. As of the financial statement date, The Rural Municipality of Whitehead has contributed \$474,011 to the project. No contributions have been made to the project 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 and \$34,072 for the survey and purchase of the land. Subsequently, the Municipality spent \$38,851 for fencing, installation and intensive clean up to prepare for clay-capping.

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

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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 \$20,974 (2020 - \$23,593) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2020 indicated the plan was 96.7% funded on a going concern basis and has an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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

**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. Non-essential services such as recreational facilities were closed during the year which resulted to a decline in revenues for recreation and cultural services for the last two years. 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, 2021**

**16. ACCUMULATED SURPLUS**

	2021	2020
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 1,491,907	\$ 1,481,959
Utility Operating Fund(s) - Nominal Surplus	181,593	217,928
TCA net of related borrowings	6,683,929	6,320,190
Reserve Funds	1,942,592	2,235,228
	<hr/>	
Accumulated Surplus of Municipality Unconsolidated	10,300,021	10,255,305
Accumulated Surpluses of Consolidated Entities	2,421,409	1,953,192
	<hr/>	
Accumulated Surplus per Consolidated Statement of Financial Position	<b>\$ 12,721,430</b>	<b>\$12,208,497</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, 2021:

- a) Compensation paid to members of council amounted to \$63,240 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>
Allan Sutherland	\$ 12,034	\$ 863	12,897
Christopher Semeschuk	8,331	300	8,631
Curtis Storey	8,631	300	8,931
Darryl Speers	8,751	300	9,051
Dennis Foerster	8,331	300	8,631
John Bokkel	8,491	300	8,791
Trevor Tuttosi	8,671	358	9,029
	<hr/>		
	<b>\$ 63,240</b>	<b>\$ 2,721</b>	<b>\$ 65,961</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	\$ 86,666

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

**18. TRUST FUNDS**

The Municipality administers the following trust funds that are not consolidated in these financial statements:

	<u>Balance, beginning of year</u>	<u>Excess of receipts over disbursements</u>	<u>Balance, end of year</u>
Cemetery Trust	\$ 4,582	\$ 10	\$ 4,592
Cenotaph Trust	2,993	22	3,015
Weed Trust	370	3	373
	<u>\$ 7,945</u>	<u>\$ 35</u>	<u>\$ 7,980</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>	<u>Unamortized Opening Balance</u>	<u>Additions (Disposals) During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Alexander	\$ 3,350,465	\$	\$ 79,266	\$ 3,271,199

**Sewer services:**

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions (Disposals) During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Alexander	\$ 570,476	\$	\$ 16,107	\$ 554,369

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

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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:

	2021	2020
<b>Financial Position</b>		
Financial assets	\$ 610,926	\$ 194,844
Liabilities	<u>1,073,613</u>	<u>214,564</u>
Net debt	(462,687)	(19,720)
Non-financial assets	<u>2,884,096</u>	<u>1,972,912</u>
Accumulated surplus	<u>\$ 2,421,409</u>	<u>\$ 1,953,192</u>
<b>Result of Operations</b>		
Revenues	\$ 1,241,186	\$ 271,231
Expenses	791,039	386,298
Intercompany revenue and expense eliminations	<u>18,070</u>	<u>12,757</u>
Annual surplus (deficit)	<u>\$ 468,217</u>	<u>\$ (102,310)</u>

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

	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	2021	2020
<b>Cost</b>								
Opening costs	\$ 67,561	464,477	2,202,062	14,931	8,818,849	10,804,249	\$ 22,372,129	\$ 22,946,015
Additions during the year	209,791		104,068			1,056,445	1,370,304	835,250
Disposals and write downs			(38,432)	(3,503)			(41,935)	(1,409,136)
Closing costs	277,352	464,477	2,267,698	11,428	8,818,849	11,860,694	23,700,498	22,372,129
<b>Accumulated Amortization</b>								
Opening accum'd amort		183,591	803,846	14,420	8,226,540	2,156,363	11,384,760	11,734,617
Amortization		12,781	179,265	505	20,621	260,788	473,960	470,299
Disposals and write downs			(30,506)	(3,503)			(34,009)	(820,156)
Closing accum'd amortization		196,372	952,605	11,422	8,247,161	2,417,151	11,824,711	11,384,760
Net Book Value of Tangible Capital Assets	\$ 277,352	268,105	1,315,093	6	571,688	9,443,543	\$ 11,875,787	\$ 10,987,369

Water and sewer underground networks contributed to the Municipality totals \$7,968,333 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, 2021

	2021 Actual	2020 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 1,836,018	\$ 1,818,742
Taxes added	22,193	37,466
Discounts	(6,518)	(4,508)
	<u>1,851,693</u>	<u>1,851,700</u>
<b>Grants in lieu of taxation:</b>	<u>44,625</u>	44,636
<b>User fees:</b>		
Sales of service	91,534	131,357
Sales of goods	330	445
Rentals	22,132	22,258
	<u>113,996</u>	<u>154,060</u>
<b>Permits, licences and fines:</b>		
Permits	29,397	9,124
Licences	55	10
Fines	927	706
	<u>30,379</u>	<u>9,840</u>
<b>Investment income:</b>		
Cash and temporary investments	<u>27,695</u>	33,430
<b>Other revenue:</b>		
Penalties and interest	33,499	36,812
Miscellaneous	16,378	38,073
	<u>49,877</u>	<u>74,885</u>
<b>Water and sewer</b>		
Municipal utility	288,500	313,697
Consolidated water co-operatives	1,165,175	201,400
	<u>1,453,675</u>	<u>515,097</u>
<b>Sub-total</b>	<u>\$ 3,571,940</u>	<u>\$ 2,683,648</u>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)**  
**For the year ended December 31, 2021**

	2021 Actual	2020 Actual
<b>Sub-total (Carry forward)</b>	<b>\$ 3,571,940</b>	<b>\$ 2,683,648</b>
<b>Grants - Province of Manitoba:</b>		
General assistance payment	132,816	132,816
Conditional grants	72,061	153,466
	<u>204,877</u>	<u>286,282</u>
<b>Grants - other:</b>		
Federal government - gas tax funding	182,842	89,389
Federal government - other		99,444
Other municipal governments	57,063	40,827
	<u>239,905</u>	<u>229,660</u>
<b>Total revenue</b>	<b>\$ 4,016,722</b>	<b>\$ 3,199,590</b>

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

	2021 Actual	2020 Actual
<b>General government services:</b>		
Legislative	\$ 69,263	\$ 62,656
General administrative	364,854	352,092
Other	16,955	10,214
Loss on disposal of tangible capital assets		1,584
	<b>451,072</b>	426,546
<b>Protective services:</b>		
Police	8,420	7,043
Fire	95,833	95,977
Other protection	105,463	128,670
	<b>209,716</b>	231,690
<b>Transportation services:</b>		
Road transport		
Administration and engineering	175,449	171,086
Road and street maintenance	572,988	625,928
Sidewalk and boulevard maintenance	550	1,500
Street lighting	10,921	11,591
Other	13,075	4,936
Loss on disposal of tangible capital assets	4,017	105,198
	<b>777,000</b>	920,239
<b>Environmental health services:</b>		
Waste collection and disposal	105,430	130,569
Other	10,883	
	<b>116,313</b>	130,569
<b>Public health and welfare services:</b>		
Public health	2,437	10,912
Social assistance	2,640	2,640
	<b>5,077</b>	13,552
<b>Regional planning and development:</b>		
Planning and zoning	3,906	2,488
Beautification and land rehabilitation	657	7,543
	<b>4,563</b>	10,031
<b>Sub-total</b>	<b>\$ 1,563,741</b>	\$ 1,732,627

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)**  
For the year ended December 31, 2021

	2021 Actual	2020 Actual
<b>Sub-total (Carry forward)</b>	<b>\$ 1,563,741</b>	<b>\$ 1,732,627</b>
<b>Resource conservation and industrial development:</b>		
Rural area weed control	140,024	114,384
Veterinary services	2,105	2,063
Water resources and conservation	11,176	
	<u>153,305</u>	<u>116,447</u>
<b>Recreation and cultural services</b>		
Administration	34,250	28,047
Community centres and halls	28,238	9,683
Skating and curling rinks	12,507	10,122
Parks and playgrounds		3,254
	<u>74,995</u>	<u>51,106</u>
<b>Water and sewer (Schedule 9)</b>		
Municipal utility	1,003,098	553,752
Consolidated water co-operatives	708,650	315,113
	<u>1,711,748</u>	<u>868,865</u>
<b>Total expenses</b>	<b>\$ 3,503,789</b>	<b>\$ 2,769,045</b>

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

	<u>General Government*</u>		<u>Protective Services</u>		<u>Transportation Services</u>		<u>Environmental Health Services</u>		<u>Public Health and Welfare Services</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>										
Property taxes	\$ 1,585,743	\$ 1,585,750								
Grants in lieu of taxation	44,625	44,636								
User fees	29,003	26,775	17,924	38,363	1,268	675	37,418	60,979		
Grants - other	185,342	188,833								
Permits, licences and fines	29,452	9,134	927	706						
Investment income	26,777	32,514								
Other revenue	49,497	73,598								
Water and sewer										
Prov of MB - unconditional grants	132,816	132,816								
Prov of MB - conditional grants			69,643	144,939		3,694				
<b>Total revenue</b>	<b>2,083,255</b>	<b>2,094,056</b>	<b>88,494</b>	<b>184,008</b>	<b>1,268</b>	<b>4,369</b>	<b>37,418</b>	<b>60,979</b>		
<b>EXPENSES</b>										
Personnel services	294,435	281,223	32,641	23,494	172,550	167,828	15,353	17,460	2,437	10,624
Contract services	66,956	71,244	53,393	40,784	69,110	138,520	75,849	81,372	2,640	
Utilities	14,064	7,976	4,185	6,676	7,911	5,724				
Maintenance, materials and supplies	62,075	42,639	62,274	102,493	366,335	387,126	15,411	31,570		
Grants and contributions	900	1,000								
Amortization	4,467	1,868	53,164	52,293	148,965	111,716	167	167		288
Interest on long term debt			4,059	5,950	8,111	4,127				
Other	8,175	20,596			4,018	105,198	9,533			
<b>Total expenses</b>	<b>451,072</b>	<b>426,546</b>	<b>209,716</b>	<b>231,690</b>	<b>777,000</b>	<b>920,239</b>	<b>116,313</b>	<b>130,569</b>	<b>5,077</b>	<b>13,552</b>
<b>Surplus (Deficit)</b>	<b>\$ 1,632,183</b>	<b>\$ 1,667,510</b>	<b>(121,222)</b>	<b>(47,682)</b>	<b>(775,732)</b>	<b>(915,870)</b>	<b>(78,895)</b>	<b>(69,590)</b>	<b>(5,077)</b>	<b>(13,552)</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, 2021

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>										
Property taxes							265,950	265,950	\$ 1,851,693	\$ 1,851,700
Grants in lieu of taxation									44,625	44,636
User fees			18,752	19,418	9,631	7,850			113,996	154,060
Grants - other			47,737	39,728	6,826	1,099			239,905	229,660
Permits, licences and fines									30,379	9,840
Investment income			915	916	3				27,695	33,430
Other revenue			303	593	77	694			49,877	74,885
Water and sewer							1,453,675	515,097	1,453,675	515,097
Prov of MB - unconditional grants									132,816	132,816
Prov of MB - conditional grants					2,418	4,833			72,061	153,466
<b>Total revenue</b>			<b>67,707</b>	<b>60,655</b>	<b>18,955</b>	<b>14,476</b>	<b>1,719,625</b>	<b>781,047</b>	<b>4,016,722</b>	<b>3,199,590</b>
<b>EXPENSES</b>										
Personnel services			31,050	29,159	7,083	6,485	104,631	116,639	660,180	652,912
Contract services	3,906	2,488	3,964	2,719	41,767	23,862	1,480	2,109	319,065	365,738
Utilities			391	363	6,877	6,282	21,678	24,885	55,106	51,906
Maintenance, materials and supplies	657	7,543	33,468	28,680	4,210	1,807	728,261	303,020	1,272,691	904,878
Grants and contributions			81,105	52,913	9,410	9,410	498,025		589,440	63,323
Amortization			3,245	2,613	3,164	3,164	260,788	298,190	473,960	470,299
Interest on long term debt							96,885	104,022	109,055	114,099
Other			82		2,484	96		20,000	24,292	145,890
<b>Total expenses</b>	<b>4,563</b>	<b>10,031</b>	<b>153,305</b>	<b>116,447</b>	<b>74,995</b>	<b>51,106</b>	<b>1,711,748</b>	<b>868,865</b>	<b>3,503,789</b>	<b>2,769,045</b>
<b>Surplus (Deficit)</b>	<b>(4,563)</b>	<b>(10,031)</b>	<b>(85,598)</b>	<b>(55,792)</b>	<b>(56,040)</b>	<b>(36,630)</b>	<b>7,877</b>	<b>(87,818)</b>	<b>\$ 512,933</b>	<b>\$ 430,545</b>

# RURAL MUNICIPALITY OF WHITEHEAD

## SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the year ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>								
Property taxes	\$ 1,851,693	\$ 1,851,700					\$ 1,851,693	\$ 1,851,700
Grants in lieu of taxation	44,625	44,636					44,625	44,636
User fees	91,473	132,092			22,523	21,968	113,996	154,060
Grants - other	190,133	188,833			49,772	40,827	239,905	229,660
Permits, licences and fines	30,379	9,840					30,379	9,840
Investment income	26,777	32,514			918	916	27,695	33,430
Other revenue	49,497	73,598			380	1,287	49,877	74,885
Water and sewer	288,500	313,697			1,165,175	201,400	1,453,675	515,097
Prov of MB - unconditional grants	132,816	132,816					132,816	132,816
Prov of MB - conditional grants	69,643	148,633			2,418	4,833	72,061	153,466
<b>Total revenue</b>	<b>2,775,536</b>	<b>2,928,359</b>			<b>1,241,186</b>	<b>271,231</b>	<b>4,016,722</b>	<b>3,199,590</b>
<b>EXPENSES</b>								
Personnel services	530,974	506,945			129,206	145,967	660,180	652,912
Contract services	314,479	362,303			4,586	3,435	319,065	365,738
Utilities	33,037	26,471			22,069	25,435	55,106	51,906
Maintenance, materials and supplies	739,254	791,042			533,437	113,836	1,272,691	904,878
Grants and contributions	589,440	63,323					589,440	63,323
Amortization	375,266	373,142			98,694	97,157	473,960	470,299
Interest on long term debt	108,574	113,727			481	372	109,055	114,099
Other	21,726	145,794			2,566	96	24,292	145,890
<b>Total expenses</b>	<b>2,712,750</b>	<b>2,382,747</b>			<b>791,039</b>	<b>386,298</b>	<b>3,503,789</b>	<b>2,769,045</b>
<b>Surplus</b>	<b>\$ 62,786</b>	<b>\$ 545,612</b>			<b>450,147</b>	<b>(115,067)</b>	<b>\$ 512,933</b>	<b>\$ 430,545</b>

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

	Employee Severance Reserve	Equipment Replacement Reserve	2021 New General Reserve	Waste Disposal Reserve	Village of Alexander	Sub Total
<b>REVENUE</b>						
Investment income	\$ 40	1,173	2,024	455		\$ 3,692
Other income						
Total revenue	40	1,173	2,024	455		3,692
<b>EXPENSES</b>						
Investment charges						
Other expenses						
Total expenses						
<b>NET REVENUES</b>	40	1,173	2,024	455		3,692
<b>TRANSFERS</b>						
Debt repayment						
Transfers from operating fund	10,000	140,000	40,000	50,000	2,000	242,000
Transfers to operating fund	(15,713)	(171,329)	(56,728)	(29,000)		(272,770)
Transfers from utility fund						
Transfers to utility fund						
Acquisition of tangible capital assets						
<b>CHANGE IN RESERVE FUND BALANCES</b>	(5,673)	(30,156)	(14,704)	21,455	2,000	(27,078)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	16,505	128,811	410,127	100,981		656,424
<b>FUND SURPLUS, END OF YEAR</b>	\$ 10,832	98,655	395,423	122,436	2,000	\$ 629,346

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)**  
For the year ended December 31, 2021

	Gas Tax Reserve	Fire Capital Reserve	2021 Utility Replacement Reserve	Rural Water Deposit Reserve	Total	2020 Total
<b>REVENUE</b>						
Investment income	\$ 2,096	789		4,857	\$ 11,434	\$ 7,463
Other income		1,000			1,000	500
Total revenue	2,096	1,789		4,857	12,434	7,963
<b>EXPENSES</b>						
Investment charges						
Other expenses						
Total expenses						
<b>NET REVENUES</b>	2,096	1,789		4,857	12,434	7,963
<b>TRANSFERS</b>						
Debt repayment						
Transfers from operating fund	182,842	50,000			474,842	463,833
Transfers to operating fund		(41,736)			(314,506)	(290,102)
Transfers from utility fund			10,000	59,000	69,000	502,067
Transfers to utility fund				(534,406)	(534,406)	(210,216)
Acquisition of tangible capital assets						
<b>CHANGE IN RESERVE FUND BALANCES</b>	184,938	10,053	10,000	(470,549)	(292,636)	473,545
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	429,992	102,046	52,300	994,466	2,235,228	1,761,683
<b>FUND SURPLUS, END OF YEAR</b>	\$ 614,930	112,099	62,300	523,917	\$ 1,942,592	\$ 2,235,228

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Alexander**  
**For the year ended December 31, 2021**

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Taxation	\$ 42,240	\$ 42,240	\$ 41,410
Other revenue	56,760	29,461	26,351
Total revenue	<u>99,000</u>	<u>71,701</u>	67,761
<b>EXPENSES</b>			
General government			
Indemnities	11,500	6,220	10,510
Transportation services			
Road and street maintenance	48,250	57,224	21,330
Sidewalk and boulevard maintenance	1,500	550	1,500
Street lighting	10,000	7,879	8,362
Other	4,500	3,918	3,918
Regional planning and development			
Beautification and land rehabilitation	15,750	8,716	13,213
Recreation and cultural services			
Community centres and halls	5,000	4,210	884
Parks and playgrounds			1,254
Total expenses	<u>99,000</u>	<u>90,067</u>	60,971
<b>NET REVENUES (DEFICIT)</b>		<b>(18,366)</b>	6,790
<b>TRANSFERS</b>			
<b>CHANGES IN L.U.D. BALANCES</b>	<b>\$</b>	<b>(18,366)</b>	6,790
<b>UNEXPENDED BALANCE, BEGINNING OF YEAR</b>		<b>37,078</b>	30,288
<b>UNEXPENDED BALANCE, END OF YEAR</b>		<b>\$ 18,712</b>	<b>\$ 37,078</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY**  
For the year ended December 31, 2021

	2021			2020
	Whitehead	Whitehead Elton Regional Water Co- operative Inc.	Total	Total
<b>FINANCIAL ASSETS</b>				
Cash	\$ 42,666	\$	\$ 42,666	\$ 42,368
Amounts receivable (Note 4)	85,258	524,978	610,236	657,882
Due from other funds	77,169		77,169	
	<u>205,093</u>	<u>524,978</u>	<u>730,071</u>	<u>700,250</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities		1,070,320	1,070,320	212,983
Deferred revenue (Note 2)	23,500		23,500	
Long-term debt (Note 9)	1,942,572		1,942,572	2,100,609
Due to other funds				377,256
	<u>1,966,072</u>	<u>1,070,320</u>	<u>3,036,392</u>	<u>2,690,848</u>
<b>NET DEBT</b>	<u>(1,760,979)</u>	<u>(545,342)</u>	<u>(2,306,321)</u>	<u>(1,990,598)</u>
<b>NON-FINANCIAL ASSETS</b>				
Tangible capital assets (Schedule 1)	6,601,405	2,842,138	9,443,543	8,647,886
Inventories (Note 5)		2,018	2,018	8,669
Prepaid expenses		761	761	761
	<u>6,601,405</u>	<u>2,844,917</u>	<u>9,446,322</u>	<u>8,657,316</u>
<b>FUND SURPLUS</b>	<u>\$ 4,840,426</u>	<u>\$ 2,299,575</u>	<u>\$ 7,140,001</u>	<u>\$ 6,666,718</u>

**COMMITMENTS** (Note 12)

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead**  
**For the year ended December 31, 2021**

	Budget	2021	2020
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 220,000	\$ 222,053	\$ 214,453
Bulk water fees	2,800	4,902	1,926
Sub-Total - Water	<u>222,800</u>	<u>226,955</u>	216,379
<b>Sewer</b>			
Lagoon tipping fees		540	410
<b>Property taxes</b>	<u>265,950</u>	<u>265,950</u>	265,950
<b>Other</b>			
Hydrant rentals	1,200	1,200	1,200
Connection charges	20,000	59,000	46,250
Investment income		298	69
Gain on sale of tangible capital assets			49,324
Other income	1,000	507	65
Sub-Total - Other	<u>22,200</u>	<u>61,005</u>	96,908
Total revenue	<u>\$ 510,950</u>	<u>\$ 554,450</u>	\$ 579,647

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead**  
**For the year ended December 31, 2021**

	Budget	2021	2020
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 2,500	\$ 13,558	\$ 6,316
<b>Water General</b>			
Purification and treatment	10,000	3,233	4,466
Water purchases	165,000	221,739	206,286
Connection costs	57,500	501,648	3,558
Sub-Total - Water General	232,500	726,620	214,310
<b>Water Amortization and Interest</b>			
Amortization		165,339	203,646
Interest on long term debt		96,404	103,650
Sub-Total - Water Amortization & Interest		261,743	307,296
<b>Sewer General</b>			
Collection system costs			20,000
Treatment and disposal cost	10,000	1,177	5,830
Sub-Total - Sewer General	10,000	1,177	25,830
Total expenses	245,000	1,003,098	553,752
<b>NET REVENUES (DEFICIT)</b>	\$ 265,950	(448,648)	25,895
<b>TRANSFERS</b>			
Transfers from (to) reserve funds		465,406	(291,851)
<b>CHANGE IN UTILITY FUND BALANCE</b>		16,758	(265,956)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		4,823,668	5,089,624
<b>FUND SURPLUS, END OF YEAR</b>	\$	4,840,426	\$ 4,823,668

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead Elton Regional Water Co-**  
**operative Inc.**  
**For the year ended December 31, 2021**

	Budget	2021	2020
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 169,125	\$ 169,125	\$ 199,696
<b>Government transfers</b>			
Government transfers	996,050	996,050	1,704
Total revenue	<u>1,165,175</u>	<u>1,165,175</u>	<u>201,400</u>
<b>EXPENSES</b>			
<b>General</b>			
Utilities (telephone, electricity, etc)	21,678	21,678	24,885
<b>Water General</b>			
Purification and treatment	591,042	591,042	195,312
<b>Water Amortization &amp; Interest</b>			
Amortization	95,449	95,449	94,544
Interest on long term debt	481	481	372
Sub-Total - Water Amortization & Interest	<u>95,930</u>	<u>95,930</u>	<u>94,916</u>
Total expenses	<u>708,650</u>	<u>708,650</u>	<u>315,113</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<u>\$ 456,525</u>	<u>456,525</u>	<u>(113,713)</u>
<b>TRANSFERS</b>			
<b>CHANGE IN UTILITY FUND BALANCE</b>		456,525	(113,713)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>1,843,050</u>	<u>1,956,763</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 2,299,575</u>	<u>\$ 1,843,050</u>	

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

	<u>Financial Plan General</u>	<u>Financial Plan Utility</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>L.U.D. of Alexander</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
<b>REVENUE</b>								
Property taxes	\$ 1,540,366	265,950				42,240		\$ 1,848,556
Grants in lieu of taxation	44,625							44,625
User fees	80,150					500	22,523	103,173
Grants - Province of Manitoba	110,000					22,400	2,418	134,818
Grants - other	839,389						67,841	907,230
Permits, licences and fines	8,500							8,500
Investment income	25,000						915	25,915
Other revenue	35,962					2,500	380	38,842
Water and sewer		1,410,175						1,410,175
Transfers from accumulated surplus					(31,360)	31,360		
Transfers from reserves	37,655	10,000			(47,655)			
Total revenue	<u>2,721,647</u>	<u>1,686,125</u>			<u>(79,015)</u>	<u>99,000</u>	<u>94,077</u>	<u>4,521,834</u>
<b>EXPENSES</b>								
General government services	449,800		4,467			11,500		465,767
Protective services	135,500		53,164	4,059				192,723
Transportation services	660,450		148,965	8,111		64,250		881,776
Environmental health services	127,000		167			2,500		129,667
Public health and welfare services	23,140							23,140
Regional planning and development	10,000					15,750		25,750
Resource cons and industrial dev	79,600		98,013				72,199	249,812
Recreation and cultural services	43,500		10,572			5,000	10,187	69,259
Water and sewer services		953,650	474,011	96,404				1,524,065
Fiscal services:								
Transfer to capital	750,000		(750,000)					
Debt charges	62,655	265,950		(328,605)				
Short term interest								
Transfer to reserves	379,389	10,000			(389,389)			
Allowance for tax assets	613				(613)			
Total expenses	<u>2,721,647</u>	<u>1,229,600</u>	<u>39,359</u>	<u>(220,031)</u>	<u>(390,002)</u>	<u>99,000</u>	<u>82,386</u>	<u>3,561,959</u>
<b>Surplus (Deficit)</b>	<u>\$</u>	<u>456,525</u>	<u>(39,359)</u>	<u>220,031</u>	<u>310,987</u>		<u>11,691</u>	<u>\$ 959,875</u>

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

	2021	2020
<b>Balance, beginning of year</b>	<b>\$ 274,508</b>	<b>\$ 396,209</b>
<b>Add:</b>		
Tax levy (Schedule 12)	3,941,598	3,930,940
Taxes added	22,193	37,466
Penalties or interest	33,499	36,812
Other accounts added	31,134	14,489
<b>Sub-total</b>	<b>4,028,424</b>	<b>4,019,707</b>
<b>Deduct:</b>		
Cash collections - current	3,514,832	3,364,632
Cash collections - arrears	228,280	380,227
Writeoffs	7,725	14,012
Tax discounts	6,518	4,508
E.P.T.C. - cash advance	284,827	378,029
<b>Sub-total</b>	<b>4,042,182</b>	<b>4,141,408</b>
<b>Balance, end of year</b>	<b>\$ 260,750</b>	<b>\$ 274,508</b>

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

	<b>2021</b>		<b>2020</b>	
	<b>Assessment</b>	<b>Mill Rate</b>	<b>Levy</b>	<b>Levy</b>
Other governments (L.U.D.):				
L.U.D. Alexander	10,130,460	4.170	\$ <b>42,244</b>	\$ 41,479
Sub-Total - L.U.D			<u><b>42,244</b></u>	<u>41,479</u>
Debt charges:				
Frontage			<b>58,825</b>	58,825
L.I.D.- Water/Sewer	10,508,510	1.793	<b>18,842</b>	18,851
Other (Fire Department)	148,159,300	0.165	<b>24,446</b>	24,919
Sub-Total - Debt charges			<u><b>102,113</b></u>	<u>102,595</u>
Reserves:				
Machinery Replacement	148,159,300	0.920	<b>136,307</b>	121,661
Fire Replacement Reserve	148,159,300	0.329	<b>48,744</b>	49,837
Waste Disposal Site Reserve	148,159,300	0.329	<b>48,744</b>	49,837
General Reserve	148,159,300	0.263	<b>38,966</b>	49,837
Labour Reserve	148,159,300	0.066	<b>9,779</b>	
Sub-Total - Reserves			<u><b>282,540</b></u>	<u>271,172</u>
General Municipal - Rural Area	138,028,840	4.586	<b>633,000</b>	629,988
- At Large	148,159,300	3.975	<b>588,933</b>	586,320
Special levies:				
Kemville			<b>11,508</b>	11,508
Rural Water			<b>175,680</b>	175,680
Sub-Total - Special levies			<u><b>187,188</b></u>	<u>187,188</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>1,836,018</b></u>	<u>1,818,742</u>
Education support levy	7,873,540	8.809	<b>69,358</b>	71,634
Special levy:				
Brandon School Division	124,587,470	14.533	<b>1,810,630</b>	1,810,676
Fort La Bosse	3,042,850	6.915	<b>21,041</b>	22,365
Southwest Horizon	20,528,980	9.964	<b>204,551</b>	207,523
Sub-Total - Special levies			<u><b>2,036,222</b></u>	<u>2,040,564</u>
<b>Total education taxes</b>			<u><b>2,105,580</b></u>	<u>2,112,198</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 3,941,598</b></u>	<u>\$ 3,930,940</u>

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

	2021	2020
<b>General government services:</b>		
Legislative	\$ 69,263	\$ 62,656
General administrative	364,854	352,092
Other	16,955	10,214
Loss on disposal of tangible capital assets		1,584
	<b>451,072</b>	<b>426,546</b>
<b>Protective services:</b>		
Police	8,420	7,043
Fire	95,833	95,977
Other protection	105,463	128,670
	<b>209,716</b>	<b>231,690</b>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	175,449	171,086
Road and street maintenance	572,988	625,928
Sidewalk and boulevard maintenance	550	1,500
Street lighting	10,921	11,591
Other	13,075	4,936
Loss on disposal of tangible capital assets	4,017	105,198
	<b>777,000</b>	<b>920,239</b>
<b>Environmental health services:</b>		
Waste collection and disposal	105,430	130,569
Other	10,883	
	<b>116,313</b>	<b>130,569</b>
<b>Public health and welfare services:</b>		
Public health	2,437	10,912
Social assistance	2,640	2,640
	<b>5,077</b>	<b>13,552</b>
<b>Regional planning and development:</b>		
Planning and zoning	3,906	2,488
Beautification and land rehabilitation	657	7,543
	<b>4,563</b>	<b>10,031</b>
<b>Sub-total</b>	<b>\$ 1,563,741</b>	<b>\$ 1,732,627</b>

**RURAL MUNICIPALITY OF WHITEHEAD**  
**SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES (continued)**  
For the year ended December 31, 2021

	2021	2020
<b>Sub-total (carry forward)</b>	<b>\$ 1,563,741</b>	<b>\$ 1,732,627</b>
<b>Resource conservation and industrial development:</b>		
Rural area weed control	84,732	62,445
Veterinary services	2,105	2,063
Water resources and conservation	11,176	
	<b>98,013</b>	<b>64,508</b>
<b>Recreation and cultural services:</b>		
Administration	25,223	21,558
Community centres and halls	28,238	9,683
Skating and curling rinks	12,507	10,122
Parks and playgrounds		3,254
	<b>65,968</b>	<b>44,617</b>
<b>Total expenses</b>	<b>\$ 1,727,722</b>	<b>\$ 1,841,752</b>

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

	2021			2020
	General	Utility	Total	Total
<b>MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 28,315	(36,335)	\$ (8,020)	\$ 196,354
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	474,842	69,000	543,842	965,900
Eliminate revenue - transfers from reserves	(314,506)	(534,406)	(848,912)	(500,318)
Increase revenue - reserve funds interest	12,434		12,434	7,963
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	11,692	456,525	468,217	(102,310)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	(18,366)		(18,366)	6,790
Increase expense - amortization of tangible capital assets	(209,927)	(165,339)	(375,266)	(373,142)
Decrease expense - principal portion of debenture debt	57,667	158,037	215,704	206,595
Eliminate revenue - principal portion of obligations under capital lease	168,434		168,434	146,781
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(4,017)		(4,017)	(57,458)
Eliminate revenue - proceeds from obligations under capital lease				(365,584)
Eliminate revenue - proceeds on sale of tangible capital assets	(3,909)		(3,909)	(531,417)
Eliminate expense - acquisitions of tangible capital assets	302,397	60,395	362,792	830,391
<b>NET SURPLUS PER STATEMENT OF OPERATIONS</b>	\$ 505,056	7,877	\$ 512,933	\$ 430,545