

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

RURAL MUNICIPALITY OF WHITEHEAD
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STATEMENT OF RESPONSIBILITY

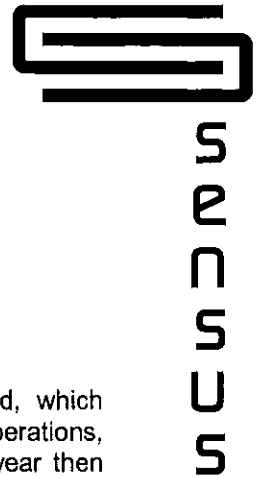
The accompanying consolidated financial statements are the responsibility of the management of the Rural Municipality of Whitehead and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

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.

Cindy Izzard
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, 2019 and the statement of operations, statement of changes in net financial assets (net debt) 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, 2019, 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 2019 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.

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 12, 2021


Chartered Professional Accountants Ltd.

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

	2019	2018
FINANCIAL ASSETS		
Cash (Note 3)	\$ 3,258,233	\$ 2,526,568
Amounts receivable (Note 4)	1,177,101	1,312,992
	<u>4,435,334</u>	<u>3,839,560</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	1,057,636	926,471
Severance and sick leave payable	21,094	19,054
Deferred revenue (Note 2)	28,308	53,020
Landfill closure and post closure liabilities (Note 7)	106,273	97,273
Long-term debt (Note 8)	2,477,158	2,674,520
Obligations under capital lease (Note 10)	224,161	176,941
	<u>3,914,630</u>	<u>3,947,279</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>520,704</u>	<u>(107,719)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	11,211,398	11,362,924
Inventories (Note 5)	28,220	71,561
Prepaid expenses	17,634	18,491
	<u>11,257,252</u>	<u>11,452,976</u>
ACCUMULATED SURPLUS (Note 15)	<u>\$ 11,777,956</u>	<u>\$11,345,257</u>

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF OPERATIONS
 For the year ended December 31, 2019

	2019 Budget (Note 11)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 1,841,135	\$ 1,859,464	\$ 1,749,296
Grants in lieu of taxation	43,073	43,073	40,707
User fees	98,638	146,874	121,669
Permits, licences and fines	4,000	12,703	16,009
Investment income	21,249	61,331	41,877
Other revenue	44,295	56,153	67,593
Water and sewer	470,521	501,610	580,778
Grants - Province of Manitoba	90,087	132,816	150,105
Grants - Other	154,895	240,014	183,023
Total revenue (Schedules 2, 4 and 5)	2,767,893	3,054,038	2,951,057
EXPENSES			
General government services	467,736	430,305	429,177
Protective services	234,323	208,113	221,775
Transportation services	852,128	718,991	724,494
Environmental health services	93,667	231,914	86,686
Public health and welfare services	28,571	9,987	9,780
Regional planning and development	40,000	13,430	49,198
Resource conservation and industrial development	133,034	120,420	106,259
Recreation and cultural services	55,292	57,808	45,537
Water and sewer services	894,069	830,371	798,330
Total expenses (Schedules 3, 4 and 5)	2,798,820	2,621,339	2,471,236
ANNUAL SURPLUS	\$ (30,927)	432,699	479,821
ACCUMULATED SURPLUS, BEGINNING OF YEAR		11,345,257	10,865,436
ACCUMULATED SURPLUS, END OF YEAR		\$ 11,777,956	\$11,345,257

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)
For the year ended December 31, 2019

	2019 Budget (Note 11)	2019 Actual	2018 Actual
ANNUAL SURPLUS	\$ (30,927)\$	432,699	\$ 479,821
Acquisition of tangible capital assets	(300,000)	(307,269)	(353,954)
Amortization of tangible capital assets	458,441	458,441	445,909
Loss (gain) on sale of tangible capital assets		79	(137)
Proceeds on sale of tangible capital assets		275	4,265
Decrease (increase) in inventories		43,341	(46,669)
Decrease (increase) in prepaid expenses		857	(3,958)
	<u>158,441</u>	<u>195,724</u>	<u>45,456</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 127,514</u>	<u>628,423</u>	<u>525,277</u>
NET DEBT, BEGINNING OF YEAR		(107,719)	(632,996)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 520,704</u>	<u>\$ (107,719)</u>

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2019

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ 432,699	\$ 479,821
Changes in non-cash items:		
Amounts receivable	135,891	748,900
Inventories	43,341	(46,191)
Prepays	857	(3,958)
Accounts payable and accrued liabilities	133,205	(222,388)
Deferred revenue	(24,712)	30,000
Landfill closure and post closure liabilities	9,000	8,344
Loss (gain) on sale of tangible capital assets	79	(137)
Amortization	458,441	445,909
Cash provided by operating transactions	<u>1,188,801</u>	<u>1,440,300</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	275	4,265
Cash used to acquire tangible capital assets	(307,269)	(353,954)
Cash applied to capital transactions	<u>(306,994)</u>	<u>(349,689)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt		477,000
Debt repayment	(197,362)	(201,450)
Advances (repayment) of obligation under capital lease	47,220	(112,832)
Cash applied to financing transactions	<u>(150,142)</u>	<u>162,718</u>
INCREASE IN CASH	<u>731,665</u>	<u>1,253,329</u>
CASH, BEGINNING OF YEAR	<u>2,526,568</u>	<u>1,273,239</u>
CASH, END OF YEAR	<u>\$ 3,258,233</u>	<u>\$ 2,526,568</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

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% (2018 - 22%)
- Whitehead Elton Regional Water Co-op Inc. - 45% (2018 - 45%)
- Souris Valley Recreation Commission - 11% (2018 - 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 17 - 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, 2019

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, 2019

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, 2019

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:

	2019	2018
Cash	\$ 3,258,233	\$ 2,526,568

The Municipality has designated \$1,761,684 (2018 - \$1,506,379) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. The RM of Whitehead also has an authorized line of credit of \$100,000 (2018 - \$100,000) on their general operating account with interest to be charged at 3.45% (2018 - 3.45%). No interest was paid in 2019.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2019	2018
Taxes on roll (Schedule 11)	\$ 396,209	\$ 366,231
Utility customers (Schedule 8)	647,778	722,365
Other governments	120,577	206,397
Organizations and individuals	12,537	17,999
	<u>\$ 1,177,101</u>	<u>\$ 1,312,992</u>

5. INVENTORIES

Inventories for use:

	2019	2018
Gravel	\$	\$ 51,357
Chemicals - Southwest Weed District	13,535	7,906
Chemicals - Whitehead Elton Regional Water Co-op Inc.	14,685	12,298
	<u>\$ 28,220</u>	<u>\$ 71,561</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts payable	\$ 760,035	\$ 716,826
School levies	258,136	171,701
Accrued expenses	34,673	32,277
Accrued interest payable	4,792	5,667
	<u>\$ 1,057,636</u>	<u>\$ 926,471</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

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.

	2019	2018
Estimated closure and post closure costs over the next seven years	\$ 191,735	\$ 191,735
Discount rate	5.625 %	5.625 %
Discount costs	\$ 130,718	\$ 123,756
Expected year capacity will be reached	2026	2026
Capacity (tonnes):		
Used to date	81.3	78.6
Remaining	21.4	24.4
Total	100	100
Percent utilized	81.30 %	78.60 %
Liability based on percentage	\$ 106,273	\$ 97,273

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

8. LONG-TERM DEBT

	2019	2018
General Authority		
Westoba Credit Union Ltd. bank loan, payable at \$25,000 annually including interest at 3.950%, maturing November 2021.	\$ 53,507	\$ 75,523
Royal Bank of Canada fixed rate term loan, payment of \$37,655 annually including interest at 3.040%, maturing January 2024.	172,250	203,712
	<u>225,757</u>	<u>279,235</u>
Utility Funds		
Debenture, payable at \$78,762 annually including interest at 5.625%, maturing December 2027.	496,439	544,570
Debenture, payable at \$35,488 annually including interest at 4.125%, maturing December 2037	444,724	461,188
Debenture, payable at \$80,357 annually including interest at 4.750%, maturing December 2030.	676,331	722,375
Debenture, payable at \$34,372 annually including interest at 4.125%, maturing December 2031.	320,258	340,581
Debenture, payable at \$25,463 annually including interest at 3.840%, maturing December 2036.	313,649	326,571
	<u>2,251,401</u>	<u>2,395,285</u>
	<u>\$ 2,477,158</u>	<u>\$ 2,674,520</u>

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

2020	\$ 206,092
2021	215,234
2022	206,889
2023	209,078
2024	218,519
	<u>\$ 1,055,812</u>

9. 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, 2019

10. OBLIGATION UNDER CAPITAL LEASE

The Municipality leased a 2017 John Deere Grader through Brandt Tractor Ltd. with semi-annual payments of \$60,513 net of GST from 2018 - 2020. In 2019, the Municipality entered into another lease agreement with Royal Bank of Canada for the 2019 Case 4-Wheel Tractor with an initial payment of \$53,520 in February 2020 and the remaining in monthly payments of \$3,339 net of GST from March 2020 to January 2023.

2020	\$ 147,611
2021	40,074
2022	40,074
2023	3,340
	<hr/>
Total minimum lease	\$ 231,099
Less amount representing future interest at 2.99%	(6,938)
	<hr/>
Balance of obligation	<u>\$ 224,161</u>

Interest expense includes \$2,448 (2018 - \$5,929) with respect to this obligation.

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

	2019	2018
Cost of leased tangible capital assets	\$ 565,832	\$ 389,772
Accumulated amortization of leased tangible capital assets	(101,845)	(58,466)
	<hr/>	<hr/>
	<u>\$ 463,987</u>	<u>\$ 331,306</u>

Amortization expense includes \$43,379 (2018 - \$38,977) on leased tangible capital assets.

11. 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, 2019

12. RETIREMENT BENEFITS

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2.0% 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 \$18,788 (2018 - \$23,183) and are included in the statement of operations.

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

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

13. FINANCIAL INSTRUMENTS

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

14. SUBSEQUENT EVENTS

Subsequent to year end, the COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the organization has not suffered any significant disruptions other than the municipal office being closed to the public and council meetings being held 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, 2019

15. ACCUMULATED SURPLUS

	2019	2018
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 1,271,991	\$ 1,089,449
Utility Operating Fund(s) - Nominal Surplus	224,755	208,107
TCA net of related borrowings	6,464,024	6,385,757
Reserve Funds	1,761,684	1,506,379
	9,722,454	9,189,692
Accumulated Surpluses of Consolidated Entities	2,055,502	2,155,565
	\$ 11,777,956	\$11,345,257

16. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2019:

- a) Compensation paid to members of council amounted to \$65,899 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	\$ 13,104	\$ 1,076	\$ 14,180
Darryl Speers	9,256	145	9,401
Trevor Tuttosi	11,116	1,490	12,606
John Bokkel	9,031	650	9,681
Tammy Black	9,341	425	9,766
Christopher Semeschuk	8,781	571	9,352
Curtis Storey	5,270	199	5,469
	\$ 65,899	\$ 4,556	\$ 70,455

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	\$	78,290

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

17. TRUST FUNDS

The Municipality administers the following trust funds:

	Balance, beginning of year	Excess of receipts over disbursements	Balance, end of year
Cemetery Trust	\$ 7,038	\$ 30	\$ 7,068
Cenotaph Trust	2,898	65	2,963
Weed Trust	358	8	366
	<u>\$ 10,294</u>	<u>\$ 103</u>	<u>\$ 10,397</u>

18. 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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

19. GOVERNMENT PARTNERSHIPS

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

	2019	2018
Financial Position		
Financial assets	\$ 599,343	\$ 635,908
Liabilities	<u>621,151</u>	<u>628,973</u>
Net financial assets (debt)	(21,808)	6,935
Non-financial assets	<u>2,077,310</u>	<u>2,148,630</u>
Accumulated surplus	<u>\$ 2,055,502</u>	<u>\$ 2,155,565</u>
Result of Operations		
Revenues	\$ 262,716	\$ 298,290
Expenses	375,792	346,818
Intercompany revenue and expense eliminations	<u>13,013</u>	<u>10,493</u>
Deficit	<u>\$ (100,063)</u>	<u>\$ (38,035)</u>

20. PRIOR PERIOD ADJUSTMENT

The prior year's figures have been restated as a result of correction on Whitehead Elton Regional Water Co-operative financial statements which is a government partnership entity. As noted on the entity's financial statements, it was determined that grants received from the Rural Municipality of Elton and Rural Municipality of Whitehead were incorrectly reported as funds received from MWSB. It was also determined that a payable to MWSB was missed on the Alexander Water Plant as it was originally paid through the Rural Municipality of Whitehead.

The effect of these adjustments are a net increase to accumulated surplus as follows:

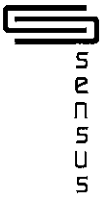
	2019	2018
Opening fund balance:		
Accumulated surplus	\$ 11,345,257	\$ 11,284,994
Adjustments:		
Government partnership - accounts payable		(419,558)
Opening accumulated surplus, restated	<u>11,345,257</u>	<u>10,865,436</u>
Annual surplus, previously stated	432,699	431,346
Government partnership - water and sewer revenue		48,475
Annual surplus, restated	<u>432,699</u>	<u>479,821</u>
Accumulated surplus, end of year	<u>\$ 11,777,956</u>	<u>\$ 11,345,257</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2019

	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	2019	2018
Cost								
Opening costs	\$ 62,961	378,317	1,778,717	21,675	8,818,849	11,498,590	\$ 22,559,109	\$ 22,210,108
Additions during the year	4,600	21,200	202,247			79,222	307,269	353,954
Disposals and write downs			(4,494)			(10,000)	(14,494)	(4,953)
Closing costs	<u>67,561</u>	<u>399,517</u>	<u>1,976,470</u>	<u>21,675</u>	<u>8,818,849</u>	<u>11,567,812</u>	<u>22,851,894</u>	<u>22,559,109</u>
Accumulated Amortization								
Opening accum'd amort		163,648	694,811	19,254	8,184,997	2,133,475	11,196,185	10,751,101
Amortization		9,759	130,305	967	20,921	296,489	458,441	445,909
Disposals and write downs			(4,494)			(9,646)	(14,140)	(825)
Closing accum'd amortization		<u>173,407</u>	<u>820,622</u>	<u>20,221</u>	<u>8,205,918</u>	<u>2,420,318</u>	<u>11,640,486</u>	<u>11,196,185</u>
Net Book Value of Tangible Capital Assets	\$ <u>67,561</u>	<u>226,110</u>	<u>1,155,848</u>	<u>1,454</u>	<u>612,931</u>	<u>9,147,494</u>	<u>\$ 11,211,398</u>	<u>\$ 11,362,924</u>

Water and sewer underground networks contributed to the Municipality totals \$8,770,492 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, 2019

	2019 Actual	2018 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,833,415	\$ 1,733,826
Taxes added	32,018	21,902
Discounts	(5,969)	(6,432)
	<u>1,859,464</u>	<u>1,749,296</u>
Grants in lieu of taxation:	<u>43,073</u>	<u>40,707</u>
User fees:		
Sales of service	129,871	99,327
Sales of goods	420	410
Rentals	16,583	21,932
	<u>146,874</u>	<u>121,669</u>
Permits, licences and fines:		
Permits	11,375	13,311
Licences	70	80
Fines	1,258	2,618
	<u>12,703</u>	<u>16,009</u>
Investment income:		
Cash and temporary investments	<u>61,331</u>	<u>41,877</u>
Other revenue:		
Insurance proceeds		3,622
Penalties and interest	43,104	35,054
Gain on sale of tangible capital assets	275	1,360
Tax sale fees	3,496	18,557
Miscellaneous	9,278	9,000
	<u>56,153</u>	<u>67,593</u>
Water and sewer		
Municipal utility	312,539	350,811
Consolidated water co-operatives	189,071	229,967
	<u>501,610</u>	<u>580,778</u>
Sub-total	<u>\$ 2,681,208</u>	<u>\$ 2,617,929</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)
 For the year ended December 31, 2019

	2019 Actual	2018 Actual
Sub-total (Carry forward)	\$ 2,681,208	\$ 2,617,929
Grants - Province of Manitoba:		
General assistance payment	132,816	90,105
Conditional grants		60,000
	<u>132,816</u>	<u>150,105</u>
Grants - other:		
Federal government - gas tax funding	178,171	86,734
Other municipal governments	61,843	96,289
	<u>240,014</u>	<u>183,023</u>
Total revenue	\$ 3,054,038	\$ 2,951,057

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
 For the year ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 73,455	\$ 65,786
General administrative	342,203	350,503
Other	14,647	12,888
	<u>430,305</u>	<u>429,177</u>
Protective services:		
Police	7,840	7,934
Fire	114,879	121,557
Other protection	85,394	92,284
	<u>208,113</u>	<u>221,775</u>
Transportation services:		
Road transport		
Administration and engineering	177,525	191,769
Road and street maintenance	528,398	517,417
Street lighting	10,620	9,379
Other	2,448	5,929
	<u>718,991</u>	<u>724,494</u>
Environmental health services:		
Waste collection and disposal	222,914	78,342
Other	9,000	8,344
	<u>231,914</u>	<u>86,686</u>
Public health and welfare services:		
Public health	1,598	4,265
Medical care	5,749	2,875
Social assistance	2,640	2,640
	<u>9,987</u>	<u>9,780</u>
Regional planning and development:		
Planning and zoning	11,802	47,554
Beautification and land rehabilitation	1,628	1,644
	<u>13,430</u>	<u>49,198</u>
Sub-total	<u>\$ 1,612,740</u>	<u>\$ 1,521,110</u>

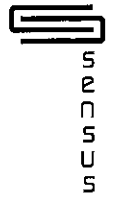
RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)
 For the year ended December 31, 2019

	2019 Actual	2018 Actual
Sub-total (Carry forward)	\$ 1,612,740	\$ 1,521,110
Resource conservation and industrial development:		
Rural area weed control	118,397	103,038
Veterinary services	2,023	1,983
Water resources and conservation		15
Loss on disposal of tangible capital assets		1,223
	<u>120,420</u>	<u>106,259</u>
Recreation and cultural services		
Administration	27,508	16,562
Community centres and halls	12,823	20,343
Skating and curling rinks	17,477	
Other cultural facilities		8,632
	<u>57,808</u>	<u>45,537</u>
Water and sewer (Schedule 9)		
Municipal utility	530,667	525,788
Consolidated water co-operatives	299,704	272,542
	<u>830,371</u>	<u>798,330</u>
Total expenses	\$ 2,621,339	\$ 2,471,236

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the year ended December 31, 2019

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ 1,593,514	\$ 1,481,606								
Grants in lieu of taxation	43,073	40,707								
User fees	18,953	25,961	49,929	21,725	4,770	2,799	45,197	36,198		8,183
Grants - other	178,171	117,818								
Permits, licences and fines	11,545	13,391	1,158	2,618						
Investment income	54,706	36,559								
Other revenue	55,388	66,888								
Water and sewer										
Prov of MB - unconditional grants	132,816	90,105				60,000				
Prov of MB - conditional grants										
Total revenue	2,088,166	1,873,035	51,087	24,343	4,770	62,799	45,197	36,198		8,183
EXPENSES										
Personnel services	278,326	278,465	29,446	35,445	174,266	188,510	19,190	14,998	1,166	
Contract services	80,986	86,326	59,548	78,347	126,524	178,709	68,731	59,258	2,640	
Utilities	8,659	7,285	7,185	7,279	6,116	7,382				
Maintenance, materials and supplies	49,673	45,477	53,111	40,952	305,157	248,439	134,826	3,919	5,750	3,833
Grants and contributions	1,500	1,000			104,480	95,525	167	167	431	2,875
Amortization	1,892	1,038	9,157	9,636	2,448	5,929				432
Interest on long term debt										
Other	9,269	9,586					9,000	8,344		
Total expenses	430,305	429,177	208,113	221,775	718,991	724,494	231,914	86,686	9,987	9,780
Surplus (Deficit)	\$ 1,657,861	\$ 1,443,858	(157,026)	(197,432)	(714,221)	(661,695)	(186,717)	(50,488)	(9,987)	(1,597)

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



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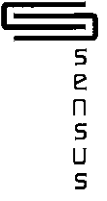
RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM (continued)
For the year ended December 31, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes							265,950	267,690	\$ 1,859,464	\$ 1,749,296
Grants in lieu of taxation									43,073	40,707
User fees			19,345	18,759	8,680	8,044			146,874	121,669
Grants - other			44,261	35,661	17,582	29,544			240,014	183,023
Permits, licences and fines					34	27	5,376	4,469	61,331	41,877
Investment income			1,215	822					56,153	67,593
Other revenue			765	98	607				501,610	580,778
Water and sewer									132,816	90,105
Prov of MB - unconditional grants										60,000
Prov of MB - conditional grants										
Total revenue			<u>65,586</u>	<u>55,340</u>	<u>26,296</u>	<u>38,222</u>	<u>772,936</u>	<u>852,937</u>	<u>3,054,038</u>	<u>2,951,057</u>
EXPENSES										
Personnel services			30,585	30,686	6,203	7,048	110,803	105,920	649,985	661,072
Contract services	11,802	47,554	2,939	2,785	26,989	13,430	3,270	8,169	383,429	477,218
Utilities			406	388	5,067	13,991	21,562	20,558	48,995	56,883
Maintenance, materials and supplies	1,628	1,644	28,028	26,086	5,373	5,228	286,652	247,636	864,448	623,214
Grants and contributions			55,886	42,720	11,432	4,840			74,568	51,435
Amortization			2,576	2,371	2,740	985	296,489	295,275	458,441	445,909
Interest on long term debt							111,595	120,772	123,200	136,337
Other				1,223	4	15			18,273	19,168
Total expenses	<u>13,430</u>	<u>49,198</u>	<u>120,420</u>	<u>106,259</u>	<u>57,808</u>	<u>45,537</u>	<u>830,371</u>	<u>798,330</u>	<u>2,621,339</u>	<u>2,471,236</u>
Surplus (Deficit)	<u>(13,430)</u>	<u>(49,198)</u>	<u>(54,834)</u>	<u>(50,919)</u>	<u>(31,512)</u>	<u>(7,315)</u>	<u>(57,435)</u>	<u>54,607</u>	<u>\$ 432,699</u>	<u>\$ 479,821</u>



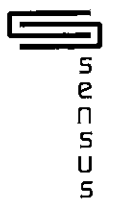
RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the year ended December 31, 2019

	Core Government		Controlled Entities		Government Partnerships		Total
	2019	2018	2019	2018	2019	2018	
REVENUE							
Property taxes	\$ 1,859,464	\$ 1,749,296					\$ 1,749,296
Grants in lieu of taxation	43,073	40,707					40,707
User fees	127,736	98,943			19,138	22,726	121,669
Grants - other	187,521	138,980			52,493	44,043	183,023
Permits, licences and fines	12,703	16,009					16,009
Investment income	60,082	41,028			1,249	849	41,877
Other revenue	55,388	66,888			765	705	67,593
Water and sewer	312,539	350,811			189,071	229,967	580,778
Prov of MB - unconditional grants	132,816	90,105					90,105
Prov of MB - conditional grants		60,000					60,000
Total revenue	2,791,322	2,652,767			262,716	298,290	3,054,038
EXPENSES							
Personnel services	515,304	525,936			134,681	135,136	661,072
Contract services	380,061	473,961			3,368	3,257	477,218
Utilities	26,727	35,617			22,268	21,266	56,883
Maintenance, materials and supplies	748,180	533,593			116,268	89,621	623,214
Grants and contributions	73,111	51,435			1,457		51,435
Amortization	361,732	350,468			96,709	95,441	445,909
Interest on long term debt	122,163	135,478			1,037	859	136,337
Other	18,269	17,930			4	1,238	19,168
Total expenses	2,245,547	2,124,418			375,792	346,818	2,471,236
Surplus	\$ 545,775	\$ 528,349			(113,076)	(48,528)	\$ 479,821



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2019

	2019				
	Employee Severance Reserve	Equipment Replacement Reserve	New General Reserve	Waste Disposal Reserve	Sub Total
REVENUE					
Investment income	815	741			\$ 1,556
Other income					
Total revenue	815	741			1,556
EXPENSES					
Investment charges					
Other expenses					
Total expenses					
NET REVENUES	815	741			1,556
TRANSFERS					
Debt repayment					
Transfers from operating fund		75,000	110,000	40,000	225,000
Transfers to operating fund		(121,027)	(22,546)	(14,309)	(157,882)
Transfers from utility fund					
Transfers to utility fund					
Acquisition of tangible capital assets					
CHANGE IN RESERVE FUND BALANCES	815	(45,286)	87,454	25,691	68,674
FUND SURPLUS, BEGINNING OF YEAR	5,682	162,639	227,654	40,000	435,975
FUND SURPLUS, END OF YEAR	6,497	117,353	315,108	65,691	\$ 504,649



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2019

	2019			2018	
	Gas Tax Reserve	Fire Capital Reserve	Utility Replacement Reserve	Rural Water Deposit Reserve	Total
REVENUE					
Investment income	5,969	1,737		5,377	\$ 12,167
Other income		500			5,500
Total revenue	5,969	2,237		5,377	17,667
EXPENSES					
Investment charges					
Other expenses					
Total expenses					
NET REVENUES	5,969	2,237		5,377	17,667
TRANSFERS					
Debt repayment					331,734
Transfers from operating fund	178,171	40,000			(311,884)
Transfers to operating fund	(32,502)	(38,155)			573,500
Transfers from utility fund			10,000	80,000	(30,085)
Transfers to utility fund				(64,466)	
Acquisition of tangible capital assets					
CHANGE IN RESERVE FUND BALANCES	151,638	4,082	10,000	20,911	580,932
FUND SURPLUS, BEGINNING OF YEAR	240,095	109,101	32,300	688,908	925,447
FUND SURPLUS, END OF YEAR	391,733	113,183	42,300	709,819	1,506,379

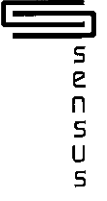


RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Alexander
For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Taxation	\$ 43,091	\$ 43,091	\$ 46,250
Other revenue	37,159	35,710	35,374
Total revenue	80,250	78,801	81,624
EXPENSES			
General government			
Indemnities	6,750	5,832	4,550
Transportation services			
Road and street maintenance	34,500	16,093	25,215
Sidewalk and boulevard maintenance	1,500		
Street lighting	8,500	9,006	8,360
Other	4,500	4,280	3,047
Regional planning and development			
Beautification and land rehabilitation	18,500	14,640	17,263
Recreation and cultural services			
Community centres and halls	6,000	3,841	10,880
Total expenses	80,250	53,692	69,315
NET REVENUES		25,109	12,309
TRANSFERS			
CHANGES IN L.U.D. BALANCES	\$	25,109	12,309
UNEXPENDED BALANCE, BEGINNING OF YEAR		36,685	24,376
UNEXPENDED BALANCE, END OF YEAR		\$ 61,794	\$ 36,685

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2019

	2019		2018
	Whitehead	Whitehead Elton Regional Water Co- operative Inc.	Total
FINANCIAL ASSETS			
Cash	\$ 4,457	\$	\$ 4,457
Amounts receivable (Note 4)	120,866	526,912	647,778
Due from other funds	139,059		139,059
	<u>264,382</u>	<u>526,912</u>	<u>791,294</u>
LIABILITIES			
Accounts payable and accrued liabilities	39,627	619,091	658,718
Deferred revenue (Note 2)	2,251,401		2,251,401
Long-term debt (Note 8)	2,291,028	619,091	2,910,119
	<u>(2,026,646)</u>	<u>(92,179)</u>	<u>(2,118,825)</u>
NET DEBT			
	7,116,271		9,147,494
NON-FINANCIAL ASSETS			
Tangible capital assets (Schedule 1)		2,031,223	14,685
Inventories (Note 5)		3,034	3,034
Prepaid expenses	7,116,271	2,048,942	9,165,213
	<u>5,089,625</u>	<u>1,956,763</u>	<u>7,046,388</u>
FUND SURPLUS			
			\$ 9,365,114
			12,298
			2,720
			<u>9,380,132</u>
			<u>\$ 7,134,733</u>



RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead
For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 196,500	\$ 196,548	\$ 190,886
Bulk water fees	2,750	3,237	2,619
	<u>199,250</u>	<u>199,785</u>	<u>193,505</u>
Sub-Total - Water			
Sewer			
Lagoon tipping fees		120	460
		<u>120</u>	<u>460</u>
Property taxes	265,950	265,950	267,690
Other			
Hydrant rentals	1,200	1,200	1,200
Connection charges	40,000	110,000	86,500
Investment income		97	17,762
Loss on sale of tangible capital assets		(354)	
Other Income	41,000	1,691	51,384
	<u>82,200</u>	<u>112,634</u>	<u>156,846</u>
Sub-Total - Other			
Total revenue	<u>\$ 547,400</u>	<u>\$ 578,489</u>	<u>\$ 618,501</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead
For the year ended December 31, 2019

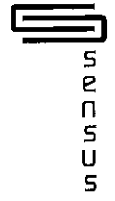
	Budget	2019	2018
EXPENSES			
General			
Administration	\$ 1,450	\$ 12,910	\$ 9,875
Water General			
Purification and treatment	20,000	4,135	2,308
Water purchases	170,000	195,114	183,687
Connection costs	80,000	5,302	7,519
Sub-Total - Water General	<u>270,000</u>	<u>204,551</u>	<u>193,514</u>
Water Amortization and Interest			
Amortization		202,357	202,205
Interest on long term debt		110,558	119,913
Sub-Total - Water Amortization & Interest		<u>312,915</u>	<u>322,118</u>
Sewer General			
Treatment and disposal cost	10,000	291	281
Sewer Amortization and Interest			
Total expenses	<u>281,450</u>	<u>530,667</u>	<u>525,788</u>
NET OPERATING SURPLUS	<u>\$ 265,950</u>	47,822	92,713
TRANSFERS			
Transfers to reserve funds		<u>(25,534)</u>	<u>(543,415)</u>
CHANGE IN UTILITY FUND BALANCE		22,288	(450,702)
FUND SURPLUS, BEGINNING OF YEAR		<u>5,067,337</u>	<u>5,518,039</u>
FUND SURPLUS, END OF YEAR		<u>\$ 5,089,625</u>	<u>\$ 5,067,337</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead Elton Regional Water Co-
operative Inc.
For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 179,916	\$ 179,916	\$ 174,698
Government transfers			
Government transfers - operating	4,899	4,899	
Government transfers - capital	4,256	4,256	55,269
Sub-Total - Government transfers	9,155	9,155	55,269
Total revenue	189,071	189,071	229,967
EXPENSES			
General			
Utilities (telephone, electricity, etc)	21,562	21,562	20,558
Water General			
Purification and treatment	182,973	182,973	158,055
Water Amortization & Interest			
Amortization	94,132	94,132	93,070
Interest on long term debt	1,037	1,037	859
Sub-Total - Water Amortization & Interest	95,169	95,169	93,929
Total expenses	299,704	299,704	272,542
DEFICIT	\$ (110,633)	(110,633)	(42,575)
TRANSFERS			
CHANGE IN UTILITY FUND BALANCE		(110,633)	(42,575)
FUND SURPLUS, BEGINNING OF YEAR		2,067,396	2,109,971
FUND SURPLUS, END OF YEAR		\$ 1,956,763	\$ 2,067,396

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2019

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	L.U.D. of Alexander	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,532,094	265,950				43,091		\$ 1,841,135
Grants in lieu of taxation	43,073							43,073
User fees	77,650					1,850	19,138	98,638
Grants - Province of Manitoba	72,087					18,000		90,087
Grants - other	89,389						65,506	154,895
Permits, licences and fines	4,000							4,000
Investment income	20,000					5,000	1,249	21,249
Other revenue	38,530						765	44,295
Water and sewer		470,521						470,521
Transfers from accumulated surplus					(12,309)	12,309		
Transfers from reserves	117,655	10,000			(127,655)			
Total revenue	<u>1,994,478</u>	<u>746,471</u>			<u>(139,964)</u>	<u>80,250</u>	<u>86,658</u>	<u>2,767,893</u>
EXPENSES								
General government services	454,650		1,892			6,750		467,736
Protective services	175,500		49,666	9,157	4,444			234,323
Transportation services	696,200		104,480	2,448		49,000		852,128
Environmental health services	87,500		167			6,000		93,667
Public health and welfare services	28,140		431					28,571
Regional planning and development	25,000					15,000	64,534	40,000
Resource cons and industrial dev	68,500							133,034
Recreation and cultural services	37,500					3,500	11,553	55,292
Water and sewer services		581,154	202,357	110,558				894,069
Fiscal services:								
Transfer to capital								
Debt charges	62,655	265,950		(328,605)				
Short term interest								
Transfer to reserves	354,389	10,000			(364,389)			
Allowance for tax assets	4,444				(4,444)			
Total expenses	<u>1,994,478</u>	<u>857,104</u>	<u>361,732</u>	<u>(206,442)</u>	<u>(364,389)</u>	<u>80,250</u>	<u>76,087</u>	<u>2,798,820</u>
Surplus (Deficit)	\$	<u>(110,633)</u>	<u>(361,732)</u>	<u>206,442</u>	<u>224,425</u>		<u>10,571</u>	\$ <u>(30,927)</u>



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RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2019

	2019	2018
Balance, beginning of year	\$ 366,231	\$ 315,671
Add:		
Tax levy (Schedule 12)	3,982,104	3,870,227
Taxes added	32,018	21,902
Penalties or interest	43,104	35,054
Other accounts added	26,639	31,529
Sub-total	4,083,865	3,958,712
Deduct:		
Cash collections - current	3,376,726	3,210,453
Cash collections - arrears	277,932	293,203
Writeoffs	8,769	9,336
Tax discounts	5,969	6,432
E.P.T.C. - cash advance	384,491	388,728
Sub-total	4,053,887	3,908,152
Balance, end of year	\$ 396,209	\$ 366,231

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 12 - ANALYSIS OF TAX LEVY
 For the year ended December 31, 2019

	2019		2018	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D. Alexander	10,423,470	4.140	\$ 43,153	\$ 42,580
Sub-Total - L.U.D			<u>43,153</u>	<u>42,580</u>
Debt charges:				
Frontage			58,825	58,825
L.I.D. - Water/Sewer	10,790,070	1.760	18,991	20,257
Other (Fire Department)	145,908,620	0.170	24,805	24,617
Sub-Total - Debt charges			<u>102,621</u>	<u>103,699</u>
Reserves:				
Machinery Replacement	145,908,620	0.510	74,413	73,850
Fire Replacement Reserve	145,908,620	0.270	39,395	39,097
Waste Disposal Site Reserve	145,908,620	0.270	39,395	39,097
General	145,908,620	0.740	107,972	88,331
Sub-Total - Reserves			<u>261,175</u>	<u>240,375</u>
General Municipal - Rural Area	135,485,150	5.270	714,007	697,766
- At Large	145,908,620	3.600	525,271	460,478
Special levies:				
Kemville			11,508	11,508
Rural Water			175,680	177,420
Sub-Total - Special levies			<u>187,188</u>	<u>188,928</u>
Total municipal taxes (Schedule 2)			<u>1,833,415</u>	<u>1,733,826</u>
Education support levy	7,255,000	9.780	70,954	70,540
Special levy:				
Brandon School Division	123,293,760	14.990	1,848,174	1,838,774
Fort La Bosse	3,155,580	7.690	24,266	24,393
Southwest Horizon	19,459,280	10.550	205,295	202,694
Sub-Total - Special levies			<u>2,077,735</u>	<u>2,065,861</u>
Total education taxes			<u>2,148,689</u>	<u>2,136,401</u>
Total tax levy (Schedule 11)			<u>\$ 3,982,104</u>	<u>\$ 3,870,227</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the year ended December 31, 2019

	2019	2018
General government services:		
Legislative	\$ 73,455	\$ 65,786
General administrative	342,203	350,503
Other	14,647	12,888
	430,305	429,177
Protective services:		
Police	7,840	7,934
Fire	114,879	121,557
Other	85,394	92,284
	208,113	221,775
Transportation services:		
Road transport		
Administration and engineering	177,525	191,769
Road and street maintenance	528,398	517,417
Street lighting	10,620	9,379
Other	2,448	5,929
	718,991	724,494
Environmental health services:		
Waste collection and disposal	222,914	78,342
Other	9,000	8,344
	231,914	86,686
Public health and welfare services:		
Public health	1,598	4,265
Medical care	5,749	2,875
Social assistance	2,640	2,640
	9,987	9,780
Regional planning and development:		
Planning and zoning	11,802	47,554
Beautification and land rehabilitation	1,628	1,644
	13,430	49,198
Sub-total	\$ 1,612,740	\$ 1,521,110

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES (continued)
 For the year ended December 31, 2019

	2019	2018
Sub-total (carry forward)	\$ 1,612,740	\$ 1,521,110
Resource conservation and industrial development:		
Rural area weed control	66,279	50,620
Veterinary services	2,023	1,983
Water resources and conservation		15
	<hr/> 68,302	<hr/> 52,618
Recreation and cultural services:		
Administration	16,551	6,420
Community centres and halls	12,823	20,343
Skating and curling rinks	17,477	
Other cultural facilities		8,632
	<hr/> 46,851	<hr/> 35,395
Total expenses	<hr/> \$ 1,727,893	<hr/> \$ 1,609,123

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2019

	2019		2018	
	General	Utility	Total	Total
MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT	\$ 157,433	16,648 \$	174,081 \$	137,093
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	443,171	90,000	533,171	905,234
Eliminate revenue - transfers from reserves	(228,539)	(64,466)	(293,005)	(341,969)
Increase revenue - reserve funds interest	15,139		15,139	17,667
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	10,570	(110,633)	(100,063)	(38,035)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	25,109		25,109	12,309
Increase expense - amortization of tangible capital assets	(159,375)	(202,357)	(361,732)	(350,468)
Decrease expense - principal portion of debenture debt or capital lease	170,438	143,884	314,322	314,281
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	275	(354)	(79)	1,360
Eliminate revenue - proceeds on new debenture debt or capital lease	(164,180)		(164,180)	(477,000)
Eliminate revenue - proceeds on sale of tangible capital assets	(275)		(275)	(1,360)
Eliminate expense - acquisitions of tangible capital assets	225,744	64,467	290,211	300,709
NET SURPLUS (DEFICIT) PER STATEMENT OF OPERATIONS	\$ 495,510	(62,811) \$	432,699 \$	479,821

