RURAL MUNICIPALITY OF SIFTON

Consolidated Financial Statements
For the Year Ended December 31, 2020

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the *Rural Municipality of Sifton* and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

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

The Council is composed of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

MNP LLP, as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's Report is addressed to the Reeve and Members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the municipality in accordance with Canadian Public Sector Accounting Standards.

Lon Turner
Chief Administrative Officer

MNP LLP

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Members of Council of the
RURAL MUNICIPALITY OF SIFTON

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of Sifton as at December 31, 2020, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Rural Municipality of Sifton in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have 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 Consolidated 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 consolidated financial statements, management is responsible for assessing the Rural Municipality of Sifton'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 Sifton to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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.

MNP LLP

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the 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 Sifton'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 Sifton'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 Sifton 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 Municipality 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

MNP LLP

October 14, 2021
Brandon, Manitoba

Chartered Professional Accountants

RURAL MUNICIPALITY OF SIFTON
Consolidated Financial Statements
For the Year Ended December 31, 2020

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

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	**4,052,299**	3,537,241
Amounts receivable (Note 4)	**230,047**	197,466
Real estate properties held for sale	**20,597**	20,597
	4,302,943	3,755,304
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	**282,770**	277,177
Unearned revenue	**5,300**	-
Long-term debt (Note 7)	**615,520**	647,875
	903,590	925,052
NET FINANCIAL ASSETS	**3,399,353**	2,830,252
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**7,302,989**	7,358,154
Inventories (Note 5)	**23,970**	35,163
Prepaid expenses	**16,446**	11,164
	7,343,405	7,404,481
ACCUMULATED SURPLUS (Note 12)	**$ 10,742,758**	$ 10,234,733

CONTINGENCIES (Note 8)

Approved on behalf of council:

Reeve

Councillor

The accompanying notes are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	2020 Budget (Note 11)	2020 Actual	2019 Actual
REVENUE			
Property taxes	$ 1,893,127	$ 2,029,115	$ 1,895,601
Grants in lieu of taxation	53,675	53,869	60,550
User fees	476,307	136,244	139,421
Permits, licences and fines	3,835	4,035	3,884
Investment income	16,625	38,789	61,023
Other revenue	47,708	84,293	132,225
Water and sewer	61,270	59,287	155,169
Grants - Province of Manitoba	216,525	266,061	283,056
Grants - other	138,621	230,596	222,353
Total revenue (Schedules 2, 4 and 5)	2,907,693	2,902,289	2,953,282
EXPENSES			
General government services	515,141	490,566	505,381
Protective services	396,669	203,979	165,984
Transportation services	1,016,394	903,966	920,141
Environmental health services	139,418	138,538	127,560
Public health and welfare services	1,450	2,221	1,025
Regional planning and development	19,511	47,423	49,107
Resource conservation and industrial development	206,393	165,145	205,693
Recreation and cultural services	381,062	261,750	245,653
Water and sewer services	170,475	180,676	151,668
Total expenses (Schedules 3, 4 and 5)	2,846,513	2,394,264	2,372,212
ANNUAL SURPLUS	$ 61,180	508,025	581,070
ACCUMULATED SURPLUS, BEGINNING OF YEAR		10,234,733	9,653,663
ACCUMULATED SURPLUS, END OF YEAR		$ 10,742,758	$ 10,234,733

The accompanying notes are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	2020 Budget (Note 11)	2020 Actual	2019 Actual
ANNUAL SURPLUS (DEFICIT)	$ 61,180	$ 508,025	$ 581,070
Acquisition of tangible capital assets	(116,000)	(316,026)	(760,448)
Amortization of tangible capital assets	369,952	369,952	296,151
Gain on sale of tangible capital assets	-	(9,261)	(8,613)
Proceeds on sale of tangible capital assets	-	10,500	8,613
Increase in inventories	-	11,193	(12,029)
Increase in prepaid expense	-	(5,282)	(3,154)
	253,952	61,076	(479,480)
CHANGE IN NET FINANCIAL ASSETS	$ 315,132	569,101	101,590
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,830,252	2,728,662
NET FINANCIAL ASSETS, END OF YEAR		$ 3,399,353	$ 2,830,252

The accompanying notes are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	$ 508,025	$ 581,070
Changes in non-cash items:		
Amounts receivable	(32,581)	81,437
Inventories	11,193	(12,029)
Prepaids	(5,282)	(3,154)
Accounts payable and accrued liabilities	5,593	(66,654)
Unearned revenue	5,300	-
Gain on real estate properties held for sale	-	(3,311)
Gain on sale of tangible capital asset	(9,261)	(8,613)
Amortization	369,952	296,151
Cash provided by operating transactions	852,939	864,897
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	10,500	8,613
Cash used to acquire tangible capital assets	(316,026)	(760,448)
Cash applied to capital transactions	(305,526)	(751,835)
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	-	20,000
Cash provided by investing transactions	-	20,000
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	647,875
Debt repayment	(32,355)	-
Cash provided by (applied to) financing transactions	(32,355)	647,875
INCREASE IN CASH AND TEMPORARY INVESTMENTS	515,058	780,937
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	3,537,241	2,756,304
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	$ 4,052,299	$ 3,537,241

The accompanying notes are an integral part of these consolidated financial statements

1. Status of the Rural Municipality of Sifton

The incorporated Rural Municipality of Sifton (the "Municipality") is a Municipality that was formed in January 1, 2015 pursuant to The Municipal Amalgamations Act. The Rural Municipality of Sifton reflects the amalgamation of the former Town of Oak Lake and Rural Municipality of Sifton. 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. Significant accounting policies

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

a) Reporting entity

The consolidated financial statements include the assets, liabilities, revenue 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 controlled organizations include:

Oak Lake & Area Handi-Transit
Oak Lake - Sifton Fire Board

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

Oak Lake Arena Board (85%) (2019 - 85%)
Dennis County Planning District (33.33%) (2019 - 33.33%)
Southwest Weed District (25%) (2019 - 25%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these consolidated financial statements.

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and temporary investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

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

Portfolio investments are accounted for at cost.

2. Significant Accounting Policies (continued)

e) Real estate properties held for sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the statement of financial position date.

f) 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 revenue over expenses, provides the change in net financial assets (debt) for the year.

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

g) Tangible capital assets

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

General Tangible Capital Assets

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

Infrastructure Assets

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

2. Significant Accounting Policies (continued)

g) Tangible capital assets (continued)

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.

h) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of 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.

i) 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.

j) Revenue recognition

Revenues are recognized as they are earned and measurable.

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

Unearned revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

k) Measurement uncertainty

Estimates are used to accrue revenue and expenses in circumstances where the actual accrued amounts are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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 consolidated 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 consolidated 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.

2. Significant Accounting Policies (continued)

l) Recent accounting pronouncements

Portfolio Investments (PS 3041)

In March 2012, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting Board (PSAB) issued new PS 3041 Portfolio Investments, which revises and replaces PS 3030 Temporary Investments and PS 3040 Portfolio Investments. The main features of the new standard are:

- PS 3041 does not make a distinction between temporary and portfolio investments, and is cross referenced and conformed to the requirements of PS 3450.
- Investments previously within the scope of PS 3030, which are not cash equivalents, are now accounted for within the scope of PS 3041.

This Section is effective in the same period PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3450 are adopted. PS 1201, PS 2601 and PS 3450 are to be adopted together and were to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

Financial Instruments (PS 3450)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
    - Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
    - Portfolio investments in equity instruments quoted in an active market are measured at fair value.
    - Other financial assets and financial liabilities are generally measured at cost or amortized cost.
    - An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses;
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exist, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

PS 3450 was to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted. In the period that a public sector entity applies PS 3450, it also applies PS 1201 and PS 2601.

2. Significant Accounting Policies (continued)

l) Recent accounting pronouncements (continued)

Asset Retirement Obligations (PS 3280)

In August 2018, new PS 3280 Asset Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

3. Cash and temporary investments

The Municipality has designated $1,460,824 (2019 - $1,295,450) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of $1,417,375 (2019 - $1,252,001).

4. Amounts receivable

Amounts receivable are valued at their net realizable value.

	2020	2019
Taxes on roll (Schedule 11)	$ 227,351	$ 215,275
Government grants	-	9,451
Utility customers	4,018	603
Accrued interest	-	-
Organizations and individuals	16,393	19,382
Other governments	12,607	10,147
	260,369	254,858
Less allowances for doubtful amounts	(30,322)	(57,392)
	$ 230,047	$ 197,466

5. Inventories

Inventories for use:

	2020	2019
Chemicals, herbicides, insecticides	**$ 11,169**	$ 15,381
Fuel	**-**	3,652
Culverts	**2,551**	7,668
Other supplies	**10,250**	8,462
	$ 23,970	$ 35,163

6. Accounts payable and accrued liabilities

	2020	2019
Accounts payable	**$ 155,262**	$ 236,641
Accrued expenses	**-**	347
School levies	**105,619**	121,415
Other governments	**21,889**	(81,226)
	$ 282,770	$ 277,177

7. Long-term debt

Utility funds:	2020	2019
Debenture for Oak Lake Utility, interest at 4.0%, payable at $33,649 annually including interest, maturing March 31, 2034	**$ 355,437**	$ 374,121
Debenture for Oak Lake Utility, interest at 4.0%, payable at $24,622 annually including interest, maturing March 31, 2034	**260,083**	273,754
	$ 615,520	$ 647,875

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

2021	$ 33,650
2022	$ 34,996
2023	$ 36,396
2024	$ 37,851
2025	$ 39,365

8. Contingencies

The Municipality owns properties that may contain environmental contamination and require site reclamation. The amount of any such obligation has not been determined.

9. Retirement benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS 3250.

9. Retirement benefits (continued)

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 2020 by the Municipality on behalf of its employees are expected to be $43,375 (2019 - $42,061) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of $288.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2019.

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

10. Financial instruments

The Municipality, as part of its operations, carries a number of financial instruments. It is management's opinion that 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 values of these financial instruments approximate their carrying values.

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 consolidated 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.

12. Accumulated surplus

	2020	2019
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	$ 2,226,901	$ 1,908,949
Utility operating fund - Nominal surplus	101,910	104,300
TCA net of related borrowings	6,604,613	6,692,302
Reserve funds	1,460,824	1,295,450
Accumulated surplus of Municipality unconsolidated	10,394,248	10,001,001
Accumulated surpluses of consolidated entities	348,510	233,732
Accumulated surplus per Consolidated Statement of Financial Position	$ 10,742,758	$ 10,234,733

13. Public Sector Compensation Disclosure

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of Council, and of individual compensation in an amount exceeding $75,000 annually to any member of Council, officer or employee of the Municipality. For the year ended December 31, 2020:

a) There were no members of Council receiving compensation in excess of $75,000 individually.

b) There were no officers or employees receiving compensation in excess of $75,000.

c) Compensation paid to members of Council amounted to $75,548 in aggregate.

Council Members:

	Compensation	Expenses	Total
Reeve - Cyril Druwe	$ 11,085	$ 5,674	$ 16,759
Councillor - Larry Wallace	9,240	4,472	13,712
Councillor - Rick Kenderdine	643	-	643
Councillor - Russell Thiesen	8,315	4,659	12,974
Councillor - Mark Houston	7,360	1,551	8,911
Councillor - Dave Roulette	7,910	4,402	12,312
Councillor - Rick Gabrielle	5,185	1,333	6,518
Councillor - Stan Cochrane	7,625	1,531	9,156
Councillor - Scott Phillips	9,465	4,239	13,704
Councillor - Wilson Davis	8,720	5,218	13,938
	$ 75,548	$ 33,079	$ 108,627

14. Trust funds

The Rural Municipality of Sifton administers the following trusts:

	Balance, beg. of the year	Excess (deficiency) of Receipts over Disbursements	Balance, end of the year
Harvey/Heapy Scholarships Trust	$ 6,230	$ (338)	$ 5,892
Oakwood War Memorial Trust	20,806	185	20,991
	$ 27,036	$ (153)	$ 26,883

15. Segmented information

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

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

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

Revenue 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 consolidated financial statements as described in the summary of significant accounting policies.

16. Government partnerships

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

	2020	2019
Financial Position		
Financial assets	$ 95,482	$ 82,955
Financial liabilities	(76,494)	(34,192)
Net financial assets (liabilities)	$ 171,976	$ 117,147
Non-financial assets	24,937	32,118
Accumulated surplus	$ 196,913	$ 149,265
Result of Operations		
Revenue	$ 149,640	$ 134,804
Expenses	101,992	136,654
Annual surplus (deficit)	$ 47,648	$ (1,850)

17. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The 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 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 or contributed 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.

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Oak Lake Utility	$ 2,132,083	$ -	$ 45,761	$ 2,086,322

18. COVID-19 impact on operations

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Municipality's operations were impacted by COVID-19 due to closure of facilities to the public for normal operations. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
Cost	**Land and Land Improvements**	**Buildings and Leasehold Improvements**	**Vehicles and Equipment**	**Computer Hardware and Software**	**Asset Under Construction**	**Roads, Streets, and Bridges**	**Water and Sewer**	**Assets Under Construction**	**2020**	2019
Opening costs	136,484	2,429,166	3,008,190	8,374	-	9,417,051	4,830,365	-	19,829,630	19,095,309
Additions during the year	-	49,118	258,415	1,840	-	-	6,653	-	316,026	760,448
Disposals and write downs	-	-	(60,217)	-	-	-	-	-	(60,217)	(26,127)
Closing costs	**136,484**	**2,478,284**	**3,206,388**	**10,214**	**-**	**9,417,051**	**4,837,018**	**-**	**20,085,439**	19,829,630
Accumulated Amortization										
Opening accum'd amortization	43,986	1,336,438	1,365,083	3,279	-	9,230,404	492,286	-	12,471,476	12,201,452
Amortization	18	53,638	211,089	1,708	-	8,419	95,080	-	369,952	296,151
Disposals and write downs	-	-	(58,978)	-	-	-	-	-	(58,978)	(26,127)
Closing accum'd amortization	**44,004**	**1,390,076**	**1,517,194**	**4,987**	**-**	**9,238,823**	**587,366**	**-**	**12,782,450**	12,471,476
Net Book Value of Tangible Capital Assets	**92,480**	**1,088,208**	**1,689,194**	**5,227**	**-**	**178,228**	**4,249,652**	**-**	**7,302,989**	7,358,154

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	$ 1,892,917	$ 1,878,968
Taxes added	136,198	16,633
	2,029,115	1,895,601
Grants in lieu of taxation		
Federal government	-	-
Federal government enterprises	939	9,799
Provincial government	1,836	1,690
Provincial government enterprises	6,186	5,855
Other municipal governments	-	-
Non-government organizations	44,908	43,206
	53,869	60,550
User fees		
Parking meters	-	-
Sales of service	80,387	61,713
Sales of goods	1,222	13,979
Rentals	30,234	37,341
Development charges	-	-
Facility use fees	24,401	26,388
	136,244	139,421
Permits, licences and fines		
Permits	3,935	3,684
Licences	100	200
Fees	-	-
Fines	-	-
	4,035	3,884
Investment income		
Cash and temporary investments	38,789	61,023
Marketable securities	-	-
Municipal debentures	-	-
	38,789	61,023
Other revenue		
Gain on sale of tangible capital assets	9,261	8,613
Gain on sale of real estate held for sale	-	3,311
Contributed assets	-	20,990
Penalties and interest	20,493	16,730
Miscellaneous	54,539	82,581
	84,293	132,225
Water and sewer		
Municipal utility (Schedule 9)	59,287	155,169
Consolidated water co-operatives	-	-
	59,287	155,169
Grants - Province of Manitoba		
Municipal operating grants	118,316	111,788
Other unconditional grants	-	-
Conditional grants	147,745	171,268
	266,061	283,056
Grants - other		
Federal government - gas tax funding	67,594	134,728
Federal government - other	75,196	887
Other municipal governments	87,806	86,738
	230,596	222,353
Total revenue	$ 2,902,289	$ 2,953,282

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
General government services		
Legislative	$ 107,860	$ 128,858
General administrative	354,229	335,805
Other	28,477	40,718
	490,566	505,381
Protective services		
Police	30,000	30,000
Fire	123,937	126,745
Emergency measures	49,463	7,947
Other	579	1,292
	203,979	165,984
Transportation services		
Road transport		
Administration and engineering	6,323	5,389
Road and street maintenance	807,640	857,595
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	39,935	38,880
Other	7,628	7,575
Air transport	-	-
Public transit	42,440	10,702
Other	-	-
	903,966	920,141
Environmental health services		
Waste collection and disposal	134,473	123,694
Recycling	-	-
Other	4,065	3,866
	138,538	127,560
Public health and welfare services		
Public health	1,404	208
Medical care	-	-
Social assistance	817	817
Other	-	-
	2,221	1,025
Regional planning and development		
Planning and zoning	47,423	49,107
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	47,423	49,107
Resource conservation and industrial development		
Rural area weed control	119,336	136,627
Drainage of land	-	-
Veterinary services	5,705	5,665
Water resources and conservation	13,234	14,313
Regional development	26,093	46,962
Industrial development	-	-
Tourism	-	-
Other	777	2,126
	165,145	205,693
Sub-totals forward	1,951,838	1,974,891

RURAL MUNICIPALITY OF SIFTON

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
Sub-totals forward	**1,951,838**	1,974,891
Recreation and cultural services		
Administration	**23,882**	31,197
Community centers and halls	**39,760**	27,511
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	**154,034**	142,343
Parks and playgrounds	**33,652**	33,030
Other recreational facilities	**10,422**	11,572
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	261,750	245,653
Water and sewer services		
Municipal utility (Schedule 9)	**180,676**	151,668
Consolidated water co-operatives	-	-
	180,676	151,668
Total expenses	**$ 2,394,264**	$ 2,372,212

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
REVENUE										
Property taxes	**$ 2,017,468**	$ 1,883,955	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants in lieu of taxation	**53,869**	60,550	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**10,185**	10,025	**15,883**	6,000	**43,422**	34,998	**16,766**	11,059	**-**	-
Grants - other	**-**	-	**93,773**	5,900	**67,594**	134,728	**-**	-	**-**	-
Permits, licences and fines	**200**	220	**-**	-	**-**	-	**-**	-	**-**	-
Investment income	**30,697**	50,808	**658**	878	**5,965**	7,236	**-**	-	**-**	-
Other revenue	**46,585**	118,957	**14,293**	12,634	**11,067**	8,182	**-**	-	**-**	-
Water and sewer	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Unconditional Grants	**118,316**	111,788	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Conditional Grants	**10,422**	11,572	**62,050**	-	**52,959**	3,697	**-**	-	**-**	-
Total revenue	**$ 2,287,742**	$ 2,247,875	**$ 186,657**	$ 25,412	**$ 181,007**	$ 188,841	**$ 16,766**	$ 11,059	**$ -**	$ -
EXPENSES										
Personnel services	**$ 304,314**	$ 324,328	**$ 11,269**	$ 29,360	**$ 270,159**	$ 260,265	**$ 54,697**	$ 49,413	**$ -**	$ -
Contract services	**128,496**	117,652	**61,707**	54,841	**48,264**	20,119	**48,140**	64,733	**2,221**	1,025
Utilities	**24,138**	22,700	**4,409**	4,666	**62,650**	64,896	**1,214**	1,368	**-**	-
Maintenance materials and supplies	**8,080**	8,006	**40,549**	34,353	**396,097**	476,391	**22,166**	1,000	**-**	-
Grants and contributions	**20,124**	25,705	**43,314**	8,451	**(1,000)**	(5,000)	**-**	-	**-**	-
Amortization	**5,108**	3,981	**38,232**	34,313	**127,442**	103,470	**12,321**	11,046	**-**	-
Interest on long term debt	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other	**306**	3,009	**4,499**	-	**354**	-	**-**	-	**-**	-
Total expenses	**$ 490,566**	$ 505,381	**$ 203,979**	$ 165,984	**$ 903,966**	$ 920,141	**$ 138,538**	$ 127,560	**$ 2,221**	$ 1,025
Surplus (Deficit)	**$ 1,797,176**	$ 1,742,494	**$ (17,322)**	$ (140,572)	**$ (722,959)**	$ (731,300)	**$ (121,772)**	$ (116,501)	**$ (2,221)**	$ (1,025)

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

RURAL MUNICIPALITY OF SIFTON

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
REVENUE										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,647	$ 11,646	$ 2,029,115	$ 1,895,601
Grants in lieu of taxation	-	-	-	-	-	-	-	-	53,869	60,550
User fees	2,100	2,100	22,066	17,430	25,822	57,809	-	-	136,244	139,421
Grants - other	18,606	18,606	42,687	47,755	7,936	15,364	-	-	230,596	222,353
Permits, licences and fines	3,835	3,664	-	-	-	-	-	-	4,035	3,884
Investment income	150	287	1,041	1,380	61	117	217	317	38,789	61,023
Other revenue	-	-	674	869	11,674	(8,417)	-	-	84,293	132,225
Water and sewer	-	-	-	-	-	-	59,287	155,169	59,287	155,169
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	118,316	111,788
Prov of MB - Conditional Grants	-	-	-	-	22,314	155,999	-	-	147,745	171,268
Total revenue	$ 24,691	$ 24,657	$ 66,468	$ 67,434	$ 67,807	$ 220,872	$ 71,151	$ 167,132	$ 2,902,289	$ 2,953,282
EXPENSES										
Personnel services	$ 26,927	$ 25,800	$ 46,752	$ 51,773	$ 74,503	$ 72,476	$ 32,838	$ 33,848	$ 821,459	$ 847,263
Contract services	1,237	4,057	(6,077)	(5,239)	39,691	32,260	214	96	323,893	289,544
Utilities	546	503	6,924	7,911	30,631	34,243	2,769	1,725	133,281	138,012
Maintenance materials and supplies	104	138	48,989	83,082	46,902	51,563	23,847	14,807	586,734	669,340
Grants and contributions	18,609	18,609	63,308	65,240	(20,065)	8,584	-	-	124,290	121,589
Amortization	-	-	2,968	2,926	88,801	45,482	95,080	94,933	369,952	296,151
Interest on long term debt	-	-	-	-	-	-	25,915	-	25,915	-
Other	-	-	2,281	-	1,287	1,045	13	6,259	8,740	10,313
Total expenses	$ 47,423	$ 49,107	$ 165,145	$ 205,693	$ 261,750	$ 245,653	$ 180,676	$ 151,668	$ 2,394,264	$ 2,372,212
Surplus (Deficit)	$ (22,732)	$ (24,450)	$ (98,677)	$ (138,259)	$ (193,943)	$ (24,781)	$ (109,525)	$ 15,464	$ 508,025	$ 581,070

RURAL MUNICIPALITY OF SIFTON

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
REVENUE								
Property taxes	**$ 2,029,115**	$ 1,895,601	**$ -**	$ -	**$ -**	$ -	**$ 2,029,115**	$ 1,895,601
Grants in lieu of taxation	**53,869**	60,550	**-**	-	**-**	-	**53,869**	60,550
User fees	**64,761**	71,450	**25,015**	5,860	**46,468**	62,111	**136,244**	139,421
Grants - other	**158,975**	154,406	**4,892**	(7,250)	**66,729**	75,197	**230,596**	222,353
Permits, licences and fines	**200**	220	**-**	-	**3,835**	3,664	**4,035**	3,884
Investment income	**37,164**	59,316	**584**	327	**1,041**	1,380	**38,789**	61,023
Other revenue	**46,585**	118,957	**25,360**	20,816	**12,348**	(7,548)	**84,293**	132,225
Water and sewer	**59,287**	155,169	**-**	-	**-**	-	**59,287**	155,169
Prov of MB - Unconditional Grants	**118,316**	111,788	**-**	-	**-**	-	**118,316**	111,788
Prov of MB - Conditional Grants	**75,567**	167,571	**52,959**	3,697	**19,219**	-	**147,745**	171,268
Total revenue	**$ 2,643,839**	$ 2,795,028	**$ 108,810**	$ 23,450	**$ 149,640**	$ 134,804	**$ 2,902,289**	$ 2,953,282
EXPENSES								
Personnel services	**719,477**	726,865	**$ 11,269**	$ 35,975	**$ 90,713**	$ 84,423	**$ 821,459**	$ 847,263
Contract services	**284,158**	257,304	**25,915**	14,513	**13,820**	17,727	**323,893**	289,544
Utilities	**108,921**	108,200	**4,409**	4,666	**19,951**	25,146	**133,281**	138,012
Maintenance materials and supplies	**490,997**	570,261	**42,646**	40,061	**53,091**	59,018	**586,734**	669,340
Grants and contributions	**275,783**	241,269	**(70,255)**	(66,049)	**(81,238)**	(53,631)	**124,290**	121,589
Amortization	**344,138**	292,694	**22,846**	531	**2,968**	2,926	**369,952**	296,151
Interest on long term debt	**25,915**	-	**-**	-	**-**	-	**25,915**	-
Other	**1,201**	9,268	**4,852**	-	**2,687**	1,045	**8,740**	10,313
Total expenses	**$ 2,250,590**	$ 2,205,861	**$ 41,682**	$ 29,697	**$ 101,992**	$ 136,654	**$ 2,394,264**	$ 2,372,212
Surplus (Deficit)	**$ 393,249**	$ 589,167	**$ 67,128**	$ (6,247)	**$ 47,648**	$ (1,850)	**$ 508,025**	$ 581,070

RURAL MUNICIPALITY OF SIFTON

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2020

SCHEDULE 6

	2020					
	General Reserve	Equipment Replacement Reserve	Public Parks Reserve	Gas Tax Reserve	Cherry Point Reserve	Sub-total
REVENUE						
Investment income	$ 6,605	$ 2,374	$ 61	$ 3,007	$ 53	**$ 12,100**
Other income	-	-	-	-	-	**-**
Total revenue	6,605	2,374	61	3,007	53	**12,100**
EXPENSES						
Investment charges	-	-	-	-	-	**-**
Other expenses	-	-	-	-	-	**-**
Total expenses	-	-	-	-	-	**-**
NET REVENUES	6,605	2,374	61	3,007	53	**12,100**
TRANSFERS						
Transfers from general operating fund	-	150,000	-	67,594	-	**217,594**
Transfers to general operating fund	-	-	-	-	-	**-**
Transfer from nominal surplus	-	-	-	-	-	**-**
Transfers from utility operating fund	-	-	-	-	-	**-**
Transfers to utility operating fund	-	-	-	(46,624)	-	**(46,624)**
Acquisition of tangible capital assets	-	(27,820)	-	-	-	**(27,820)**
CHANGE IN RESERVE FUND BALANCES	6,605	124,554	61	23,977	53	**155,250**
FUND SURPLUS, BEGINNING OF YEAR	652,713	179,043	6,063	336,299	5,238	**1,179,356**
FUND SURPLUS, END OF YEAR	$ 659,318	$ 303,597	$ 6,124	$ 360,276	$ 5,291	**$ 1,334,606**

RURAL MUNICIPALITY OF SIFTON

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2020

SCHEDULE 6

	2020					2019
	Sifton Fire Board Reserve	**Griswold Reserve**	**Oak Lake Resort Development Reserve**	**Oak Lake Utility**	**Total**	Total
REVENUE						
Investment income	$ 658	$ 123	$ 97	$ 217	**$ 13,195**	$ 21,405
Other income	-	-	-	-	**-**	-
Total revenue	658	123	97	217	**13,195**	21,405
EXPENSES						
Investment charges	-	-	-	-	**-**	-
Other expenses	-	-	-	-	**-**	-
Total expenses	-	-	-	-	**-**	-
NET REVENUES	658	123	97	217	**13,195**	21,405
TRANSFERS						
Transfers from general operating fund	13,685	-	-	-	**231,279**	247,878
Transfers to general operating fund	-	-	-	-	**-**	(3,497)
Transfer from nominal surplus	-	-	-	-	**-**	-
Transfers from utility operating fund	-	-	-	2,000	**2,000**	13,646
Transfers to utility operating fund	-	-	-	-	**(46,624)**	-
Acquisition of tangible capital assets	-	-	-	(6,656)	**(34,476)**	(154,441)
CHANGE IN RESERVE FUND BALANCES	14,343	123	97	(4,439)	**165,374**	124,991
FUND SURPLUS, BEGINNING OF YEAR	64,439	12,148	9,621	29,886	**1,295,450**	1,170,459
FUND SURPLUS, END OF YEAR	$ 78,782	$ 12,271	$ 9,718	$ 25,447	**$ 1,460,824**	$ 1,295,450

RURAL MUNICIPALITY OF SIFTON
SCHEDULE OF L.U.D. OPERATIONS - LUD of Oak Lake
For the Year Ended December 31, 2020

SCHEDULE 7

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Taxation	$ -	$ -	$ -
Other revenue	-	-	-
Total revenue	-	-	-
Expenses			
General government			
Indemnities	-	-	-
Transportation services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenue (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other (specify):	-	-	-
Change in L.U.D. balances	$ -	-	-
Unexpended balance, beginning of year		236,439	236,439
Unexpended balance, end of year		$ 236,439	$ 236,439

RURAL MUNICIPALITY OF SIFTON

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITY - OAK LAKE
As at December 31, 2020

	2020 Total	2019 Total
FINANCIAL ASSETS		
Cash and temporary investments	$ 159,786	$ 157,421
Amounts receivable	4,018	603
Portfolio investments	-	-
Due from other funds	-	-
	$ 163,804	$ 158,024
LIABILITIES		
Accounts payable and accrued liabilities	$ 765	$ 2,805
Unearned revenue	-	-
Long-term debt (Note 7)	615,520	647,875
Due to other funds	61,129	52,352
	677,414	703,032
NET DEBT	$ (513,610)	$ (545,008)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	$ 4,249,652	$ 4,338,079
Inventories	-	1,433
Prepaid expenses	-	-
	4,249,652	4,339,512
FUND SURPLUS	$ 3,736,042	$ 3,794,504

CONTINGENCIES (Note 8)

RURAL MUNICIPALITY OF SIFTON
SCHEDULE OF UTILITY OPERATIONS - Oak Lake Utility
For the Year Ended December 31, 2020

SCHEDULE 9

REVENUE	Budget	2020	2019
Water			
Water fees	$ -	$ -	$ -
Bulk water fees	-	-	-
sub-total - water	-	-	-
Sewer			
Sewer fees	32,482	32,763	32,839
Lagoon tipping fees	23,640	20,770	22,640
sub-total - sewer	56,122	53,533	55,479
Property taxes	-	11,647	11,646
Recovery			
Deficit recovery	3,798	3,798	15,220
Debenture recovery	-	-	-
sub-total - recovery	3,798	3,798	15,220
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total - government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	350	437	451
Contributed tangible capital assets	-	-	-
Investment income	1,000	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	1,519	84,019
sub-total - other	1,350	1,956	84,470
Total revenue	61,270	70,934	166,815

RURAL MUNICIPALITY OF SIFTON
SCHEDULE OF UTILITY OPERATIONS (continued) - Oak Lake Utility
For the Year Ended December 31, 2020

SCHEDULE 9

EXPENSES	Budget	2020	2019
General			
Administration	-	-	-
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total - general	-	-	-
Water general			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other water costs	-	-	-
sub-total - water general	-	-	-
Water amortization & interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total - water amortization & interest	-	-	-
Sewer general			
Collection system costs	36,660	40,285	40,106
Treatment and disposal cost	8,320	6,861	12,069
Lift Station costs	4,500	2,940	4,560
Transportation services	-	-	-
Connection costs	-	9,595	-
Other sewage & disposal costs	-	-	-
sub-total - sewer general	49,480	59,681	56,735
Sewage amortization & interest			
Amortization	95,080	95,080	94,933
Interest on long term debt	25,915	25,915	-
sub-total - sewer amortization & interest	120,995	120,995	94,933
Total expenses	170,475	180,676	151,668
NET OPERATING SURPLUS (DEFICIT)	(109,205)	(109,742)	15,147
TRANSFERS			
Transfers from (to) operating fund	11,647	-	1,397,091
Transfers from (to) reserve funds	44,624	51,280	(13,646)
CHANGE IN UTILITY FUND BALANCE	$ (52,934)	(58,462)	1,398,592
FUND SURPLUS, BEGINNING OF YEAR		3,794,504	2,395,912
FUND SURPLUS, END OF YEAR		$ 3,736,042	$ 3,794,504

RURAL MUNICIPALITY OF SIFTON **SCHEDULE 10**

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 1,893,127	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,893,127
Grants in lieu of taxation	53,675	-	-	-	-	-	-	53,675
User fees	404,824	-	-	-	-	-	71,483	476,307
Permits, licences and fines	-	-	-	-	-	-	3,835	3,835
Investment income	15,000	-	-	-	-	-	1,625	16,625
Other revenue	10,000	-	-	-	-	-	37,708	47,708
Water and sewer	-	61,270	-	-	-	-	-	61,270
Grants - Province of Manitoba	144,347	-	-	-	-	-	72,178	216,525
Grants - other	67,000	-	-	-	-	-	71,621	138,621
Transfers from accumulated surplus	40,000	-	-	-	(40,000)	-	-	-
Transfers from reserves/general	-	58,271	-	-	(58,271)	-	-	-
Total revenue	**$ 2,627,973**	**$ 119,541**	**$ -**	**$ -**	**$ (98,271)**	**$ -**	**$ 258,450**	**$ 2,907,693**
EXPENSES								
General government services	$ 509,951	$ -	$ 5,108	$ -	$ 82	$ -	$ -	$ 515,141
Protective services	359,195	-	38,232	-	-	-	(758)	396,669
Transportation services	869,358	-	104,596	-	-	-	42,440	1,016,394
Environmental health services	127,097	-	12,321	-	-	-	-	139,418
Public health and welfare services	1,450	-	-	-	-	-	-	1,450
Regional planning and development	-	-	-	-	-	-	19,511	19,511
Resource cons and industrial dev	149,830	-	-	-	-	-	56,563	206,393
Recreation and cultural services	266,343	-	88,801	-	-	-	25,918	381,062
Water and sewer services	-	49,480	95,080	25,915	-	-	-	170,475
Fiscal services:								
Transfer to capital	116,000	95,384	-	-	(211,384)	-	-	-
Debt charges/deficit recovery	-	62,069	-	(62,069)	-	-	-	-
Short-term interest	-	-	-	-	-	-	-	-
Transfer to reserves/utility	228,647	2,000	-	-	(230,647)	-	-	-
Allowance for tax assets	82	-	-	-	(82)	-	-	-
Total expenses	**$ 2,627,953**	**$ 208,933**	**$ 344,138**	**$ (36,154)**	**$ (442,031)**	**$ -**	**$ 143,674**	**$ 2,846,513**
Surplus (Deficit)	**$ 20**	**$ (89,392)**	**$ (344,138)**	**$ 36,154**	**$ 343,760**	**$ -**	**$ 114,776**	**$ 61,180**

RURAL MUNICIPALITY OF SIFTON
ANALYSIS OF TAXES ON ROLL
December 31, 2020

SCHEDULE 11

	2020	2019
Balance, beginning of year	**215,275**	$ 238,219
Add:		
Tax levy (Schedule 12)	3,355,123	3,365,205
Taxes added	136,198	16,633
Penalties or interest	20,493	16,730
Other accounts added	4,575	10,418
Tax Adjustments	-	-
Sub-total	**3,516,389**	3,408,986
Deduct:		
Cash collections - current	3,081,412	2,981,886
Cash collections - arrears	206,928	209,188
Writeoffs	27,153	43,912
Tax discounts	-	-
E.P.T.C. - cash advance	188,820	196,944
Other credits	-	-
Sub-total	**3,504,313**	3,431,930
Balance, end of year	**$ 227,351**	$ 215,275

RURAL MUNICIPALITY OF SIFTON
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	**Mill Rate**	**Levy**	Levy
Debt charges:				
By-Law 03-2019			4,803	4,803
By-Law 04-2019			6,633	6,633
sub-total - Debt charges			11,436	11,436
General municipal	138,059,940	13.628	1,881,481	1,867,532
Total municipal taxes (Schedule 2)			**1,892,917**	1,878,968
Education support levy	42,221,610	8.828	372,732	374,404
Special levies:				
Fort La Bosse School Division	110,982,010	7.345	815,163	824,121
Southwest Horizon School Division	27,049,650	10.141	274,311	287,712
sub-total - Special levies			1,089,474	1,111,833
Total education taxes			**1,462,206**	1,486,237
Total tax levy (Schedule 11)			**3,355,123**	3,365,205

RURAL MUNICIPALITY OF SIFTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	2020 Actual	2019 Actual
General government services		
Legislative	$ 107,860	$ 128,858
General administrative	354,229	335,805
Other	28,477	40,718
	490,566	505,381
Protective services		
Police	30,000	30,000
Fire	124,695	107,750
Emergency measures	49,463	7,947
Other	579	1,292
	204,737	146,989
Transportation services		
Road transport		
Administration and engineering	6,323	5,389
Road and street maintenance	807,640	857,595
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	39,935	38,880
Other	7,628	7,575
Air transport	-	-
Public transit	-	-
Other	-	-
	861,526	909,439
Environmental health services		
Waste collection and disposal	134,473	123,694
Recycling	-	-
Other	4,065	3,866
	138,538	127,560
Public health and welfare services		
Public health	1,404	208
Medical care	-	-
Social assistance	817	817
Other	-	-
	2,221	1,025
Regional planning and development		
Planning and zoning	27,912	27,912
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	27,912	27,912
Resource conservation and industrial development		
Rural area weed control	62,773	79,970
Drainage of land	-	-
Veterinary services	5,705	5,665
Water resources and conservation	13,234	14,313
Regional development	26,093	46,962
Industrial development	-	-
Tourism	-	-
Other	777	2,126
	108,582	149,036
Sub-totals forward	1,834,082	1,867,342

RM OF SIFTON

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2020

SCHEDULE 13

	2020 Actual	2019 Actual
Sub-totals forward	**1,834,082**	1,867,342
Recreation and cultural services		
Administration	**23,882**	31,197
Community centers and halls	**39,760**	27,511
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	**128,116**	83,541
Parks and playgrounds	**33,652**	33,030
Other recreational facilities	**10,422**	11,572
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	235,832	186,851
Total expenses	**$ 2,069,914**	$ 2,054,193

RURAL MUNICIPALITY OF SIFTON

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2020

SCHEDULE 14

	2020 General	2020 Utility	2020 Total	2019 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ 317,953	$ (2,390)	**$ 315,563**	$ 1,904,019
Adjustments for reporting under public sector accounting standards				
Eliminate interfund transfers	11,647	(11,647)	**-**	-
Eliminate expense - transfers to reserves	231,279	2,000	**233,279**	261,524
Eliminate revenue - transfers from reserves	(27,820)	(53,280)	**(81,100)**	(157,938)
Increase revenue - reserve funds interest (and other income)	13,195	-	**13,195**	21,405
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	114,776	-	**114,776**	(8,097)
Eliminate revenue - transfer from nominal surplus	-	-	**-**	(1,248,613)
Increase (decrease) expense - gain (loss) on sale of tangible capital assets	-	-	**-**	-
Eliminate revenue - proceeds on sale of tangible capital assets	-	-	**-**	-
Decrease expense - debenture debt proceeds	-	-	**-**	(647,875)
Increase expense - amortization of tangible capital assets	(249,058)	(95,080)	**(344,138)**	(292,694)
Decrease expense - principal portion of debenture debt	-	32,355	**32,355**	-
Eliminate expense - acquisitions of tangible capital assets	217,442	6,653	**224,095**	749,339
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 629,414	$ (121,389)	**$ 508,025**	$ 581,070