

RURAL MUNICIPALITY OF SIFTON

**Consolidated Financial Statements
For the Year Ended December 31, 2019**

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 of 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

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, 2019, 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, 2019, 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.

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 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.

March 11th, 2021
Brandon, Manitoba

MNP
LLP

Chartered Professional Accountants

RURAL MUNICIPALITY OF SIFTON

Consolidated Financial Statements

For the Year Ended December 31, 2019

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

	2019	2018
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 3,537,241	\$ 2,756,304
Amounts receivable (Note 4)	197,466	278,903
Real estate properties held for sale	20,597	37,286
	\$ 3,755,304	\$ 3,072,493
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 277,177	\$ 343,831
Long-term debt (Note 7)	647,875	-
	925,052	343,831
NET FINANCIAL ASSETS	\$ 2,830,252	\$ 2,728,662
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 7,358,154	\$ 6,893,857
Inventories (Note 5)	35,163	23,134
Prepaid expenses	11,164	8,010
	7,404,481	6,925,001
ACCUMULATED SURPLUS (Note 13)	\$ 10,234,733	\$ 9,653,663

COMMITMENTS AND CONTINGENCIES (NOTES 8 AND 9)

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, 2019**

	2019 Budget (Note 12)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 1,903,967	\$ 1,895,601	\$ 2,046,352
Grants in lieu of taxation	60,550	60,550	59,596
User fees	476,702	139,421	193,405
Permits, licences and fines	5,664	3,884	6,679
Investment income	16,832	61,023	35,666
Other revenue	225,250	132,225	382,696
Water and sewer	75,161	155,169	63,072
Grants - Province of Manitoba	187,513	283,056	145,543
Grants - other	134,453	222,353	158,564
Total revenue (Schedules 2, 4 and 5)	<u>3,086,092</u>	<u>2,953,282</u>	<u>3,091,573</u>
EXPENSES			
General government services	545,068	505,381	529,077
Protective services	387,021	165,984	140,935
Transportation services	977,201	920,141	943,901
Environmental health services	120,521	127,560	111,404
Public health and welfare services	1,370	1,025	959
Regional planning and development	22,445	49,107	48,874
Resource conservation and industrial development			
Recreation and cultural services	179,885	205,693	176,641
Water and sewer services	393,007	245,653	200,799
	152,454	151,668	144,390
Total expenses (Schedules 3, 4 and 5)	<u>2,778,972</u>	<u>2,372,212</u>	<u>2,296,980</u>
ANNUAL SURPLUS	<u>\$ 307,120</u>	<u>581,070</u>	794,593
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>9,653,663</u>	8,859,070
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 10,234,733</u>	<u>\$ 9,653,663</u>

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, 2019

	2019 Budget (Note 12)	2019 Actual	2018 Actual
ANNUAL SURPLUS	\$ 307,120	\$ 581,070	\$ 794,593
Acquisition of tangible capital assets	(762,000)	(760,448)	(921,081)
Amortization of tangible capital assets	296,151	296,151	247,094
Loss (Gain) on sale of tangible capital assets	-	(8,613)	490
Proceeds on sale of tangible capital assets	-	8,613	4,200
Decrease (increase) in inventories	-	(12,029)	7,608
Decrease (increase) in prepaid expense	-	(3,154)	(70)
	<u>(465,849)</u>	<u>(479,480)</u>	<u>(661,759)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (158,729)	101,590	132,834
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,728,662	2,595,828
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,830,252	\$ 2,728,662

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, 2019

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ 581,070	\$ 794,593
Changes in non-cash items:		
Amounts receivable	81,437	(1,098)
Inventories	(12,029)	7,608
Prepays	(3,154)	(70)
Accounts payable and accrued liabilities	(66,654)	185,709
Loss (Gain) on sale of real estate properties	(3,311)	-
Loss (Gain) on sale of tangible capital asset	(8,613)	490
Amortization	296,151	247,094
	864,897	1,234,326
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	8,613	4,200
Cash used to acquire tangible capital assets	(760,448)	(921,081)
	(751,835)	(916,881)
Cash applied to capital transactions		
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	-	(33,000)
	647,875	(33,000)
Cash provided by (applied to) financing transactions		
INCREASE IN CASH AND TEMPORARY INVESTMENTS	780,937	284,445
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	2,756,304	2,471,859
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 3,537,241	\$ 2,756,304

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

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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 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%) (2018 - 85%)
Dennis County Planning District (33.33%) (2018 - 33.33%)
Southwest Weed District (25%) (2018 - 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.

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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) Landfill Closure and Post Closure Liabilities

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) Non-Financial Assets

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

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

h) Tangible Capital Assets

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

General Tangible Capital Assets

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

Infrastructure Assets

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

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies (continued)

h) 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.

i) 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.

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the consolidated 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.

l) 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.

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies (continued)

m) 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 are 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. Early adoption is 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. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted.

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies (continued)

m) 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 manner.
- 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 is effective for fiscal years beginning on or after April 1, 2021. Early adoption is permitted.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2019	2018
Cash	\$ 3,537,241	\$ 2,756,304
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 3,537,241</u>	<u>\$ 2,756,304</u>

The Municipality has designated \$1,295,450 (2018 - \$1,170,459) 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 \$1,252,001 (2018 - \$1,111,297).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2019	2018
Taxes on roll (Schedule 11)	\$ 215,275	\$ 238,219
Government grants	9,451	64,963
Utility customers	603	260
Accrued interest	-	-
Organizations and individuals	19,382	53,239
Other governments	10,147	23,343
	<u>254,858</u>	<u>380,024</u>
Less allowances for doubtful amounts	<u>(57,392)</u>	<u>(101,121)</u>
	<u>\$ 197,466</u>	<u>\$ 278,903</u>

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

5. Inventories		<u>2019</u>	<u>2018</u>
Inventories for use:			
Chemicals, herbicides, insecticides			
Fuel	\$	15,381	\$ 8,984
Culverts		3,652	1,862
Aggregate		7,668	6,647
Other supplies		-	-
		<u>8,462</u>	<u>5,641</u>
	\$	<u>35,163</u>	\$ <u>23,134</u>

6. Accounts Payable and Accrued Liabilities		<u>2019</u>	<u>2018</u>
Accounts payable			
Accrued expenses	\$	236,641	\$ 303,731
Accrued interest payable		347	1,116
School levies		-	-
Other governments		121,415	155,449
		<u>(81,226)</u>	<u>(116,465)</u>
	\$	<u>277,177</u>	\$ <u>343,831</u>

7. Long-Term Debt		<u>2019</u>	<u>2018</u>
Utility Funds:			

Debtenture for Oak Lake Utility, interest at 4.0%, payable at \$33,649 annually including interest, maturing March 31, 2034	\$	374,121	-
Debtenture for Oak Lake Utility, interest at 4.0%, payable at \$24,622 annually including interest, maturing March 31, 2034		<u>273,754</u>	<u>-</u>
	\$	<u>647,875</u>	\$ <u>-</u>

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

2020	\$	32,356
2021	\$	33,650
2022	\$	34,996
2023	\$	36,396
2024	\$	37,851

8. Commitments
The Municipality has outstanding contractual obligations of approximately \$0 at December 31, 2019 (2018 - \$209,294) for capital works.

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

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

10. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees are expected to be **\$42,061** (2018 - \$48,271) 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 had 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 funding requirements. As a result, solvency funding is no longer required by MEPP.

11. 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.

12. 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.

13. Accumulated Surplus

Accumulated surplus consists of the following:

	2019	2018
General operating fund - Nominal surplus	\$ 1,908,949	\$ 3,403,555
Utility operating fund - Nominal surplus (deficit)	104,300	(2,037,100)
TCA net of related borrowings	6,692,302	6,874,920
Reserve funds	1,295,450	1,170,459
Accumulated surplus of Municipality unconsolidated	10,001,001	9,411,834
Accumulated surpluses of consolidated entities	233,732	241,829
Accumulated surplus per Consolidated Statement of Financial Position	\$ 10,234,733	\$ 9,653,663

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

14. 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) There were no members of council receiving compensation in excess of \$75,000 individually.
- b) No officers and employees received compensation in excess of \$75,000.

It is a requirement of The Municipal Act that the annual consolidated financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the Municipality. For the year ended December 31, 2019:

- c) Compensation paid to members of council amounted to \$87,450 in aggregate.

Council Members:

	Compensation	Expenses	Total
Reeve - Cyril Druwe	\$ 12,195	\$ 6,939	\$ 19,134
Councillor - Larry Wallace	11,355	6,219	17,574
Councillor - Russell Thiesen	9,810	5,266	15,076
Councillor - Mark Houston	7,845	1,478	9,323
Councillor - Dave Roulette	9,910	5,138	15,048
Councillor - Rick Gabrielle	8,320	1,738	10,058
Councillor - Stan Cochrane	9,515	3,775	13,290
Councillor - Scott Phillips	9,520	5,295	14,815
Councillor - Wilson Davis	8,980	6,059	15,039
	<u>\$ 87,450</u>	<u>\$ 41,907</u>	<u>\$ 129,357</u>

15. 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
<i>Harvey/Heapy Scholarships Trust</i>	\$ 6,580	\$ (350)	\$ 6,230
<i>Oakwood War Memorial Trust</i>	20,374	432	20,806
	<u>\$ 26,954</u>	<u>\$ 82</u>	<u>\$ 27,036</u>

16. 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.

RURAL MUNICIPALITY OF SIFTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

17. 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:

	2019	2018
Financial Position		
Financial assets	\$ 82,955	\$ 74,228
Financial liabilities	(34,192)	(50,736)
Net financial assets	\$ 117,147	\$ 124,964
Non-financial assets	32,118	26,151
Accumulated surplus	\$ 149,265	\$ 151,115
Result of Operations		
Revenue	\$ 134,804	\$ 153,994
Expenses	136,654	132,887
Annual surplus (deficit)	\$ (1,850)	\$ 21,107

18. Subsequent Events

Subsequent to year-end, 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 Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. 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.

19. 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 consolidated financial statements.

Water services:

	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Oak Lake Utility	\$ 2,177,844	\$ -	\$ 45,761	\$ 2,132,083

20. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

SCHEDULE 1

RURAL MUNICIPALITY OF SIFTON
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 Year Ended December 31, 2019

	General Capital Assets										Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2019	2018		
Opening costs	136,484	1,954,358	2,430,790	28,947	297,314	9,417,051	4,830,365	-	19,095,309	18,189,486		
Additions during the year	-	177,494	577,400	5,554	-	-	-	-	760,448	921,081		
Transfer during the year	-	297,314	-	-	(297,314)	-	-	-	-	-		
Disposals and write downs	-	-	-	(26,127)	-	-	-	-	(26,127)	(15,258)		
Closing costs	136,484	2,429,166	3,008,190	8,374	-	9,417,051	4,830,365	-	19,829,630	19,095,309		
Accumulated Amortization												
Opening accum'd amortization	42,826	1,291,228	1,219,305	28,756	-	9,221,984	397,353	-	12,201,452	11,964,926		
Amortization	1,160	45,210	145,778	650	-	8,420	94,933	-	296,151	247,094		
Disposals and write downs	-	-	-	(26,127)	-	-	-	-	(26,127)	(10,568)		
Closing accum'd amortization	43,986	1,336,438	1,365,083	3,279	-	9,230,404	492,286	-	12,471,476	12,201,452		
Net Book Value of Tangible Capital Assets	92,498	1,092,728	1,643,107	5,095	-	186,647	4,338,079	-	7,358,154	6,893,857		

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2019

SCHEDULE 2

	2019 Actual	2018 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 1,878,968	\$ 2,009,475
Taxes added	16,633	36,877
	<u>1,895,601</u>	<u>2,046,352</u>
Grants in lieu of taxation		
Federal government	-	-
Federal government enterprises	9,799	1,641
Provincial government	1,690	1,703
Provincial government enterprises	5,855	8,969
Other municipal governments	-	-
Non-government organizations	43,206	47,283
	<u>60,550</u>	<u>59,596</u>
User fees		
Parking meters	-	-
Sales of service	61,713	111,992
Sales of goods	13,979	13,250
Rentals	37,341	39,225
Development charges	-	-
Facility use fees	26,388	28,938
	<u>139,421</u>	<u>193,405</u>
Permits, licences and fines		
Permits	3,684	6,110
Licences	200	569
Fees	-	-
Fines	-	-
	<u>3,884</u>	<u>6,679</u>
Investment income		
Cash and temporary investments	61,023	35,666
Marketable securities	-	-
Municipal debentures	-	-
	<u>61,023</u>	<u>35,666</u>
Other revenue		
Gain on sale of tangible capital assets	8,613	900
Gain on sale of real estate held for sale	3,311	-
Contributed assets	20,990	35,097
Penalties and interest	16,730	22,402
Miscellaneous	82,581	324,297
	<u>132,225</u>	<u>382,696</u>
Water and sewer		
Municipal utility (Schedule 9)	155,169	63,072
Consolidated water co-operatives	-	-
	<u>155,169</u>	<u>63,072</u>
Grants - Province of Manitoba		
Municipal operating grants	111,788	74,354
Other unconditional grants	-	-
Conditional grants	171,268	71,189
	<u>283,056</u>	<u>145,543</u>
Grants - other		
Federal government - gas tax funding	134,728	66,309
Federal government - other	887	50,000
Other municipal governments	86,738	42,255
	<u>222,353</u>	<u>158,564</u>
Total revenue	<u>\$ 2,953,282</u>	<u>\$ 3,091,573</u>

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	2019 Actual	2018 Actual
General government services		
Legislative	\$ 128,858	\$ 140,158
General administrative	335,805	338,251
Other	40,718	50,668
	<u>505,381</u>	<u>529,077</u>
Protective services		
Police	30,000	30,000
Fire	126,745	96,100
Emergency measures	7,947	13,803
Other	1,292	1,032
	<u>165,984</u>	<u>140,935</u>
Transportation services		
Road transport	-	-
Administration and engineering	5,389	1,942
Road and street maintenance	857,595	880,811
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	8,790
Street lighting	38,880	40,144
Other	7,575	2,143
Air transport	-	-
Public transit	10,702	10,071
Other	-	-
	<u>920,141</u>	<u>943,901</u>
Environmental health services		
Waste collection and disposal	123,694	105,068
Recycling	-	-
Other	3,866	6,336
	<u>127,560</u>	<u>111,404</u>
Public health and welfare services		
Public health	208	142
Medical care	-	-
Social assistance	817	817
Other	-	-
	<u>1,025</u>	<u>959</u>
Regional planning and development		
Planning and zoning	49,107	48,643
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	231
Other	-	-
	<u>49,107</u>	<u>48,874</u>
Resource conservation and industrial development		
Rural area weed control	136,627	135,141
Drainage of land	-	-
Veterinary services	5,665	5,625
Water resources and conservation	14,313	14,322
Regional development	46,962	19,238
Industrial development	-	-
Tourism	-	-
Other	2,126	2,315
	<u>205,693</u>	<u>176,641</u>
Sub-totals forward	<u>1,974,891</u>	<u>1,951,791</u>

RURAL MUNICIPALITY OF SIFTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	2019 Actual	2018 Actual
Sub-totals forward	1,974,891	1,951,791
Recreation and cultural services		
Administration	31,197	33,251
Community centers and halls	27,511	24,456
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	142,343	115,586
Parks and playgrounds	33,030	13,242
Other recreational facilities	11,572	14,264
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	245,653	200,799
Water and sewer services		
Municipal utility (Schedule 9)	151,668	144,390
Consolidated water co-operatives	-	-
	151,668	144,390
Total expenses	\$ 2,372,212	\$ 2,296,980

SCHEDULE 4

RURAL MUNICIPALITY OF SIFTON
 CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
 For the Year Ended December 31, 2019

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	General Government*	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare Services	2019	2018	2019	2018	2019
REVENUE										
Property taxes	\$ 1,883,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	60,550	-	-	-	-	-	-	-	-	-
User fees	10,025	6,000	34,998	11,059	-	-	-	-	-	-
Grants - other	-	5,900	134,728	66,309	-	-	-	-	-	-
Permits, licences and fines	220	-	-	-	-	-	-	-	-	-
Investment income	50,808	878	7,236	4,811	-	-	-	-	-	-
Other revenue	118,957	12,634	8,182	1,250	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	111,788	-	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	11,572	-	3,697	-	-	-	-	-	-	-
	\$ 2,247,875	\$ 25,412	\$ 188,841	\$ 11,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue	\$ 2,285,252	\$ 78,925	\$ 175,290	\$ 11,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES										
Personnel services	\$ 324,328	\$ 29,360	\$ 260,265	\$ 49,413	\$ 35,001	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	117,652	54,841	20,119	64,733	68,461	-	-	-	-	-
Utilities	22,700	4,666	64,896	1,368	594	-	-	-	-	-
Maintenance materials and supplies	8,006	34,353	476,391	1,000	3,720	-	-	-	-	-
Grants and contributions	25,705	8,451	(5,000)	-	-	-	-	-	-	-
Amortization	3,981	34,313	103,470	11,046	3,628	-	-	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	3,009	-	-	-	-	-	-	-	-	-
Total expenses	\$ 505,381	\$ 165,984	\$ 920,141	\$ 127,560	\$ 111,404	\$ 1,025	\$ 1,025	\$ 959	\$ -	\$ 959
Surplus (Deficit)	\$ 1,742,494	\$ (140,572)	\$ (731,300)	\$ (116,501)	\$ (111,404)	\$ (1,025)	\$ (1,025)	\$ (959)	\$ -	\$ (959)

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

SCHEDULE 4

RURAL MUNICIPALITY OF SIFTON
 CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
 For the Year Ended December 31, 2019

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-	60,550	59,596
User fees	2,100	2,100	17,430	31,314	57,809	71,841	-	-	139,421	193,405
Grants - other	18,606	18,606	47,755	37,277	15,364	62,264	-	-	222,353	158,564
Permits, licences and fines	3,664	6,110	-	-	-	-	-	-	3,884	6,679
Investment income	287	231	1,380	934	117	94	317	242	61,023	35,666
Other revenue	-	-	869	112	(8,417)	237,903	-	-	132,225	382,696
Water and sewer	-	-	-	-	-	-	155,169	63,072	155,169	63,072
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	111,788	74,354
Prov of MB - Conditional Grants	-	-	-	-	155,999	20,006	-	-	171,268	71,189
Total revenue	\$ 24,657	\$ 27,047	\$ 67,434	\$ 69,637	\$ 220,872	\$ 392,108	\$ 167,132	\$ 63,314	\$ 2,953,282	\$ 3,091,573
EXPENSES										
Personnel services	\$ 25,800	\$ 24,442	\$ 51,773	\$ 34,721	\$ 72,476	\$ 37,552	\$ 33,848	\$ 31,538	\$ 847,263	\$ 841,070
Contract services	4,057	4,884	(5,239)	1,445	32,260	26,369	96	-	289,544	582,938
Utilities	503	547	7,911	441	34,243	42,488	1,725	2,686	138,012	120,289
Maintenance materials and supplies	138	162	83,082	53,564	51,563	56,718	14,807	13,464	669,340	367,061
Grants and contributions	18,609	18,608	65,240	80,204	8,584	10,698	-	-	121,589	146,324
Amortization	-	-	2,926	2,694	45,482	24,902	94,933	95,384	296,151	247,094
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	-	231	-	3,572	1,045	2,072	6,259	1,318	10,313	(7,796)
Total expenses	\$ 49,107	\$ 48,874	\$ 205,693	\$ 176,641	\$ 245,653	\$ 200,799	\$ 151,668	\$ 144,390	\$ 2,372,212	\$ 2,296,980
Surplus (Deficit)	\$ (24,450)	\$ (21,827)	\$ (138,259)	\$ (107,004)	\$ (24,781)	\$ 191,309	\$ 15,464	\$ (81,076)	\$ 581,070	\$ 794,593

RURAL MUNICIPALITY OF SIFTON

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

	2019	2018	2019	2018	2019	2018	2019	2018
	Government	Government Partnerships	Controlled Entities	Government	Government	Government	Government	Total
REVENUE								
Property taxes	\$ 1,895,601	\$ -	\$ -	\$ 2,046,352	\$ -	\$ -	\$ -	\$ 2,046,352
Grants in lieu of taxation	60,550	-	-	59,596	-	-	-	60,550
User fees	71,450	70,914	62,111	114,087	8,404	8,404	139,421	193,405
Grants - other	154,406	61,319	75,197	163,933	(66,688)	(66,688)	222,353	158,564
Permits, licences and fines	220	6,110	3,664	569	-	-	3,884	6,679
Investment income	59,316	934	1,380	34,520	212	212	61,023	35,666
Other revenue	118,957	14,717	(7,548)	310,599	57,380	57,380	132,225	382,696
Water and sewer	155,169	-	-	63,072	-	-	155,169	63,072
Prov of MB - Unconditional Grants	111,788	-	-	74,354	-	-	111,788	74,354
Prov of MB - Conditional Grants	167,571	-	-	68,096	3,093	3,093	171,268	71,189
Total revenue	\$ 2,795,028	\$ 153,994	\$ 134,804	\$ 2,935,178	\$ 2,401	\$ 134,804	\$ 2,953,282	\$ 3,091,573
EXPENSES								
Personnel services	\$ 726,865	\$ 77,521	\$ 84,423	\$ 737,620	\$ 25,929	\$ 84,423	\$ 847,263	\$ 841,070
Contract services	257,304	15,026	17,727	548,950	18,962	17,727	289,544	582,938
Utilities	108,200	33,228	25,146	83,128	3,933	25,146	138,012	120,289
Maintenance materials and supplies	570,261	48,111	59,018	283,286	35,664	59,018	669,340	367,061
Grants and contributions	241,269	(49,337)	(53,631)	261,986	(66,325)	(53,631)	121,589	146,324
Amortization	292,694	2,694	2,926	243,640	760	2,926	296,151	247,094
Interest on long term debt	-	-	-	-	-	-	-	-
Other	9,268	5,644	1,045	(14,232)	792	1,045	10,313	(7,796)
Total expenses	\$ 2,205,861	\$ 132,887	\$ 136,654	\$ 2,144,378	\$ 19,715	\$ 136,654	\$ 2,372,212	\$ 2,296,980
Surplus (Deficit)	\$ 589,167	\$ 21,107	\$ (1,850)	\$ 790,800	\$ (17,314)	\$ (1,850)	\$ 581,070	\$ 794,593

SCHEDULE 6

RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019

2019						
	General Reserve	Equipment Replacement Reserve	Public Parks Reserve	Gas Tax Reserve	Cherry Point Reserve	Sub-total
REVENUE						
Investment income	\$ 12,596	\$ 2,459	\$ 117	\$ 4,450	\$ 101	\$ 19,723
Other income	-	-	-	-	-	-
Total revenue	12,596	2,459	117	4,450	101	19,723
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	12,596	2,459	117	4,450	101	19,723
TRANSFERS						
Transfers from general operating fund	-	100,000	-	134,728	-	234,728
Transfers to general operating fund	-	-	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(154,441)	-	-	(154,441)
CHANGE IN RESERVE FUND BALANCES	12,596	102,459	(154,324)	139,178	101	100,010
FUND SURPLUS, BEGINNING OF YEAR	640,117	76,584	160,387	197,121	5,137	1,079,346
FUND SURPLUS, END OF YEAR	\$ 652,713	\$ 179,043	\$ 6,063	\$ 336,299	\$ 5,238	\$ 1,179,356

SCHEDULE 6

**RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019**

	2019			2018		
	Sifton Fire Board Reserve	Griswold Reserve	Oak Lake Resort Development Reserve	Oak Lake Utility	Total	Total
REVENUE						
Investment income	\$ 878	\$ 301	\$ 186	\$ 317	\$ 21,405	\$ 16,928
Other income	-	-	-	-	-	35,000
Total revenue	878	301	186	317	21,405	51,928
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	878	301	186	317	21,405	51,928
TRANSFERS						
Transfers from general operating fund	13,150	-	-	-	247,878	257,203
Transfers to general operating fund	-	(3,497)	-	-	(3,497)	(7,638)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	13,646	13,646	2,000
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	(154,441)	(390,534)
CHANGE IN RESERVE FUND BALANCES	14,028	(3,196)	186	13,963	124,991	(87,041)
FUND SURPLUS, BEGINNING OF YEAR	50,411	15,344	9,435	15,923	1,170,459	1,257,500
FUND SURPLUS, END OF YEAR	\$ 64,439	\$ 12,148	\$ 9,621	\$ 29,886	\$ 1,295,450	\$ 1,170,459

RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF L.U.D. OPERATIONS - LUD of Oak Lake
 For the Year Ended December 31, 2019

SCHEDULE 7

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Taxation	-	-	\$ 225,120
Other Revenue	-	-	-
Total revenue	-	-	225,120
Expenses			
General Government:			
Indemnities	-	-	3,000
Transportation Services			
Road and street maintenance	-	-	63,292
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	8,790
Street lighting	-	-	8,563
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	-	-	83,645
Net revenue (expenses)			
	-	-	141,475
Transfers			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	(82,192)
Other	-	-	-
Change in L.U.D. balances	-	-	59,283
Unexpended balance, beginning of year		236,439	177,156
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, 2019

	2019	2018
	Total	Total
FINANCIAL ASSETS		
Cash and temporary investments	\$ 157,421	\$ 86,030
Amounts receivable	603	260
Portfolio investments	-	-
Due from other funds	-	-
	<u>\$ 158,024</u>	<u>\$ 86,290</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,805	\$ 189
Unearned revenue	-	-
Long-term debt (Note 7)	647,875	-
Due to other funds	52,352	2,123,301
	<u>703,032</u>	<u>2,123,490</u>
	<u>\$ (545,008)</u>	<u>\$ (2,037,200)</u>
NET DEBT		
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 4,338,079	\$ 4,433,012
Inventories	1,433	100
Prepaid expenses	-	-
	<u>4,339,512</u>	<u>4,433,112</u>
	<u>\$ 3,794,504</u>	<u>\$ 2,395,912</u>
FUND SURPLUS		
COMMITMENTS AND CONTINGENCIES (NOTES 8 AND 9)		

RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF UTILITY OPERATIONS - Oak Lake Utility
 For the Year Ended December 31, 2019

SCHEDULE 9

REVENUE	Budget	2019	2018
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
Sewer			
Sewer fees	32,482	32,839	32,425
Lagoon tipping fees	23,640	22,640	22,740
sub-total- sewer	56,122	55,479	55,165
Property taxes	-	11,646	-
Recovery			
Deficit recovery	15,639	15,220	-
Debenture recovery	-	-	-
sub-total- recovery	15,639	15,220	-
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	3,000	-	6,000
Installation service	-	-	-
Penalties	400	451	542
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	84,019	1,365
sub-total- other	3,400	84,470	7,907
Total revenue	75,161	166,815	63,072

RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF UTILITY OPERATIONS - Oak Lake Utility
 For the Year Ended December 31, 2019

SCHEDULE 9

	Budget	2019	2018
EXPENSES			
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	-	-	-
sub-total- water general	-	-	-
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	-	-	-
Sewer General			
Collection system costs	42,771	40,106	33,761
Treatment and disposal cost	9,750	12,069	10,585
Lift Station costs	5,000	4,560	4,660
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	57,521	56,735	49,006
Sewage Amortization & Interest			
Amortization	94,933	94,933	95,384
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	94,933	94,933	95,384
Total expenses	152,454	151,668	144,390
NET OPERATING SURPLUS (DEFICIT)	(77,293)	15,147	(81,318)
TRANSFERS			
Transfers from (to) operating fund	58,270	1,397,091	-
Transfers from (to) reserve funds	(15,737)	(13,646)	(2,000)
CHANGE IN UTILITY FUND BALANCE	\$ (34,760)	1,398,592	(83,318)
FUND SURPLUS, BEGINNING OF YEAR		2,395,912	2,479,230
FUND SURPLUS, END OF YEAR		\$ 3,794,504	\$ 2,395,912

RURAL MUNICIPALITY OF SIFTON

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2019

	Financial Plan	Financial Plan	Amortization	Interest	Long Term	Consolidated	PSAB
	General	Utility	(TCA)	Expense	Accruals	Entities	Budget
REVENUE							
Property taxes	\$ 1,903,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,903,967
Grants in lieu of taxation	60,550	-	-	-	-	-	60,550
User fees	408,731	-	-	-	-	67,971	476,702
Permits, licences and fines	2,000	-	-	-	-	3,664	5,664
Investment income	15,125	-	-	-	-	1,707	16,832
Other revenue	211,982	-	-	-	-	13,268	225,250
Water and sewer	-	75,161	-	-	-	-	75,161
Grants - Province of Manitoba	183,816	-	-	-	-	3,697	187,513
Grants - other	66,506	-	-	-	-	67,947	134,453
Transfers from accumulated surplus	1,248,613	-	-	-	-	(1,248,613)	-
Transfers from reserves/operating	46,532	58,270	-	-	-	(104,802)	-
Total revenue	\$ 4,147,822	\$ 133,431	\$ -	\$ -	\$ (1,353,415)	\$ 158,254	\$ 3,086,092
EXPENSES							
General government services	\$ 540,903	\$ -	\$ 3,981	\$ -	\$ 184	\$ -	\$ 545,068
Protective services	333,713	-	34,313	-	-	18,995	387,021
Transportation services	863,560	-	102,939	-	-	10,702	977,201
Environmental health services	109,475	-	11,046	-	-	-	120,521
Public health and welfare services	1,370	-	-	-	-	-	1,370
Regional planning and development	1,250	-	-	-	-	21,195	22,445
Resource cons and industrial dev	123,228	-	-	-	-	56,657	179,885
Recreation and cultural services	288,723	-	45,482	-	-	58,802	393,007
Water and sewer services	-	57,521	94,933	-	-	-	152,454
Fiscal services:							
Transfer to capital	762,000	-	-	-	(762,000)	-	-
Debt charges/deficit recovery	898,585	73,909	-	(972,494)	-	-	-
Short term interest	-	-	-	-	-	-	-
Transfer to reserves/utility	224,777	2,000	-	-	(226,777)	-	-
Allowance for tax assets	184	-	-	-	(184)	-	-
Total expenses	\$ 4,147,768	\$ 133,430	\$ 292,694	\$ (972,494)	\$ (988,777)	\$ 166,351	\$ 2,778,972
Surplus (Deficit)	\$ 54	\$ 1	\$ (292,694)	\$ 972,494	\$ (364,638)	\$ (8,097)	\$ 307,120

RURAL MUNICIPALITY OF SIFTON
 ANALYSIS OF TAXES ON ROLL
 December 31, 2019

SCHEDULE 11

	2019	2018
Balance, beginning of year	\$ 238,219	\$ 261,986
Add:		
Tax levy (Schedule 12)	3,365,205	3,496,344
Taxes added	16,633	36,877
Penalties or interest	16,730	22,402
Other accounts added	10,418	13,072
Sub-total	3,408,986	3,568,695
Deduct:		
Cash collections - current	2,981,886	3,100,972
Cash collections - arrears	209,188	241,792
Writeoffs	43,912	16,525
E.P.T.C. - cash advance	196,944	233,173
Sub-total	3,431,930	3,592,462
Balance, end of year	\$ 215,275	\$ 238,219

RURAL MUNICIPALITY OF SIFTON
 ANALYSIS OF TAX LEVY
 For the Year Ended December 31, 2019

SCHEDULE 12

	2019		2018	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D of Oak Lake			-	212,683
Debt charges:				
By-Law 03-2019			4,803	-
By-Law 04-2019			6,633	-
sub-total - Debt charges			11,436	-
General municipal	134,548,410	13.880	1,867,532	939,324
Total municipal taxes (Schedule 2)			1,878,968	2,009,475
Education support levy	38,321,810	9.770	374,404	377,815
Special levies:				
Fort La Bosse School Division	107,237,610	7.685	824,121	825,855
Southwest Horizon School Division	27,284,210	10.545	287,712	283,199
sub-total - Special levies			1,111,833	1,109,054
Total education taxes			1,486,237	1,486,869
Total tax levy (Schedule 11)			\$ 3,365,205	\$ 3,496,344

RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 13

	2019 Actual	2018 Actual
General government services		
Legislative	\$ 128,858	\$ 140,158
General administrative	335,805	338,251
Other	40,718	50,668
	<u>505,381</u>	<u>529,077</u>
Protective services		
Police	30,000	30,000
Fire	107,750	86,456
Emergency measures	7,947	13,803
Other	1,292	1,032
	<u>146,989</u>	<u>131,291</u>
Transportation services		
Road transport		
Administration and engineering	5,389	1,942
Road and street maintenance	857,595	880,811
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	8,790
Street lighting	38,880	40,144
Other	7,575	2,143
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>909,439</u>	<u>933,830</u>
Environmental health services		
Waste collection and disposal	123,694	105,068
Recycling	-	-
Other	3,866	6,336
	<u>127,560</u>	<u>111,404</u>
Public health and welfare services		
Public health	208	142
Medical care	-	-
Social assistance	817	817
Other	-	-
	<u>1,025</u>	<u>959</u>
Regional planning and development		
Planning and zoning	27,912	27,912
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	231
Other	-	-
	<u>27,912</u>	<u>28,143</u>
Resource conservation and industrial development		
Rural area weed control	79,970	77,433
Drainage of land	-	-
Veterinary services	5,665	5,625
Water resources and conservation	14,313	14,322
Regional development	46,962	19,238
Industrial development	-	-
Tourism	-	-
Other	2,126	2,315
	<u>149,036</u>	<u>118,933</u>
Sub-totals forward	<u>1,867,342</u>	<u>1,853,637</u>

RURAL MUNICIPALITY OF SIFTON
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 13

	2019 Actual	2018 Actual
Sub-totals forward	1,867,342	1,853,637
Recreation and cultural services		
Administration	31,197	33,251
Community centers and halls	27,511	24,456
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	83,541	61,138
Other recreational facilities	33,030	13,242
Museums	11,572	14,264
Libraries	-	-
Other cultural facilities	-	-
	186,851	146,351
Total expenses	\$ 2,054,193	\$ 1,999,988

RURAL MUNICIPALITY OF SIFTON
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2019

MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT		NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	
2019	2018	2019	2018
General	Utility	Total	Total
\$ (237,381)	\$ 2,141,400	\$ 1,904,019	\$ 176,489
Adjustments for reporting under public sector accounting standards			
1,408,737	(1,408,737)	-	-
247,878	13,646	261,524	259,203
(157,938)	-	(157,938)	(398,172)
21,405	-	21,405	51,928
(8,097)	-	(8,097)	3,793
(1,248,613)	-	(1,248,613)	-
-	(647,875)	(647,875)	-
(197,761)	(94,933)	(292,694)	(243,640)
-	-	-	33,000
749,339	-	749,339	911,992
\$ 577,569	\$ 3,501	\$ 581,070	\$ 794,593

