

RURAL MUNICIPALITY OF DUFFERIN

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

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Consolidated Financial Statements

For the Year Ended December 31, 2020

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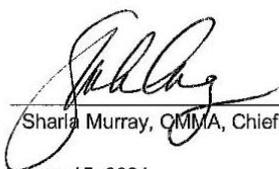
STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the Rural Municipality of Dufferin and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of 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.

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

BDO Canada LLP, as the Municipality's appointed external auditor, have audited the consolidated financial statements. The independent 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. Those standards require that they comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement, and present fairly the financial position and results of its operations and its cash flows of the Municipality in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board.



Shania Murray, OMM, Chief Administrative Officer

June 15, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Reeve and members of Council
Rural Municipality of Dufferin

Opinion

We have audited the consolidated financial statements of Rural Municipality of Dufferin and its controlled entities (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statement of operations, consolidated statement of change in net debt, and consolidated statement of cash flows 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 Municipality as at December 31, 2020, and its consolidated results of operations, its consolidated change in net debt, and its consolidated cash flows 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 Municipality 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

Management is responsible for the preparation and fair presentation of these 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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.

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 Municipality'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 Municipality'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 Municipality 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 Municipality 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.

BDO Canada LLP

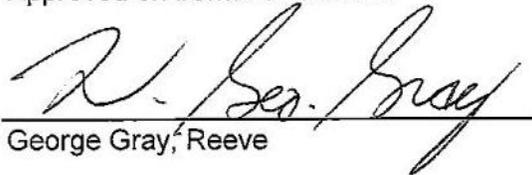
Chartered Professional Accountants

Winnipeg, Canada
June 15, 2021

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

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 3,176,854	2,599,974
Amounts receivable (Note 4)	876,439	716,338
Portfolio investments (Note 5)	33,927	41,322
Other assets	3,473	3,409
	<u>4,090,693</u>	<u>3,361,043</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	765,910	719,258
Deferred revenue	145,883	117,158
Long-term debt (Note 8)	3,177,873	3,567,319
	<u>4,089,666</u>	<u>4,403,735</u>
NET FINANCIAL ASSET (DEBT)	<u>1,027</u>	<u>(1,042,692)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	31,849,502	31,554,722
Inventories (Note 6)	108,347	96,310
Prepaid expenses	32,834	31,744
	<u>31,990,683</u>	<u>31,682,776</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 31,991,710</u>	<u>30,640,084</u>

Approved on behalf of Council:


George Gray, Reeve


John Peckover, Deputy Reeve

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

	2020 Budget (Schedule 10)	2020 Actual	2019 Actual
REVENUE			
Property taxes	\$ 3,598,869	\$ 3,574,647	\$ 3,394,390
Grants in lieu of taxation	26,790	26,657	26,286
User fees	473,437	341,684	383,037
Grants - Province of Manitoba	458,630	698,306	322,441
Grants - other	295,908	245,372	321,467
Permits, licences and fines	33,680	35,122	28,777
Investment income	37,804	25,297	58,959
Other revenue	55,735	390,983	648,752
Water and sewer	<u>1,506,004</u>	<u>1,463,973</u>	<u>1,350,429</u>
Total revenue (Schedules 2, 4 and 5)	<u>6,486,857</u>	<u>6,802,041</u>	<u>6,534,538</u>
EXPENSES			
General government services	1,166,593	1,147,264	1,794,534
Protective services	190,914	180,974	159,374
Transportation services	1,762,686	1,405,429	1,410,006
Environmental health services	16,471	18,479	15,781
Public health and welfare services	242,942	240,696	250,449
Resource conservation and industrial development	386,153	340,881	335,047
Recreation and cultural services	853,850	797,340	838,529
Water and sewer services	<u>1,423,340</u>	<u>1,319,352</u>	<u>1,340,666</u>
Total expenses (Schedules 3, 4 and 5)	<u>6,042,949</u>	<u>5,450,415</u>	<u>6,144,386</u>
ANNUAL SURPLUS	<u>\$ 443,908</u>	1,351,626	390,152
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>30,640,084</u>	<u>30,249,932</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 31,991,710</u>	<u>\$ 30,640,084</u>

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2020**

	<u>2020 Budget (Note 12)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
ANNUAL SURPLUS	\$ 443,908	\$ 1,351,626	\$ 390,152
Acquisition of tangible capital assets	-	(2,272,778)	(1,896,016)
Amortization of tangible capital assets	794,081	794,081	720,910
Loss on sale of tangible capital assets	-	156,020	126,405
Proceeds on sale of tangible capital assets	-	1,027,897	220,648
Decrease (increase) in inventories	-	(12,037)	18,375
Decrease (increase) in prepaid expenses	-	(1,090)	13,603
	<u>794,081</u>	<u>(307,907)</u>	<u>(796,075)</u>
(INCREASE) DECREASE IN NET DEBT	<u>\$ 1,237,989</u>	1,043,719	(405,923)
NET DEBT, BEGINNING OF YEAR		<u>(1,042,692)</u>	<u>(636,769)</u>
NET FINANCIAL ASSET (DEBT), END OF YEAR		<u>\$ 1,027</u>	<u>\$ (1,042,692)</u>

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

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,351,626	\$ 390,152
Loss on sale of tangible capital asset	156,020	126,405
	<u>1,507,646</u>	<u>516,557</u>
Changes in non-cash items		
Amounts receivable	(160,101)	(111,854)
Inventories	(12,037)	18,375
Prepaid expenses	(1,090)	13,603
Accounts payable and accrued liabilities	46,652	236,485
Other assets	(64)	3,883
Deferred revenue	28,725	20,795
Amortization of tangible capital assets	794,081	720,910
	<u>2,203,812</u>	<u>1,418,754</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	1,027,897	220,648
Cash used to acquire tangible capital assets	(2,272,778)	(1,896,016)
	<u>(1,244,881)</u>	<u>(1,675,368)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	7,395	46,150
	<u>7,395</u>	<u>46,150</u>
FINANCING TRANSACTIONS		
Debt proceeds	-	1,152,846
Debt repayment	(389,446)	(318,572)
	<u>(389,446)</u>	<u>834,274</u>
Cash provided by (applied to) financing transactions	<u>(389,446)</u>	<u>834,274</u>
NET INCREASE IN CASH AND TEMPORARY INVESTMENTS	576,880	623,810
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>2,599,974</u>	<u>1,976,164</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 3,176,854</u>	<u>\$ 2,599,974</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Status of the Rural Municipality of Dufferin

The incorporated Rural Municipality of Dufferin ("the Municipality") is a municipal government that was created in 1880 pursuant to The Manitoba Municipal Act of the Province of Manitoba. The Municipality provides or funds municipal services such as fire, public works, urban planning, parks and recreation, library and other general government operations. The Municipality owns a 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 Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, accumulated surplus, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of 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-company balances and transactions have been eliminated. At December 31, 2019, the Municipality has no controlled organizations.

The Municipality has several partnership agreements in place, and as such, consistent with PSAS treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, 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, along with the proportion consolidated, include the following:

	<u>2020</u>	<u>2019</u>
Boyne Regional Library	50%	50%
Carman Community Health Centre	50%	50%
Pembina Valley Water Co-operative Inc. ("the Co-operative")	3.6%	3.6%

The taxation with respect to the operations of the school divisions are not reflected in the Municipality revenue and surplus of these consolidated financial statements. Details of amounts levied, collected and payable at year end for Education Support Levy and Special Levy are presented at Schedule 12 - Analysis of Tax Levy.

Trust funds and their related operations administered by the Municipality are not consolidated in these consolidated financial statements. The Municipality does not administer any trust funds at year end.

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 amortized cost.

**RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

2. Significant Accounting Policies (continued)

e) 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 annual surplus, 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.

f) 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 interest charges as part of the cost of its tangible capital assets.

The cost less residual value of the tangible capital assets is amortized on a straight-line basis over its estimated useful life. Assets under construction are not amortized until the asset is put into use.

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and Leasehold Improvements	
Buildings	40 years
Leasehold improvement	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

Government Partnerships

Buildings	40 years
Water pipelines	40 years
Water treatment plants	40 years
Vehicles and equipment	7 years
Office furniture	7 years
Computer equipment	5 years
Sandilands well	40 years
Sandilands engineering and related costs	15 years

Certain assets that 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.

**RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

2. Significant Accounting Policies (continued)

g) 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.

h) Employee Future Benefits

The Municipality pays the employer portion of a multi-employer defined benefit pension plan handled by the Municipal Employees' Pension Plan (MEPP) for its employees. Under this plan, specific fixed amounts are contributed by the Municipality each period for services rendered by the employees matching employee contributions.

For those defined benefit plans that accumulate but do not vest such as sick pay, the benefit costs are recognized and recorded only in the period when the employee is sick given that the liability for sick pay benefits has been determined to be insignificant at year end.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) Revenue Recognition

Taxation revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers are recognized as revenue in the statement of operations as the stipulations liabilities are settled.

User fees are recognized as revenue when services are rendered or when consumption occurs. Permits and licenses are recognized as revenue when issued. Fines are recognized as revenue when assessed. Investment revenue is recognized in the period earned.

k) Measurement Uncertainty

Estimates are used by management to accrue revenues and expenses in circumstances where the actual accrued revenues 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

3. Credit Facilities

The Municipality has an authorized line of credit of \$2,500,000. The line of credit is repayable on demand and bears interest at the credit union's prime lending rate (2.45%) less 0.50% with effective rate of 1.95% at December 31, 2020. Interest is paid monthly. The line of credit is secured by property taxes levied. As at December 31, 2020, the line of credit was unutilized.

The Co-operative has an authorized line of credit of \$250,000. The line of credit is repayable on demand and bears interest at the bank's prime rate less 0.25% with effective rate of 2.45% at December 31, 2020. The line of credit is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2020, the Co-operative's line of credit was unutilized.

The Co-operative also has an authorized revolving capital loan up to \$250,000 to fund ongoing capital repairs and improvements. The capital loan is repayable on demand and bears interest at the bank's prime rate with effective rate of 2.45% at December 31, 2020. The capital loan is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2020, the capital loan was unutilized.

4. Amounts Receivable

Amounts receivable are comprised of the following:

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 510,772	\$ 430,065
Government grants	-	16,906
Utility customers	214,160	176,182
Organizations and individuals	95,056	78,872
Other governments	56,451	14,313
	<u>876,439</u>	<u>716,338</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 876,439</u>	<u>\$ 716,338</u>

5. Portfolio Investment

Portfolio investments consist of municipal debentures and guaranteed investment certificates with interest ranging from 5.50% to 6.25% and maturing December 2024.

6. Inventories

Inventories held for consumption are comprised of the following:

	<u>2020</u>	<u>2019</u>
Chemicals, herbicides and insecticides	\$ 9,246	\$ 7,726
Culverts	71,857	63,949
Other supplies	27,244	24,635
	<u>\$ 108,347</u>	<u>\$ 96,310</u>

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 567,984	\$ 519,371
School levies	197,926	199,887
Other governments	-	-
	<u>\$ 765,910</u>	<u>\$ 719,258</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

8. Long-term Debt

	<u>2020</u>	<u>2019</u>
<u>General Authority</u>		
Bylaw 1847 - Debenture, interest at 5.250%, payable at \$47,150 annually including interest, maturing December 31, 2024.	\$ 166,225	\$ 202,732
Bylaw 1871 - Debenture, interest at 5.000%, payable at \$12,950 annually including interest, repaid during the year.	-	12,334
Bylaw 1871 - Debenture, interest at 5.000%, payable at \$12,950 annually including interest, repaid during the year.	-	12,334
Bylaw 1871 - Debenture, interest at 5.000%, payable at \$3,238 annually including interest, repaid during the year.	-	3,083
Bylaw 1871 - Debenture, interest at 5.000%, payable at \$3,238 annually including interest, repaid during the year.	-	3,083
Bylaw 1871 - Debenture, interest at 5.000%, payable at \$6,475 annually including interest, repaid during the year.	-	6,167
Bylaw 1871 - Debenture, interest at 4.950%, payable at \$28,805 annually including interest, maturing December 31, 2025.	124,884	146,440
Bylaw 1884 - Debenture, interest at 4.780%, payable at \$71,186 annually including interest, maturing December 31, 2026.	363,875	415,214
Bylaw 1894 - Debenture, interest at 3.705%, payable at \$10,471 annually including interest, maturing December 31, 2021.	10,093	19,821
Bylaw 1949 - Debenture, interest at 2.900%, payable at \$82,112 annually including interest, maturing December 31, 2025.	401,755	475,442
Bylaw 1973 - Debenture, interest at 3.560%, payable at \$62,607 annually including interest, maturing April 30, 2034.	680,959	718,006
Bylaw 1989 - Debenture, interest at 3.125%, payable at \$53,175 annually including interest, maturing December 31, 2024.	197,069	242,661
	<u>1,944,860</u>	<u>2,257,317</u>
<u>Utility Funds</u>		
Bylaw 1886 - Debenture, interest at 5.000%, payable at \$8,729 annually including interest, repaid during the year.	-	8,313
Bylaw 1898 - Debenture, interest at 4.000%, payable at \$4,427 annually including interest, maturing December 31, 2021.	4,257	8,351
Bylaw 1909 - Debenture, interest at 3.875%, payable at \$2,288 annually including interest, maturing December 31, 2022.	4,323	6,364
Bylaw 1934 - Debenture, interest at 3.875%, payable at \$6,641 annually including interest, maturing December 31, 2023.	18,474	24,179
Bylaw 1942 - Debenture, interest at 3.625%, payable at \$4,447 annually including interest, maturing December 31, 2024.	16,288	20,010
Bylaw 1953 - Debenture, interest at 3.375%, payable at \$2,765 annually including interest, maturing December 31, 2026.	12,528	14,794
Bylaw 1961 - Debenture, interest at 3.125%, payable at \$3,169 annually including interest, maturing December 31, 2026.	17,095	19,649
	<u>72,965</u>	<u>101,660</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

8. Long-term Debt (continued)

	2020	2019
<u>Utility Funds (continued)</u>	\$ 72,965	\$ 101,660
By-Law 1971 - Debenture, interest at 3.875%, annual principal payments of \$1,002 including interest, maturing December 31, 2027.	7,388	8,292
By-Law 1974 - Debenture, interest at 3.875%, annual principal payments of \$1,002 including interest, maturing December 31, 2027.	6,551	7,353
Bylaw 1883 - Debenture, interest at 4.000%, annual principal payments of \$4,803 annually including interest, maturing December 31, 2028.	32,337	35,712
Bylaw 1984 - Debenture, interest at 4.000%, annual principal payments of \$1,543 annually including interest, maturing December 31, 2028.	10,390	11,474
	129,631	164,491
 <u>Pembina Valley Water Co-operative Inc.</u>		
Canadian Imperial Bank of Commerce - Demand facility with 30 day Banker's Acceptances reducing by \$6,926 principal and interest instalments per month, with monthly interest payments fixed through interest rate swaps at 3.560% including stamping fee of 0.810% until July 2023, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033.	\$ 841,934	\$ 894,058
Canadian Imperial Bank of Commerce - Demand facility with 30 day Banker's Acceptances reducing by \$541 principal instalments per month, plus interest at the CIBC Banker's Acceptance floating rate of 2.070% at December 31, 2018 plus stamping fee of 0.81% amortized over 15 years. Secured by a general security agreement.	83,341	89,834
Canadian Imperial Bank of Commerce - Demand facility with 30 day Bankers' Acceptance decreasing by \$15,280 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating (0.47% at December 31, 2020) and stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033.	178,107	-
Canadian Imperial Bank of Commerce - Revolving demand facility with interest only payable monthly until the earlier of twelve months after the initial advance and completion of each discrete project, at which time repayment terms will be set. Interest is charged at prime rate minus 0.25% with effective rate of 3.700% at December 31, 2019. At December 31, 2019, the Cooperative had unutilized capacity under this facility of \$529,300. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	-	140,700
Derivative Contract - Interest rate swap locked in a fixed interest rate of through July 2023.	-	20,919
	1,103,382	1,145,511
	\$ 3,177,873	\$ 3,567,319

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

2021	\$	386,474
2022	\$	385,687
2023	\$	397,508
2024	\$	405,457
2025	\$	315,606

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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 PS3250 Retirement Benefits.

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 requires that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$74,971 (\$66,996 in 2019) and are included in the consolidated 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. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2020</u>	<u>2019</u>
General Operating Fund - Nominal surplus	\$ 883,057	\$ 922,109
Utility Operating Fund - Nominal surplus	396,930	407,513
Tangible capital assets net of related borrowings	27,254,449	26,661,984
Reserve funds	1,800,337	1,168,001
	<hr/>	
Accumulated surplus of Municipality - Unconsolidated	30,334,773	29,159,607
	<hr/>	
Accumulated surpluses of government partnerships	1,656,938	1,480,477
	<hr/>	
Accumulated surplus - Consolidated	<u>\$ 31,991,710</u>	<u>\$ 30,640,084</u>

11. Financial Instruments

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

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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 presented in these consolidated financial statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

13. Segmented Information

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This relates to the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of fire protection, building inspection, emergency operations and animal control services. The fire department is comprised of paid on-call volunteers who provide fire suppression services, fire prevention programs, training and education. The fire department also responds to motor vehicle accidents. The building inspector inspects residential buildings for compliance with the Manitoba Building Code. Emergency operation include the Emergency coordinator as well as the emergency operations centres when required.

Transportation Services

Transportation services is responsible for snow clearing, cleaning streets in urban areas, grading gravel roads, and applying dust abatement to gravel roads. The department maintains boulevards and parks in the urban areas as well as maintenance. The department is also responsible for maintaining and improving drainage along municipal roads as well as paying for utility costs for street lights in urban and rural areas.

Environmental Health

Contractors provide services for waste disposal and transportation to the disposal ground as well as the pickup of materials to be recycled.

Public Health

The Municipality pays the Province an annual levy to administer social assistance to its residents.

Regional Planning and Development

The Municipality is responsible for the final decision on subdivision applications for its Zoning By-Laws.

Recreation and Cultural Services

The Municipality provides services in order to improve the health and development of its citizens. Library services are provided through the Boyne Regional Library. As well, Carman Dufferin Recreation Commission and Carman Memorial Hall are operated by the Municipality for recreational purposes.

Water Services

The Municipality supplies the water utility to its residents. The Municipality also maintains the water utility and ensuring the water system meets all provincial standards.

The accounting policies of the segments are the same as those described in Note 2 of Significant Accounting Policies. The revenues and expenses, and government business partnerships that are directly attributable to a particular segment, are allocated to that segment.

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

14. Government Partnerships

The Municipality has entered partnership agreements for municipal services. The government partnerships, along with the proportion consolidated in these consolidated financial statements, are disclosed at note 2(a). The condensed summary financial statements of the government partnerships, in aggregate, are as follows:

	<u>2020</u>	<u>2019</u>
Financial Position		
Assets	<u>\$ 2,826,034</u>	<u>\$ 2,761,769</u>
Liabilities	<u>1,169,096</u>	<u>1,281,292</u>
Accumulated surplus	<u>1,656,938</u>	<u>1,480,477</u>
	<u>2,826,034</u>	<u>2,761,769</u>
Results of Operations		
Revenue	<u>824,295</u>	<u>723,676</u>
Expenses	<u>647,833</u>	<u>671,262</u>
Annual surplus	<u>\$ 176,462</u>	<u>\$ 52,414</u>

15. 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 PSAS.

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

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

The following table provides historical information on capital grants for tangible with a remaining net book value.

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Water Utility	<u>\$ 965,310</u>	<u>\$ -</u>	<u>\$ 69,783</u>	<u>\$ 895,527</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

16. Public Sector Compensation Disclosure

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

- a) Compensation paid to members of Council amounted to \$178,289 in aggregate.
- b) There were no members of Council receiving compensation in excess of \$75,000 individually.

Amounts paid to the Council members are as follows:

Council Members	Compensation	Expenses	Total
Reeve - George Gray	\$ 22,269	\$ 8,150	\$ 30,419
Councillor - Barrie Fraser	17,927	6,450	24,377
Councillor - Harvie Takvam	17,927	7,028	24,955
Deputy Reeve - John Peckover	18,231	7,178	25,409
Councillor - Clayton Morgan	17,927	6,450	24,377
Councillor - Sheldon Harder	17,927	6,450	24,377
Councillor - Fred Dunn	17,927	6,450	24,377
	<u>\$ 130,133</u>	<u>\$ 48,156</u>	<u>\$ 178,289</u>

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

Name	Position	Amount
Rodney Last	Municipal Foreman	\$ 80,262
Sharla Murray	Chief Administrative Officer	88,961

17. Uncertainty due to COVID-19 pandemic

The global pandemic has disrupted economic activities and supply chains. It has also impacted the Municipality's operation. As the impacts of COVID-19 continue, there could be further impact on the Municipality, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Municipality's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Municipality is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Municipality's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Municipality will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2020

SCHEDULE 1

	General Capital Assets					Infrastructure			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	2020	2019
Cost										
Beginning of year	\$ 1,094,647	\$ 5,231,645	\$ 4,576,599	\$ 119,572	\$ 673,439	\$ 14,498,386	\$ 15,059,874	\$ -	\$ 41,254,162	\$ 39,808,858
Additions during the year	-	631,587	798,589	-	354,342	-	488,260	-	2,272,778	1,896,016
Disposals, transfers and write downs	-		(375,078)	(3,439)	(621,054)	-	(352,513)	-	(1,352,084)	(450,712)
End of year	<u>1,094,647</u>	<u>5,863,232</u>	<u>5,000,110</u>	<u>116,133</u>	<u>406,727</u>	<u>14,498,386</u>	<u>15,195,621</u>	<u>-</u>	<u>42,174,856</u>	<u>41,254,162</u>
Accumulated Amortization										
Beginning of year	45,870	1,810,137	2,154,577	121,313	-	573,830	4,993,713	-	9,699,440	9,082,188
Amortization	12,510	158,728	253,984	4,755	-	44,249	319,855	-	794,081	720,910
Disposals, write downs and adjustments	-	-	(101,572)	(16,066)	-	-	(50,528)	-	(168,166)	(103,658)
End of year	<u>58,380</u>	<u>1,968,865</u>	<u>2,306,989</u>	<u>110,002</u>	<u>-</u>	<u>618,079</u>	<u>5,263,040</u>	<u>-</u>	<u>10,325,354</u>	<u>9,699,440</u>
Net Book Value of Tangible Capital Assets, end of year	<u>\$ 1,036,267</u>	<u>\$ 3,894,367</u>	<u>\$ 2,693,121</u>	<u>\$ 6,131</u>	<u>\$ 406,727</u>	<u>\$ 13,880,307</u>	<u>\$ 9,932,581</u>	<u>\$ -</u>	<u>\$ 31,849,502</u>	<u>\$ 31,554,722</u>

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF REVENUE
For the Year Ended December 31, 2020**

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 3,522,068	\$ 3,321,903
Taxes added	52,579	72,487
	<u>3,574,647</u>	<u>3,394,390</u>
Grants in lieu of taxation		
Federal government	26	23
Provincial government	4,917	5,178
Provincial government enterprises	21,714	21,085
	<u>26,657</u>	<u>26,286</u>
User fees		
Sales of service	9,666	8,490
Sales of goods	5,646	4,346
Rentals	277,964	295,134
Facility use fees	48,408	75,066
	<u>341,684</u>	<u>383,037</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	424,009	201,503
Conditional grants	274,297	120,938
	<u>698,306</u>	<u>322,441</u>
Grants - other		
Federal government - Gas Tax funding	131,043	261,195
Federal government - other	7,091	8,442
Other local governments	107,238	51,830
	<u>245,372</u>	<u>321,467</u>
Permits, licences and fines		
Permits	-	-
Licences	35,122	28,777
	<u>35,122</u>	<u>28,777</u>
Investment income	<u>25,297</u>	<u>58,959</u>
Other revenue		
Loss on sale of tangible capital assets	(156,020)	(126,405)
Penalties and interest	50,587	38,705
Donations	496,416	736,452
	<u>390,983</u>	<u>648,752</u>
Water and sewer	<u>1,463,973</u>	<u>1,350,429</u>
Total revenue	<u>\$ 6,802,041</u>	<u>\$ 6,534,538</u>

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

SCHEDULE 3

	2020 Actual	2019 Actual
General government services		
Legislative	\$ 142,767	\$ 137,013
General administrative	260,658	248,713
Other	743,839	1,408,808
	<u>1,147,264</u>	<u>1,794,534</u>
Protective services		
Fire	168,629	149,485
Emergency measures	9,860	8,446
Other protection	2,485	1,443
	<u>180,974</u>	<u>159,374</u>
Transportation services		
Road transportation		
Road and street maintenance	1,397,964	1,402,450
Street lighting	7,465	7,556
	<u>1,405,429</u>	<u>1,410,006</u>
Environmental health services		
Waste collection and disposal	15,334	14,758
Other	3,145	1,023
	<u>18,479</u>	<u>15,781</u>
Public health and welfare services		
Public health	202,602	213,534
Social assistance	38,094	36,915
	<u>240,696</u>	<u>250,449</u>
Resource conservation and industrial development		
Rural area weed control	83,782	57,839
Drainage of land	40,234	35,962
Veterinary services	3,465	3,465
Water resources and conservation	41,787	48,760
Regional development	171,613	189,021
	<u>340,881</u>	<u>335,047</u>
Recreation and cultural services		
Administration	329,316	351,339
Community centers and halls	72,507	73,445
Swimming pools and beaches	24,305	36,192
Parks and playgrounds	10,297	8,358
Museums	8,457	8,182
Libraries	180,001	179,496
Other cultural facilities	172,457	181,517
	<u>797,340</u>	<u>838,529</u>
Water and sewer services	<u>1,319,352</u>	<u>1,340,666</u>
Total expenses	<u><u>\$ 5,450,415</u></u>	<u><u>\$ 6,144,386</u></u>

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

SCHEDULE 4

	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	\$ 3,470,915	\$ 3,280,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	26,657	26,286	-	-	-	-	-	-	-	-
User fees	15,033	16,015	-	-	250	895	-	-	228,523	218,695
Prov of MB - Unconditional Grants	343,085	197,302	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	222,703	92,136	-	-	-	-	-	-	-	-
Grants - other	135,240	267,696	-	-	-	-	-	-	-	-
Permits, licences and fines	35,122	28,777	-	-	-	-	-	-	-	-
Investment income	22,493	55,295	-	-	-	-	-	-	2,524	2,929
Other revenue	323,463	777,938	-	-	-	-	1,936	-	15,874	(125,643)
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	4,594,711	4,741,860	-	-	250	895	1,936	-	246,921	95,981
EXPENSES										
Personnel services	362,306	351,017	31,111	33,056	531,379	511,871	-	-	-	-
Contract services	185,792	198,749	149,863	126,318	86,237	90,280	17,271	14,758	158,575	168,179
Utilities	-	-	-	-	7,465	7,556	1,208	1,023	8,283	8,224
Maintenance materials and supplies	29,990	35,339	-	-	774,228	771,390	-	-	9,797	12,768
Grants and contributions	5,249	737,876	-	-	5,700	28,500	-	-	24,338	23,905
Amortization	474,544	407,766	-	-	-	-	-	-	-	-
Interest on long-term debt	89,383	63,787	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	420	409	-	-	39,703	37,373
Total expenses	1,147,264	1,794,534	180,974	159,374	1,405,429	1,410,006	18,479	15,781	240,696	250,449
Surplus (Deficit)	\$ 3,447,447	\$ 2,947,326	\$ (180,974)	\$ (159,374)	\$ (1,405,179)	\$ (1,409,111)	\$ (16,543)	\$ (15,781)	\$ 6,225	\$ (154,469)

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

RURAL MUNICIPALITY OF DUFFERIN
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,732	\$ 113,975	\$ 3,574,647	\$ 3,394,390
Grants in lieu of taxation	-	-	-	-	-	-	-	-	26,657	26,286
User fees	-	-	-	-	97,878	147,432	-	-	341,684	383,037
Prov of MB - Unconditional Grants	-	-	-	-	80,924	4,201	-	-	424,009	201,503
Prov of MB - Conditional Grants	-	-	25,298	5,006	26,296	23,796	-	-	274,297	120,938
Grants - other	-	-	-	-	110,132	53,771	-	-	245,372	321,467
Permits, licences and fines	-	-	-	-	-	-	-	-	35,122	28,777
Investment income	-	-	-	-	280	736	-	-	25,297	58,959
Other revenue	-	-	14,915	3,211	22,173	(6,993)	12,622	239	390,983	648,752
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	1,463,973	1,350,429	1,463,973	1,350,429
Total revenue	-	-	40,213	8,217	337,683	222,943	1,580,327	1,464,643	6,802,041	6,534,538
EXPENSES										
Personnel services	-	-	40,527	40,689	328,598	349,873	216,295	203,517	1,510,216	1,490,023
Contract services	-	-	130,503	152,468	77,154	61,850	59,671	100,454	865,066	913,056
Utilities	-	-	-	-	81,903	94,446	43,259	35,240	142,118	146,489
Maintenance materials and supplies	-	-	67,741	46,364	122,471	135,537	633,976	636,407	1,638,203	1,637,805
Grants and contributions	-	-	102,110	95,526	119,149	102,357	-	-	256,546	988,164
Amortization	-	-	-	-	-	-	319,855	313,151	794,399	720,917
Interest on long-term debt	-	-	-	-	-	-	40,742	43,388	130,125	107,175
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	68,066	94,466	5,553	8,509	113,742	140,757
Total expenses	-	-	340,881	335,047	797,341	838,529	1,319,351	1,340,666	5,450,415	6,144,386
Surplus (Deficit)	\$ -	\$ -	\$ (300,668)	\$ (326,830)	\$ (459,658)	\$ (615,586)	\$ 260,976	\$ 123,977	\$ 1,351,626	\$ 390,152

RURAL MUNICIPALITY OF DUFFERIN

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	\$ 3,574,647	\$ 3,394,390	\$ -	\$ -	\$ -	\$ -	\$ 3,574,647	\$ 3,394,390
Grants in lieu of taxation	26,657	26,286	-	-	-	-	26,657	26,286
User fees	108,174	153,858	-	-	233,510	229,179	341,684	383,037
Prov of MB - Unconditional Grants	424,009	201,503	-	-	-	-	424,009	201,503
Prov of MB - Conditional Grants	248,001	97,142	-	-	26,296	23,796	274,297	120,938
Grants - other	156,641	276,408	-	-	88,731	45,059	245,372	321,467
Permits, licences and fines	35,122	28,777	-	-	-	-	35,122	28,777
Investment income	22,493	55,295	-	-	2,804	3,664	25,297	58,959
Other revenue	353,438	654,507	-	-	37,545	(5,755)	390,983	648,752
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	1,028,564	922,696	-	-	435,409	427,733	1,463,973	1,350,429
Total revenue	5,977,746	5,810,862	-	-	824,295	723,676	6,802,041	6,534,538
EXPENSES								
Personnel services	1,378,117	1,367,897	-	-	132,099	122,126	1,510,216	1,490,023
Contract services	677,224	712,267	-	-	187,842	200,789	865,066	913,056
Utilities	94,383	98,644	-	-	47,735	47,845	142,118	146,489
Maintenance materials and supplies	1,530,468	1,533,454	-	-	107,735	104,351	1,638,203	1,637,805
Grants and contributions	256,546	988,164	-	-	-	-	256,546	988,164
Amortization	696,069	628,586	-	-	98,330	92,331	794,399	720,917
Interest on long-term debt	95,649	71,934	-	-	34,476	35,241	130,125	107,175
Bad debt	-	-	-	-	-	-	-	-
Other	74,127	72,178	-	-	39,615	68,579	113,742	140,757
Total expenses	4,802,583	5,473,124	-	-	647,833	671,262	5,450,415	6,144,386
Surplus (Deficit)	\$ 1,175,163	\$ 337,738	\$ -	\$ -	\$ 176,462	\$ 52,413	\$ 1,351,626	\$ 390,152

RURAL MUNICIPALITY OF DUFFERIN
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2020

SCHEDULE 6

											2020	2019	
	General	Boyne School	Equipment Replacement	Gas Tax	Provincial Road	Drainage	Gravel	Cemetery	Recreation Capital	Utility General	Utility Waterlines	Total	Total
REVENUE													
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES													
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
NET REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSFERS													
Transfers from Operating Fund	365,974	-	338,028	131,043	-	-	-	10,000	-	-	-	845,045	574,840
Transfers to Utility Fund	-	-	-	-	-	-	-	-	-	227,666	-	227,666	169,851
Acquisition of tangible capital assets	-	-	(344,564)	(55,811)	-	-	-	-	(40,000)	-	-	(440,375)	(534,521)
NET CHANGE IN RESERVE FUND BALANCES	365,974	-	(6,536)	75,232	-	-	-	10,000	(40,000)	227,666	-	632,336	210,170
FUND SURPLUS, BEGINNING OF YEAR	192,323	-	44,755	201,377	50,902	40,000	-	-	41,430	597,214	-	1,168,001	957,830
FUND SURPLUS, END OF YEAR	<u>\$ 558,297</u>	<u>\$ -</u>	<u>\$ 38,219</u>	<u>\$ 276,609</u>	<u>\$ 50,902</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 1,430</u>	<u>\$ 824,880</u>	<u>\$ -</u>	<u>\$ 1,800,337</u>	<u>\$ 1,168,001</u>

RURAL MUNICIPALITY OF DUFFERIN
SCHEDULE OF L.U.D. OPERATIONS
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	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
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 revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year	-	-	-
Unexpended balance, end of year	\$ -	\$ -	\$ -

RURAL MUNICIPALITY OF DUFFERIN
 SCHEDULE OF FINANCIAL POSITION FOR UTILITY
 For the Year Ended December 31, 2020

SCHEDULE 8

	<u>2020</u>	<u>2019</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	<u>\$214,160</u>	<u>\$176,182</u>
LIABILITIES		
Accounts payable and accrued liabilities	7,316	2,248
Long-term debt	129,631	164,490
Due to other funds	<u>(162,842)</u>	<u>(208,944)</u>
	<u>(25,895)</u>	<u>(42,206)</u>
NET FINANCIAL DEBT	<u>240,055</u>	<u>218,388</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	7,412,024	7,592,229
Inventories	<u>27,243</u>	<u>24,635</u>
	<u>7,439,267</u>	<u>7,616,864</u>
FUND SURPLUS	<u><u>\$ 7,679,322</u></u>	<u><u>\$7,835,252</u></u>

**SCHEDULE OF UTILITY OPERATIONS - Rural Municipality of Dufferin Utility
For the Year Ended December 31, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Water	\$ 1,087,219	\$ 961,956	\$ 802,219
Sewer	-	-	-
Property taxes	-	-	-
Government transfers	-	-	-
Other			
Connection charges	20,000	62,895	114,179
Penalties	4,500	3,713	5,762
Other income	-	-	536
Total revenue	<u>\$ 1,111,719</u>	<u>\$ 1,028,564</u>	<u>\$ 922,696</u>

**SCHEDULE OF UTILITY OPERATIONS (cont'd) - Rural Municipality of Dufferin Utility
For the Year Ended December 31, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
EXPENSES			
General			
Administration	\$ 30,965	\$ 20,562	\$ 24,787
Billing and collection	123,353	114,023	110,181
sub-total- general	<u>154,318</u>	<u>134,585</u>	<u>134,968</u>
Water General			
Purification and treatment	13,874	7,332	6,259
Transmission and distribution	110,826	28,596	48,397
Water purchases	521,169	526,583	495,816
Connection costs	38,866	31,705	67,243
sub-total- water general	<u>684,735</u>	<u>594,216</u>	<u>617,715</u>
Water Amortization & Interest			
Amortization	221,525	221,525	220,820
Interest on long-term debt	6,266	6,266	8,147
sub-total- water amortization & interest	<u>227,791</u>	<u>227,791</u>	<u>228,967</u>
Sewer General			
	-	-	-
Sewer Amortization & Interest			
	-	-	-
Total expenses	<u>1,066,844</u>	<u>956,592</u>	<u>981,650</u>
NET OPERATING DEFICIT	44,875	71,972	(58,954)
TRANSFERS			
Transfers from (to) operating and capital fund	(53,876)	(236)	51,368
Transfers from (to) reserve funds	(177,666)	(227,666)	(169,851)
CHANGE IN UTILITY FUND BALANCE	<u><u>\$ (186,667)</u></u>	<u><u>(155,930)</u></u>	<u><u>(177,437)</u></u>
FUND SURPLUS, BEGINNING OF YEAR		<u>7,835,252</u>	<u>8,012,689</u>
FUND SURPLUS, END OF YEAR		<u><u>\$ 7,679,322</u></u>	<u><u>\$ 7,835,252</u></u>

RURAL MUNICIPALITY OF DUFFERIN
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2020

SCHEDULE 10

	<u>Financial Plan General</u>	<u>Financial Plan Utility</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
REVENUE							
Property taxes	\$ 3,598,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,598,869
Grants in lieu of taxation	26,790	-	-	-	-	-	26,790
User fees	239,928	-	-	-	-	233,510	473,437
Grants - Province of Manitoba	432,334	-	-	-	-	26,296	458,630
Grants - other	207,177	-	-	-	-	88,731	295,908
Permits, licences and fines	33,680	-	-	-	-	-	33,680
Investment income	35,000	-	-	-	-	2,804	37,804
Other revenue	18,190	-	-	-	-	37,545	55,735
Water and sewer	-	1,111,719	-	-	(41,124)	435,409	1,506,004
Transfers from reserves	874,466	50,000	-	-	(924,466)	-	-
Total revenue	<u>5,466,434</u>	<u>1,161,719</u>	<u>-</u>	<u>-</u>	<u>(965,590)</u>	<u>824,295</u>	<u>6,486,857</u>
EXPENSES							
General government services	651,045	-	474,544	41,124	-	-	1,166,713
Protective services	190,914	-	-	-	-	-	190,914
Transportation services	1,762,686	-	-	-	-	-	1,762,686
Environmental health services	16,471	-	-	-	-	-	16,471
Public health and welfare services	54,094	-	-	-	-	188,848	242,942
Regional planning and development	-	-	-	-	-	-	-
Resource cons and industrial dev	386,153	-	-	-	-	-	386,153
Recreation and cultural services	757,627	-	-	-	-	96,223	853,850
Water and sewer services	-	839,053	221,525	-	-	362,762	1,423,340
Fiscal services:							
Transfer to capital	-	95,000	-	-	(95,000)	-	-
Transfer to utility	-	-	-	-	-	-	-
Debt charges	1,094,327	41,124	-	(1,135,452)	-	-	-
Transfer to reserves	553,237	227,666	-	-	(780,903.00)	-	-
Allowance for tax assets	(120)	-	-	-	-	-	(120)
Total expenses	<u>5,466,434</u>	<u>1,202,843</u>	<u>696,069</u>	<u>(1,094,328)</u>	<u>(875,903)</u>	<u>647,833</u>	<u>6,042,949</u>
Surplus (Deficit)	<u>\$ -</u>	<u>(41,124.00)</u>	<u>\$ (696,069)</u>	<u>\$ 1,094,328</u>	<u>\$ (89,687)</u>	<u>\$ 176,462</u>	<u>\$ 443,908</u>

**RURAL MUNICIPALITY OF DUFFERIN
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2020**

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 430,065	\$ 356,347
Add:		
Tax levy (Schedule 12)	7,528,005	7,166,653
Taxes added	52,579	72,487
Penalties or interest	<u>50,587</u>	<u>40,159</u>
Sub-total	<u>7,631,172</u>	<u>7,279,299</u>
Deduct:		
Cash collections - current	6,801,788	6,518,630
Cash collections - arrears	329,488	274,422
Tax discounts	24,204	18,659
M.P.T.C. - cash advance	<u>394,985</u>	<u>393,870</u>
Sub-total	<u>7,550,465</u>	<u>7,205,581</u>
Balance, end of year	<u><u>\$ 510,772</u></u>	<u><u>\$ 430,065</u></u>

RURAL MUNICIPALITY OF DUFFERIN
ANALYSIS OF TAX LEVY
Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):	-	0.000%	\$ -	\$ -
Debt charges:				
Equipment Purchase B/L #1845	-	0.000%	-	-
Fire Infrastructure B/L #1847	353,411,870	0.132%	46,650	46,638
Arena B/L #1871	353,411,870	0.190%	67,148	67,261
Municipal Shop #1884	353,411,870	0.200%	70,682	70,433
Cold Storage #1894	353,411,870	0.029%	10,249	10,470
4th Grader #1943	-	0.000%	-	-
Municipal Hall Grant #1949	353,411,870	0.080%	28,273	28,871
Other (Rural Water)			103,732	113,975
Deferred surplus				
Reserves:				
Machinery Reserve	353,411,870	0.949%	335,388	306,163
General Reserve	353,411,870	0.014%	4,948	4,759
Boyne School Reserve	-	0.000%	-	-
Garbage & Recycling Pickup			15,334	14,630
General municipal:	353,411,870	8.035%	2,839,664	2,658,703
Business tax (rate%)	-	0.000%	-	-
Total municipal taxes (Schedule 2)			3,522,068	3,321,903
Education support levy	30,061,480	8.828%	265,383	271,506
Special levy:				
Red River Valley School Division	2,248,830	12.565%	28,257	27,213
Prairie Rose School Division	340,688,890	10.616%	3,616,753	3,454,404
Prairie Spirit School Division	10,341,410	9.239%	95,544	91,627
Total education taxes			4,005,937	3,844,750
Total tax levy (Schedule 11)			\$ 7,528,005	\$ 7,166,653

RURAL MUNICIPALITY OF DUFFERIN
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2020

SCHEDULE 13

	<u>2020 Actual</u>	<u>2019 Actual</u>
General government services		
Legislative	\$ 142,767	\$ 137,013
General administrative	260,658	248,713
Other	743,839	1,408,808
	<u>1,147,264</u>	<u>1,794,534</u>
Protective services		
Fire	168,629	149,485
Emergency measures	9,860	8,446
Other protection	2,485	1,443
	<u>180,974</u>	<u>159,374</u>
Transportation services		
Road transport		
Road and street maintenance	1,397,964	1,402,450
Street lighting	7,465	7,556
	<u>1,405,429</u>	<u>1,410,006</u>
Environmental health services		
Waste collection and disposal	15,334	14,758
Other	3,145	1,023
	<u>18,479</u>	<u>15,781</u>
Public health and welfare services		
Public health	13,754	15,428
Social assistance	38,094	36,915
	<u>51,848</u>	<u>52,343</u>
Regional planning and development	<u>-</u>	<u>-</u>
Resource conservation and industrial development		
Rural area weed control	83,782	57,839
Drainage of land	40,234	35,962
Veterinary services	3,465	3,465
Water resources and conservation	41,787	48,760
Regional development	171,613	189,021
	<u>340,881</u>	<u>335,047</u>
Recreation and cultural services		
Administration	329,316	351,339
Community centers and halls	72,507	73,445
Swimming pools and beaches	24,305	36,192
Parks and playgrounds	10,297	8,358
Museums	8,457	8,182
Libraries	83,778	65,355
Other cultural facilities	172,457	181,517
	<u>701,117</u>	<u>724,388</u>
Total expenses	<u><u>\$ 3,845,992</u></u>	<u><u>\$ 4,491,473</u></u>

RURAL MUNICIPALITY OF DUFFERIN
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2020

SCHEDULE 14
(Unaudited)

	General	2020 Utility	Total	2019 Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (39,288)	\$ (10,350)	\$ (49,638)	\$ 266,934
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	845,045	227,666	1,072,711	744,691
Eliminate revenue - Transfers from reserves	(440,375)	-	(440,375)	(534,521)
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	176,462	-	176,462	52,415
Decrease revenue - Net book value of disposed tangible capital assets	(884,940)	(39)	(884,979)	(222,048)
Increase expense - Amortization of tangible capital assets	(474,226)	(221,525)	(695,751)	(628,586)
Decrease (increase) expense - Principal portion of debenture debt, net of new debt	312,457	34,860	347,317	(748,472)
Eliminate expense - Acquisitions of tangible capital assets, net of transfers from assets under construction	1,784,518	41,360	1,825,878	1,459,739
Proceeds from debenture approved in previous years (debenture pending)	-	-	-	-
Eliminate Interfund tangible capital asset transfer	-	-	-	-
ANNUAL SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,279,654	\$ 71,972	\$ 1,351,626	\$ 390,152