

RURAL MUNICIPALITY OF DUFFERIN

**Consolidated Financial Statements
For the Year Ended December 31, 2021**

RURAL MUNICIPALITY OF DUFFERIN

Consolidated Financial Statements

For the Year Ended December 31, 2021

Statement of Responsibility	2
Independent Auditor's Report	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Asset	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	20
Schedule 2 - Consolidated Schedule of Revenue	21
Schedule 3 - Consolidated Schedule of Expenses	22
Schedule 4 - Consolidated Statement of Operations by Program	23
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	25
Schedule 6 - Schedule of Change in Reserve Fund Balances	26
Schedule 7 - Schedule of L.U.D. Operations	27
Schedule 8 - Schedule of Financial Position for Utility	28
Schedule 9 - Schedule of Utility Operations	29
Schedule 10 - Reconciliation of the Financial Plan to the Budget	31
Schedule 11 - Analysis of Taxes on Roll	32
Schedule 12 - Analysis of Tax Levy	33
Schedule 13 - Schedule of General Operating Fund Expenses	34
Schedule 14 - Reconciliation of Annual Surplus (Unaudited)	35

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.



Sharla Murray, CMMA, Chief Administrative Officer

June 14, 2022



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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, 2021 and the consolidated statement of operations, consolidated statement of change in net financial asset, 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, 2021, and its consolidated results of operations, its consolidated change in net financial asset, 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 Statements

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 14, 2022

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

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 4,431,692	\$ 3,176,854
Amounts receivable (Note 4)	707,054	876,439
Portfolio investments (Note 5)	26,121	33,927
Other assets	3,505	3,473
	<u>5,168,372</u>	<u>4,090,693</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,014,440	765,910
Deferred revenue	372,376	145,883
Long-term debt (Note 8)	3,026,433	3,177,873
	<u>4,413,249</u>	<u>4,089,666</u>
NET FINANCIAL ASSET	<u>755,123</u>	<u>1,027</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	31,874,747	31,849,502
Inventories (Note 6)	109,333	108,347
Prepaid expenses	32,239	32,834
	<u>32,016,319</u>	<u>31,990,683</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 32,771,442</u>	<u>\$ 31,991,710</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, 2021**

	<u>2021 Budget</u> (Schedule 10)	<u>2021 Actual</u>	<u>2020 Actual</u>
REVENUE			
Property taxes	\$ 3,604,078	\$ 3,584,321	\$ 3,574,647
Grants in lieu of taxation	26,313	25,937	26,657
User fees	420,828	323,943	341,684
Grants - Province of Manitoba	471,442	447,832	698,306
Grants - other	491,498	467,437	245,372
Permits, licences and fines	41,080	37,035	35,122
Investment income	27,456	28,617	25,297
Other revenue	64,147	273,929	390,983
Water and sewer	1,571,921	1,608,491	1,463,973
	<u>6,718,763</u>	<u>6,797,542</u>	<u>6,802,041</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	1,281,009	1,215,602	1,147,264
Protective services	198,520	216,306	180,974
Transportation services	1,788,825	1,575,537	1,405,429
Environmental health services	26,902	25,218	18,479
Public health and welfare services	267,813	266,852	240,696
Resource conservation and industrial development	344,534	311,464	340,881
Recreation and cultural services	887,847	870,849	797,340
Water and sewer services	1,533,255	1,535,982	1,319,352
	<u>6,328,705</u>	<u>6,017,810</u>	<u>5,450,415</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ 390,058</u>	779,732	1,351,626
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>31,991,710</u>	<u>30,640,084</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 32,771,442</u>	<u>\$ 31,991,710</u>

RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF CHANGE IN FINANCIAL ASSET
For the Year Ended December 31, 2021

	<u>2021 Budget (Note 12)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
ANNUAL SURPLUS	\$ 390,058	\$ 779,732	\$ 1,351,626
Acquisition of tangible capital assets	-	(1,547,377)	(2,272,778)
Amortization of tangible capital assets	836,681	836,682	794,081
Loss on sale of tangible capital assets	-	84,384	156,020
Proceeds on sale of tangible capital assets	-	601,066	1,027,897
Decrease (increase) in inventories	-	(986)	(12,037)
Decrease (increase) in prepaid expenses	-	595	(1,090)
	<u>836,681</u>	<u>(25,636)</u>	<u>(307,907)</u>
(INCREASE) DECREASE IN FINANCIAL ASSET	<u>\$ 1,226,739</u>	754,096	1,043,719
NET FINANCIAL ASSET (DEBT), BEGINNING OF YEAR		<u>1,027</u>	<u>(1,042,692)</u>
NET FINANCIAL ASSET, END OF YEAR		<u>\$ 755,123</u>	<u>\$ 1,027</u>

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 779,732	\$ 1,351,626
Loss on sale of tangible capital asset	84,384	156,020
	<u>864,116</u>	<u>1,507,646</u>
Changes in non-cash items		
Amounts receivable	169,385	(160,101)
Inventories	(986)	(12,037)
Prepaid expenses	595	(1,090)
Accounts payable and accrued liabilities	248,530	46,652
Other assets	(32)	(64)
Deferred revenue	226,493	28,725
Amortization of tangible capital assets	836,682	794,081
	<u>2,344,783</u>	<u>2,203,812</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	601,066	1,027,897
Cash used to acquire tangible capital assets	<u>(1,547,377)</u>	<u>(2,272,778)</u>
	<u>(946,311)</u>	<u>(1,244,881)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	<u>7,806</u>	<u>7,395</u>
	<u>7,806</u>	<u>7,395</u>
FINANCING TRANSACTIONS		
Debt proceeds	165,822	-
Debt repayment	<u>(317,262)</u>	<u>(389,446)</u>
	<u>(151,440)</u>	<u>(389,446)</u>
NET INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,254,838	576,880
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>3,176,854</u>	<u>2,599,974</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 4,431,692</u></u>	<u><u>\$ 3,176,854</u></u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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, 2021, 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>2021</u>	<u>2020</u>
Boyne Regional Library	50%	50%
Carman Community Health Centre	50%	50%
Pembina Valley Water Co-operative Inc. (“the Co-operative”)	6.70%	6.70%

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, 2021

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, 2021

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, 2021

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 2.45% at December 31, 2021. Interest is paid monthly. The line of credit is secured by property taxes levied. As at December 31, 2021, 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, 2021. 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, 2021, 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, 2021. The capital loan is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2021, the capital loan was unutilized.

4. Amounts Receivable

Amounts receivable are comprised of the following:

	<u>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 410,610	\$ 510,772
Utility customers	185,638	214,160
Organizations and individuals	77,045	95,056
Other governments	33,761	56,451
	<u>707,054</u>	<u>876,439</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 707,054</u>	<u>\$ 876,439</u>

5. Portfolio Investment

Portfolio investments consist of municipal debentures and guaranteed investment certificates with interest of 5.50% and maturing on December 31, 2024.

6. Inventories

Inventories held for consumption are comprised of the following:

	<u>2021</u>	<u>2020</u>
Chemicals, herbicides and insecticides	\$ 9,110	\$ 9,246
Culverts	74,512	71,857
Other supplies	25,711	27,244
	<u>\$ 109,333</u>	<u>\$ 108,347</u>

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 838,478	\$ 567,984
School levies	175,962	197,926
	<u>\$ 1,014,440</u>	<u>\$ 765,910</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. Long-term Debt

	<u>2021</u>	<u>2020</u>
<u>General Authority</u>		
Bylaw 1847 - Debenture, interest at 5.250%, payable at \$47,150 annually including interest, maturing December 31, 2024.	\$ 127,802	\$ 166,225
Bylaw 1871 - Debenture, interest at 4.950%, payable at \$28,805 annually including interest, maturing December 31, 2025.	102,260	124,884
Bylaw 1884 - Debenture, interest at 4.780%, payable at \$71,186 annually including interest, maturing December 31, 2026.	310,082	363,875
Bylaw 1894 - Debenture, interest at 3.705%, payable at \$10,471 annually including interest, repaid during the year.	-	10,093
Bylaw 1949 - Debenture, interest at 2.900%, payable at \$82,112 annually including interest, maturing December 31, 2025.	325,931	401,755
Bylaw 1973 - Debenture, interest at 3.560%, payable at \$62,607 annually including interest, maturing April 30, 2034.	642,594	680,959
Bylaw 1989 - Debenture, interest at 3.125%, payable at \$53,175 annually including interest, maturing December 31, 2024.	150,052	197,069
	<u>1,658,721</u>	<u>1,944,860</u>
<u>Utility Funds</u>		
Bylaw 1898 - Debenture, interest at 4.000%, payable at \$4,427 annually including interest, repaid during the year.	-	4,257
Bylaw 1909 - Debenture, interest at 3.875%, payable at \$2,288 annually including interest, maturing December 31, 2022.	2,203	4,323
Bylaw 1934 - Debenture, interest at 3.875%, payable at \$6,641 annually including interest, maturing December 31, 2023.	12,549	18,474
Bylaw 1942 - Debenture, interest at 3.625%, payable at \$4,447 annually including interest, maturing December 31, 2024.	12,431	16,288
Bylaw 1953 - Debenture, interest at 3.375%, payable at \$2,765 annually including interest, maturing December 31, 2026.	10,186	12,528
Bylaw 1961 - Debenture, interest at 3.125%, payable at \$3,169 annually including interest, maturing December 31, 2026.	14,460	17,095
	<u>\$ 51,829</u>	<u>\$ 72,965</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. Long-term Debt (continued)

	2021	2020
<u>Utility Funds (continued)</u>	\$ 51,829	\$ 72,965
By-Law 1971 - Debenture, interest at 3.875%, annual principal payments of \$1,002 including interest, maturing December 31, 2027.	6,449	7,388
By-Law 1974 - Debenture, interest at 3.875%, annual principal payments of \$1,002 including interest, maturing December 31, 2027.	5,718	6,551
Bylaw 1883 - Debenture, interest at 4.000%, annual principal payments of \$4,803 annually including interest, maturing December 31, 2028.	28,828	32,337
Bylaw 1984 - Debenture, interest at 4.000%, annual principal payments of \$1,543 annually including interest, maturing December 31, 2028.	9,262	10,390
Bylaw 1999 - Debenture, interest at 2.125%, annual principal payments of \$641.35 including interest, maturing December 31, 2030.	5,204	-
	107,290	129,631
<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.	\$ 787,923	\$ 841,934
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.	76,847	83,341
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.	165,822	178,107
Canadian Imperial Bank of Commerce - demand facility with 30 day bankers' acceptances, repayable \$12,500 monthly plus interest. The outstanding loan is subject to an interest rate swap agreement with the bank on an original notional principle amount of \$201,000 whereby the Cooperative receives a floating interest rate while paying a fixed rate of 2.45% including a stamping fee of 0.81% until November 2041, amortized over 20 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded matures November 2041.	200,163	-
Canadian Imperial Bank of Commerce - The advance is part of a revolving demand facility for \$871,000 for capital projects, with interest only payments 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%. At December 31, 2021 the Cooperative had unutilized capacity under this facility of \$844,013. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	26,987	-

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. Long-term Debt (continued)

Canada Emergency Business Account Loan - \$4,020 non-interest bearing until December 31, 2023. Repayment of 67% of the principal on or before December 31, 2023, will result in the remaining balance being forgiven. Beginning January 1, 2024, the loan will bear interest at 5% payable monthly, with the outstanding principle due in full by the maturity date, December 1, 2025. Secured by a government guarantee.

2021	2020
2,680	-
<u>1,260,422</u>	<u>1,103,382</u>
\$ 3,026,433	\$ 3,177,873

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

2022	\$ 393,323
2023	\$ 405,356
2024	\$ 411,032
2025	\$ 323,881
2026	\$ 216,283

Schedule of Debenture Pending:

Authority	Purpose	Amount Authorized
By-law # 2007	Local improvement debenture	\$ 250,000.00
By-law # 2008	Local improvement debenture	\$ 68,402.50

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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 \$81,735 (\$74,971 in 2020) 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, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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

10. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2021</u>	<u>2020</u>
General Operating Fund - Nominal surplus	\$ 1,209,804	\$ 883,056
Utility Operating Fund - Nominal surplus	402,624	396,930
Tangible capital assets net of related borrowings	27,296,721	27,254,449
Reserve funds	2,117,738	1,800,337
	<hr/>	
Accumulated surplus of Municipality - Unconsolidated	31,026,887	30,334,772
	<hr/>	
Accumulated surpluses of government partnerships	1,744,556	1,656,938
	<hr/>	
Accumulated surplus - Consolidated	<u>\$ 32,771,442</u>	<u>\$ 31,991,710</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, 2021

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 operations 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, 2021

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>2021</u>	<u>2020</u>
Financial Position		
Assets	<u>\$ 3,282,921</u>	<u>\$ 2,826,034</u>
Liabilities	<u>1,538,365</u>	1,169,096
Accumulated surplus	<u>1,744,556</u>	<u>1,656,938</u>
	<u>3,282,921</u>	<u>2,826,034</u>
Results of Operations		
Revenue	<u>901,157</u>	824,295
Expenses	<u>813,539</u>	647,831
Annual surplus	<u>\$ 87,618</u>	<u>\$ 176,464</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>\$ 895,527</u>	<u>\$ -</u>	<u>\$ 69,783</u>	<u>\$ 825,744</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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, 2021:

- a) Compensation paid to members of Council amounted to \$180,929 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	\$ 18,375	\$ 6,450	\$ 24,825
Councillor - Barrie Fraser	18,686	6,600	25,286
Councillor - Harvie Takvam	18,375	6,950	25,325
Deputy Reeve - John Peckover	16,625	6,450	23,075
Councillor - Clayton Morgan	18,375	7,307	25,682
Councillor - Sheldon Harder	-	-	-
Councillor - Fred Dunn	131,637	49,292	180,929
	<u>\$ 222,072</u>	<u>\$ 83,049</u>	<u>\$ 305,121</u>

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

Name	Position	Amount
Rodney Last	Municipal Foreman	\$ 81,878
Sharla Murray	Chief Administrative Officer	103,442

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, 2021

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	2021	2020
Cost										
Beginning of year	\$ 1,094,647	\$ 5,863,232	\$ 5,000,110	\$ 116,133	\$ 406,727	\$ 14,498,386	\$ 15,195,621	\$ -	\$ 42,174,856	\$ 41,254,162
Additions during the year	-	194,121	649,299	-	150,310	-	553,647	-	1,547,377	2,272,778
Disposals, transfers and write downs	(3,200)		(421,201)	(13,768)	(128,521)	-	(150,825)	-	(717,515)	(1,352,084)
End of year	1,091,447	6,057,353	5,228,208	102,365	428,516	14,498,386	15,598,443	-	43,004,718	42,174,856
Accumulated Amortization										
Beginning of year	58,380	1,968,865	2,306,989	110,002	-	618,078	5,263,040	-	10,325,354	9,699,440
Amortization	12,486	161,983	282,264	1,612	-	44,005	334,332	-	836,682	794,081
Disposals, write downs and adjustments	-	-	(18,962)	(12,801)	-	-	(302)	-	(32,065)	(168,166)
End of year	70,866	2,130,848	2,570,291	98,813	-	662,083	5,597,070	-	11,129,971	10,325,354
Net Book Value of Tangible Capital Assets, end of year	\$ 1,020,581	\$ 3,926,505	\$ 2,657,917	\$ 3,552	\$ 428,516	\$ 13,836,303	\$ 10,001,373	\$ -	\$ 31,874,747	\$ 31,849,502

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF REVENUE
For the Year Ended December 31, 2021**

SCHEDULE 2

	2021 Actual	2020 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 3,525,797	\$ 3,522,068
Taxes added	58,524	52,579
	<u>3,584,321</u>	<u>3,574,647</u>
Grants in lieu of taxation		
Federal government	26	26
Provincial government	4,629	4,917
Provincial government enterprises	21,282	21,714
	<u>25,937</u>	<u>26,657</u>
User fees		
Sales of service	10,612	9,666
Sales of goods	11,236	5,646
Rentals	245,498	277,964
Facility use fees	56,597	48,408
	<u>323,943</u>	<u>341,684</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	205,824	424,009
Conditional grants	242,008	274,297
	<u>447,832</u>	<u>698,306</u>
Grants - other		
Federal government - Gas Tax funding	268,043	131,043
Federal government - other	17,475	7,091
Other local governments	181,919	107,238
	<u>467,437</u>	<u>245,372</u>
Permits, licences and fines		
Licences	37,035	35,122
Investment income	<u>28,617</u>	<u>25,297</u>
Other revenue		
Loss on sale of tangible capital assets	(84,384)	(156,020)
Penalties and interest	46,695	50,587
Donations	311,618	496,416
	<u>273,929</u>	<u>390,983</u>
Water and sewer	<u>1,608,491</u>	<u>1,463,973</u>
Total revenue	<u>\$ 6,797,542</u>	<u>\$ 6,802,041</u>

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2021**

SCHEDULE 3

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 144,459	\$ 142,767
General administrative	308,684	260,658
Other	762,459	743,839
	<u>1,215,602</u>	<u>1,147,264</u>
Protective services		
Fire	212,831	168,629
Emergency measures	2,262	9,860
Other protection	1,213	2,485
	<u>216,306</u>	<u>180,974</u>
Transportation services		
Road transportation		
Road and street maintenance	1,567,688	1,397,964
Street lighting	7,849	7,465
	<u>1,575,537</u>	<u>1,405,429</u>
Environmental health services		
Waste collection and disposal	23,997	15,334
Other	1,221	3,145
	<u>25,218</u>	<u>18,479</u>
Public health and welfare services		
Public health	238,414	202,602
Social assistance	28,438	38,094
	<u>266,852</u>	<u>240,696</u>
Resource conservation and industrial development		
Rural area weed control	83,345	83,782
Drainage of land	31,467	40,234
Veterinary services	3,812	3,465
Water resources and conservation	42,187	41,787
Regional development	150,653	171,613
	<u>311,464</u>	<u>340,881</u>
Recreation and cultural services		
Administration	339,800	329,316
Community centers and halls	58,942	72,507
Swimming pools and beaches	29,949	24,305
Parks and playgrounds	12,142	10,297
Museums	5,957	8,457
Libraries	207,416	180,001
Other cultural facilities	216,643	172,457
	<u>870,849</u>	<u>797,340</u>
Water and sewer services	<u>1,535,982</u>	<u>1,319,352</u>
Total expenses	<u><u>\$ 6,017,810</u></u>	<u><u>\$ 5,450,415</u></u>

RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2021

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ 3,488,696	\$ 3,470,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	25,937	26,657	-	-	-	-	-	-	-	-
User fees	14,006	15,033	-	-	797	250	-	-	204,738	228,523
Prov of MB - Unconditional Grants	197,302	343,085	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	100,250	222,703	47,088	-	-	-	6,430	-	-	-
Grants - other	272,283	135,240	-	-	-	-	-	-	-	-
Permits, licences and fines	37,035	35,122	-	-	-	-	-	-	-	-
Investment income	26,236	22,493	-	-	-	-	-	-	2,125	2,524
Other revenue	234,081	323,463	-	-	-	-	1,615	1,936	1,481	15,874
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	4,395,826	4,594,711	47,088	-	797	250	8,045	1,936	208,344	246,921
EXPENSES										
Personnel services	405,374	362,306	29,481	31,111	550,383	531,379	-	-	-	-
Contract services	203,297	185,792	186,825	149,863	121,869	86,237	23,997	17,271	199,691	158,575
Utilities	-	-	-	-	7,849	7,465	1,221	1,208	7,461	8,283
Maintenance materials and supplies	27,687	29,990	-	-	888,405	774,228	-	-	11,442	9,797
Grants and contributions	1,485	5,249	-	-	6,614	5,700	-	-	16,639	24,338
Amortization	502,349	474,544	-	-	-	-	-	-	-	-
Interest on long-term debt	75,410	89,383	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	417	420	-	-	31,619	39,703
Total expenses	1,215,602	1,147,264	216,306	180,974	1,575,537	1,405,429	25,218	18,479	266,852	240,696
Surplus (Deficit)	\$ 3,180,224	\$ 3,447,447	\$ (169,218)	\$ (180,974)	\$ (1,574,740)	\$ (1,405,179)	\$ (17,173)	\$ (16,543)	\$ (58,508)	\$ 6,225

* 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, 2021

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,625	\$ 103,732	\$ 3,584,321	3,574,647
Grants in lieu of taxation	-	-	-	-	-	-	-	-	25,937	26,657
User fees	-	-	-	-	104,402	97,878	-	-	323,943	341,684
Prov of MB - Unconditional Grants	-	-	-	-	8,522	80,924	-	-	205,824	424,009
Prov of MB - Conditional Grants	-	-	60,441	25,298	27,799	26,296	-	-	242,008	274,297
Grants - other	-	-	-	-	195,154	110,132	-	-	467,437	245,372
Permits, licences and fines	-	-	-	-	-	-	-	-	37,035	35,122
Investment income	-	-	-	-	256	280	-	-	28,617	25,297
Other revenue	-	-	19,468	14,915	16,910	22,173	374	12,622	273,929	390,983
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	1,608,491	1,463,973	1,608,491	1,463,973
Total revenue	-	-	79,909	40,213	353,043	337,683	1,704,490	1,580,327	6,797,542	6,802,041
EXPENSES										
Personnel services	-	-	41,021	40,527	341,842	328,598	235,196	216,295	1,603,297	1,510,216
Contract services	-	-	96,532	130,503	73,954	77,154	148,142	59,671	1,054,307	865,066
Utilities	-	-	-	-	83,026	81,903	38,646	43,259	138,203	142,118
Maintenance materials and supplies	-	-	65,941	67,741	121,610	122,471	697,187	633,977	1,812,272	1,638,204
Grants and contributions	-	-	107,970	102,110	118,198	119,148	-	-	250,906	256,545
Amortization	-	-	-	-	-	-	334,332	319,855	836,681	794,399
Interest on long-term debt	-	-	-	-	-	-	38,140	40,742	113,550	130,125
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	132,219	68,066	44,339	5,553	208,594	113,742
Total expenses	-	-	311,464	340,881	870,849	797,340	1,535,982	1,319,352	6,017,810	5,450,415
Surplus (Deficit)	\$ -	\$ -	\$ (231,555)	\$ (300,668)	\$ (517,806)	\$ (459,657)	\$ 168,508	\$ 260,975	\$ 779,732	\$ 1,351,626

RURAL MUNICIPALITY OF DUFFERIN

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE								
Property taxes	\$ 3,584,321	\$ 3,574,647	\$ -	\$ -	\$ -	\$ -	\$ 3,584,321	\$ 3,574,647
Grants in lieu of taxation	25,937	26,657	-	-	-	-	25,937	26,657
User fees	114,368	108,173	-	-	209,575	233,511	323,943	341,684
Prov of MB - Unconditional Grants	205,824	424,009	-	-	-	-	205,824	424,009
Prov of MB - Conditional Grants	214,209	248,001	-	-	27,799	26,296	242,008	274,297
Grants - other	302,632	156,641	-	-	164,805	88,731	467,437	245,372
Permits, licences and fines	37,035	35,122	-	-	-	-	37,035	35,122
Investment income	26,236	22,494	-	-	2,381	2,803	28,617	25,297
Other revenue	256,345	353,438	-	-	17,584	37,545	273,929	390,983
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	1,129,478	1,028,564	-	-	479,013	435,409	1,608,491	1,463,973
Total revenue	5,896,385	5,977,746	-	-	901,157	824,295	6,797,542	6,802,041
EXPENSES								
Personnel services	1,453,586	1,378,117	-	-	149,710	132,099	1,603,296	1,510,216
Contract services	817,242	677,224	-	-	237,065	187,842	1,054,307	865,066
Utilities	87,513	94,383	-	-	50,690	47,735	138,203	142,118
Maintenance materials and supplies	1,666,585	1,530,469	-	-	145,687	107,734	1,812,272	1,638,203
Grants and contributions	250,906	256,545	-	-	-	-	250,906	256,545
Amortization	730,733	696,069	-	-	105,948	98,330	836,681	794,399
Interest on long-term debt	80,362	95,649	-	-	33,188	34,476	113,550	130,125
Bad debt	-	-	-	-	-	-	-	-
Other	117,344	74,128	-	-	91,251	39,615	208,595	113,743
Total expenses	5,204,271	4,802,584	-	-	813,539	647,831	6,017,810	5,450,415
Surplus (Deficit)	\$ 692,114	\$ 1,175,162	\$ -	\$ -	\$ 87,618	\$ 176,464	\$ 779,732	\$ 1,351,626

RURAL MUNICIPALITY OF DUFFERIN
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2021

SCHEDULE 6

											2021	2020	
	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	-	-	344,964	268,043	-	-	-	-	-	-	-	613,007	845,045
Transfers to Utility Fund	-	-	-	-	-	-	-	-	-	285,481	-	285,481	227,666
Acquisition of tangible capital assets	(66,969)	-	(350,000)	(164,118)	-	-	-	-	-	-	-	(581,087)	(440,375)
NET CHANGE IN RESERVE FUND BALANCES	(66,969)	-	(5,036)	103,925	-	-	-	-	-	285,481	-	317,401	632,336
FUND SURPLUS, BEGINNING OF YEAR	558,297	-	38,219	276,609	50,902	40,000	-	10,000	1,430	824,880	-	1,800,337	1,168,001
FUND SURPLUS, END OF YEAR	<u>\$ 491,328</u>	<u>\$ -</u>	<u>\$ 33,183</u>	<u>\$ 380,534</u>	<u>\$ 50,902</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 1,430</u>	<u>\$ 1,110,361</u>	<u>\$ -</u>	<u>\$ 2,117,738</u>	<u>\$ 1,800,337</u>

RURAL MUNICIPALITY OF DUFFERIN
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2021

SCHEDULE 7

	2021 Budget	2021 Actual	2020 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, 2021

SCHEDULE 8

	<u>2021</u>	<u>2020</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 185,638	\$ 214,160
Due from other funds	<u>205,845</u>	<u>162,842</u>
	<u>391,483</u>	<u>377,002</u>
LIABILITIES		
Accounts payable and accrued liabilities	8,847	7,316
Long-term debt	<u>107,290</u>	<u>129,631</u>
	<u>116,137</u>	<u>136,947</u>
NET FINANCIAL ASSET	<u>275,346</u>	<u>240,055</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	7,183,640	7,412,024
Inventories	<u>25,711</u>	<u>27,243</u>
	<u>7,209,351</u>	<u>7,439,267</u>
FUND SURPLUS	<u>\$ 7,484,697</u>	<u>\$ 7,679,322</u>

SCHEDULE OF UTILITY OPERATIONS - Rural Municipality of Dufferin Utility

For the Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Water	\$ 1,101,510	\$ 1,013,876	\$ 961,956
Sewer	-	-	-
Property taxes	-	-	-
Government transfers	-	-	-
Other			
Connection charges	20,000	107,750	62,895
Penalties	4,500	7,821	3,713
Other income	-	31	
Total revenue	\$ 1,126,010	\$ 1,129,478	\$ 1,028,564

SCHEDULE OF UTILITY OPERATIONS (cont'd) - Rural Municipality of Dufferin Utility
For the Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
EXPENSES			
General			
Administration	\$ 26,395	\$ 20,677	\$ 20,562
Billing and collection	137,430	120,656	114,023
sub-total- general	<u>163,825</u>	<u>141,333</u>	<u>134,585</u>
Water General			
Purification and treatment	13,177	7,158	7,332
Transmission and distribution	90,049	27,902	28,596
Water purchases	539,450	548,241	526,583
Connection costs	34,027	113,670	31,705
sub-total- water general	<u>676,703</u>	<u>696,971</u>	<u>594,216</u>
Water Amortization & Interest			
Amortization	228,384	228,384	221,525
Interest on long-term debt	4,952	4,952	6,266
sub-total- water amortization & interest	<u>233,336</u>	<u>233,336</u>	<u>227,791</u>
Sewer General			
	-	-	-
Sewer Amortization & Interest			
	-	-	-
Total expenses	<u>1,073,864</u>	<u>1,071,640</u>	<u>956,592</u>
NET OPERATING DEFICIT	52,145	57,838	71,972
TRANSFERS			
Transfers from (to) operating and capital fund	-	33,018	(236)
Transfers from (to) reserve funds	<u>(285,481)</u>	<u>(285,481)</u>	<u>(227,666)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (233,336)</u>	<u>(194,625)</u>	<u>(155,930)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>7,679,322</u>	<u>7,835,252</u>
FUND SURPLUS, END OF YEAR		<u>\$ 7,484,697</u>	<u>\$ 7,679,322</u>

RURAL MUNICIPALITY OF DUFFERIN
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2021

SCHEDULE 10

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Consolidated Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 3,604,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,604,078
Grants in lieu of taxation	26,313	-	-	-	-	-	26,313
User fees	211,253	-	-	-	-	209,575	420,828
Grants - Province of Manitoba	443,643	-	-	-	-	27,799	471,442
Grants - other	326,693	-	-	-	-	164,805	491,498
Permits, licences and fines	41,080	-	-	-	-	-	41,080
Investment income	25,075	-	-	-	-	2,381	27,456
Other revenue	46,564	-	-	-	-	17,583	64,147
Water and sewer	-	1,126,009	-	-	(33,101)	479,013	1,571,921
Transfers from reserves	995,732	83,101	-	-	(1,078,833)	-	-
Total revenue	<u>5,720,431</u>	<u>1,209,110</u>	<u>-</u>	<u>-</u>	<u>(1,111,934)</u>	<u>901,156</u>	<u>6,718,763</u>
EXPENSES							
General government services	745,710	-	502,349	33,101	-	-	1,281,160
Protective services	198,520	-	-	-	-	-	198,520
Transportation services	1,788,825	-	-	-	-	-	1,788,825
Environmental health services	26,902	-	-	-	-	-	26,902
Public health and welfare services	41,413	-	-	-	-	226,400	267,813
Regional planning and development	-	-	-	-	-	-	-
Resource cons and industrial dev	344,534	-	-	-	-	-	344,534
Recreation and cultural services	765,052	-	-	-	-	122,795	887,847
Water and sewer services	-	840,528	228,384	-	-	464,343	1,533,255
Fiscal services:							
Transfer to capital	-	50,000	-	-	(50,000)	-	-
Transfer to utility	-	-	-	-	-	-	-
Debt charges	1,246,509	33,101	-	(1,279,610)	-	-	-
Transfer to reserves	563,117	285,481	-	-	(848,598)	-	-
Allowance for tax assets	(151)	-	-	-	-	-	(151)
Total expenses	<u>5,720,431</u>	<u>1,209,110</u>	<u>730,733</u>	<u>(1,246,509)</u>	<u>(898,598)</u>	<u>813,538</u>	<u>6,328,705</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (730,733)</u>	<u>\$ 1,246,509</u>	<u>\$ (213,336)</u>	<u>\$ 87,618</u>	<u>\$ 390,058</u>

**RURAL MUNICIPALITY OF DUFFERIN
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2021**

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 510,772	\$ 430,065
Add:		
Tax levy (Schedule 12)	7,527,195	7,528,005
Taxes added	58,524	52,580
Penalties or interest	46,695	50,587
Sub-total	7,632,414	7,631,172
Deduct:		
Cash collections - current	6,955,198	6,801,788
Cash collections - arrears	440,858	329,488
Tax discounts	25,612	24,204
M.P.T.C. - cash advance	310,908	394,985
Sub-total	7,732,576	7,550,465
Balance, end of year	\$ 410,610	\$ 510,772

RURAL MUNICIPALITY OF DUFFERIN
ANALYSIS OF TAX LEVY
Year Ended December 31, 2021

SCHEDULE 12

	2021			2020
	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	355,486,840	0.132%	46,924	46,650
Arena B/L #1871	355,486,840	0.080%	28,439	67,148
Municipal Shop #1884	355,486,840	0.199%	70,742	70,682
Cold Storage #1894	355,486,840	0.029%	10,309	10,249
4th Grader #1943	-	0.000%	-	-
Municipal Hall Grant #1949	355,486,840	0.076%	27,017	28,273
Other (Rural Water)			95,625	103,732
Deferred surplus				
Reserves:				
Machinery Reserve	355,486,840	0.963%	342,334	335,388
General Reserve	355,486,840	0.000%	-	4,948
Boyne School Reserve	-	0.000%	-	-
Garbage & Recycling Pickup			24,608	15,334
General municipal:	355,486,840	8.101%	2,879,799	2,839,664
Business tax (rate%)	-	0.000%	-	-
Total municipal taxes (Schedule 2)			3,525,797	3,522,068
Education support levy	30,135,840	8.809%	265,467	265,383
Special levy:				
Red River Valley School Division	2,248,830	12.333%	27,735	28,257
Prairie Rose School Division	342,629,310	10.543%	3,612,341	3,616,753
Prairie Spirit School Division	10,475,960	9.150%	95,855	95,544
Total education taxes			4,001,398	4,005,937
Total tax levy (Schedule 11)			\$ 7,527,195	\$ 7,528,005

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

Year Ended December 31, 2021

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 144,459	\$ 142,767
General administrative	308,684	260,658
Other	762,459	743,839
	<u>1,215,602</u>	<u>1,147,264</u>
Protective services		
Fire	212,831	168,629
Emergency measures	2,262	9,860
Other protection	1,213	2,485
	<u>216,306</u>	<u>180,974</u>
Transportation services		
Road transport		
Road and street maintenance	1,567,688	1,397,964
Street lighting	7,849	7,465
	<u>1,575,537</u>	<u>1,405,429</u>
Environmental health services		
Waste collection and disposal	23,997	15,334
Other	1,221	3,145
	<u>25,218</u>	<u>18,479</u>
Public health and welfare services		
Public health	12,013	13,754
Social assistance	28,438	38,094
	<u>40,451</u>	<u>51,848</u>
Regional planning and development	-	-
Resource conservation and industrial development		
Rural area weed control	83,345	83,782
Drainage of land	31,467	40,234
Veterinary services	3,812	3,465
Water resources and conservation	42,187	41,787
Regional development	150,653	171,613
	<u>311,464</u>	<u>340,881</u>
Recreation and cultural services		
Administration	339,800	329,316
Community centers and halls	58,942	72,507
Swimming pools and beaches	29,949	24,305
Parks and playgrounds	12,142	10,297
Museums	5,957	8,457
Libraries	84,620	83,778
Other cultural facilities	216,643	172,457
	<u>748,053</u>	<u>701,117</u>
Total expenses	<u>\$ 4,132,631</u>	<u>\$ 3,845,992</u>

RURAL MUNICIPALITY OF DUFFERIN
 RECONCILIATION OF ANNUAL SURPLUS
 December 31, 2021

SCHEDULE 14
 (Unaudited)

	General	2021 Utility	Total	2020 Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 326,747	\$ 5,693	\$ 332,440	\$ (49,637)
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	613,007	285,481	898,487	1,072,711
Eliminate revenue - Transfers from reserves	(581,087)	-	(581,087)	(440,375)
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	87,618	-	87,618	176,462
Decrease revenue - Net book value of disposed tangible capital assets	(534,927)	-	(534,927)	(884,979)
Increase expense - Amortization of tangible capital assets	(502,349)	(228,384)	(730,733)	(695,751)
Decrease (increase) expense - Principal portion of debenture debt, net of new debt	286,138	28,065	314,203	347,317
Eliminate expense - Acquisitions of tangible capital assets, net of transfers from assets under construction	993,730	-	993,730	1,825,878
Eliminate Interfund transfers	33,017	(33,017)	-	-
ANNUAL SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 721,894	\$ 57,838	\$ 779,732	\$ 1,351,626