

Rural Municipality of De Salaberry

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

STATEMENT OF RESPONSIBILITY

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

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

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

Exchange Group Chartered Professional Accountants LLP, as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Denise Parent
Chief Administrative Officer

August 19, 2020

INDEPENDENT AUDITORS' REPORT

To the Reeve and members of Council of the
Rural Municipality of De Salaberry

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of De Salaberry, which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of De Salaberry as at December 31, 2019, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2019 in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

The Municipality operates a landfill, however no assessment has been performed into any potential environmental liability that exists to properly close the landfill. Since there has been no assessment, we are unable to verify the completeness of any environmental liabilities, related expenses or impact on net financial assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Exchange

Chartered Professional Accountants LLP

Winnipeg, Manitoba

August 19, 2020

Rural Municipality of De Salaberry

Consolidated Financial Statements

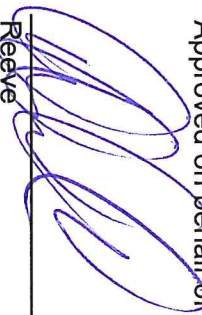
For the Year Ended December 31, 2019

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Rural Municipality of De Salaberry
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 5,299,703	\$ 4,405,021
Amounts receivable (Note 4)	496,147	661,100
Investments (Note 6)	36,705	35,540
	\$ 5,832,555	\$ 5,101,661
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 408,209	\$ 494,016
Unearned revenue (Note 8)	412,630	480,847
Long-term debt (Note 9)	1,405,781	1,541,880
	2,226,620	2,516,743
	\$ 3,605,935	\$ 2,584,918
NET FINANCIAL ASSETS		
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 10,322,536	\$ 10,698,001
Inventories (Note 5)	157,472	175,594
Prepaid expenses	56,870	25,765
	10,536,878	10,899,360
	\$ 14,142,813	\$ 13,484,278

Approved on behalf of Council:



 Reeve



 Councillor

The accompanying notes are an integral part of this financial statement

Rural Municipality of De Salaberry
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

	2019 Budget (Note 12)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 3,119,224	\$ 3,136,112	\$ 2,996,490
Grants in lieu of taxation	24,695	24,695	21,514
User fees	391,778	418,602	476,594
Permits, licences and fines	43,900	50,278	61,041
Investment income	60,000	92,607	69,953
Other revenue	91,150	153,898	155,797
Water and sewer	1,485,367	262,728	297,471
Grants - Province of Manitoba	367,565	418,000	318,749
Grants - other	192,663	508,928	273,782
Total revenue (Schedules 2, 4 and 5)	<u>5,776,342</u>	<u>5,065,848</u>	<u>4,671,391</u>
EXPENSES			
General government services	874,671	888,878	765,874
Protective services	269,381	300,060	267,135
Transportation services	1,943,363	1,649,133	1,696,355
Environmental health services	331,493	357,245	396,437
Public health and welfare services	62,118	9,741	10,895
Regional planning and development	23,650	23,747	8,860
Resource conservation and industrial development	59,267	193,126	245,567
Recreation and cultural services	191,911	499,424	302,045
Water and sewer services	497,013	485,959	477,517
Total expenses (Schedules 3, 4 and 5)	<u>4,252,867</u>	<u>4,407,313</u>	<u>4,170,685</u>
ANNUAL SURPLUS	<u>\$ 1,523,475</u>	658,535	500,706
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>13,484,278</u>	<u>12,983,572</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 14,142,813</u>	<u>\$ 13,484,278</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of De Salaberry
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2019

	2019 Budget (Note 12)	2019 Actual	2018 Actual
ANNUAL SURPLUS	\$ 1,523,475	\$ 658,535	\$ 500,706
Acquisition of tangible capital assets	(1,283,600)	(619,154)	(653,589)
Amortization of tangible capital assets	633,086	646,710	614,707
Loss (Gain) on sale of tangible capital assets	-	115,381	3,705
Proceeds on sale of tangible capital assets	-	201,225	1,001
AUC expensed during the year	-	31,303	-
Decrease (increase) in inventories	-	18,122	(16,178)
Decrease (increase) in prepaid expense	-	(31,105)	4,319
	<u>(650,514)</u>	<u>362,482</u>	<u>(46,035)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 872,961</u>	1,021,017	454,671
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,584,918	2,130,247
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 3,605,935</u>	<u>\$ 2,584,918</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of De Salaberry
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ 658,535	\$ 500,706
Changes in non-cash items:		
Amounts receivable	164,953	595,568
Inventories	18,122	(16,178)
Prepays	(31,105)	4,319
Investments	(1,165)	(286)
Accounts payable and accrued liabilities	(154,024)	(134,770)
Landfill closure and post closure liabilities	-	-
AUC expensed during the year	31,303	-
Loss (Gain) on sale of tangible capital asset	115,381	3,705
Amortization	646,710	614,707
Cash provided by operating transactions	<u>1,448,710</u>	<u>1,567,771</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	201,225	1,001
Cash used to acquire tangible capital assets	<u>(619,154)</u>	<u>(653,589)</u>
Cash applied to capital transactions	<u>(417,929)</u>	<u>(652,588)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(136,099)	(135,002)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>(136,099)</u>	<u>(135,002)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	894,682	780,181
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	4,405,021	3,624,840
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 5,299,703</u>	<u>\$ 4,405,021</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of De Salaberry

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2019

1. Status of the Rural Municipality of De Salaberry

The incorporated Rural Municipality of De Salaberry ("the Municipality") is a municipal government that was created on 1883 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The Municipality owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

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

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Club Sportif Iberville St. Malo 100% (2018 - 100%)

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

St. Pierre/De Salaberry Handi-Transit Inc 50% (2018 - 50%)

Bibliothèque Regionale Jolys Regional Library 50% (2018 - 50%)

Red River Weed Control Board 50% (2018 - 50%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Note 15.

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) Landfill Closure and Post Closure Liabilities

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

No assessment has been performed into any potential environmental liability that exists to close the landfill, therefore any environmental liabilities, related expenses or impact on net financial assets and accumulated surplus have not been verified.

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 excess of revenues over expenses, provides the change in net financial assets for the year.

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

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 internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

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

Infrastructure Assets

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

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

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) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

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

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

i) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 5,299,703	\$ 4,405,021
Temporary investments	-	-
	<u>\$ 5,299,703</u>	<u>\$ 4,405,021</u>

The Municipality has designated \$2,956,932 (2018 - \$2,459,463) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has arranged a \$500,000 line of credit with their financial institution. The line of credit bears interest at 3.5% and \$500,000 was available for use as at December 31, 2019.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 228,234	\$ 125,993
Government grants	68,895	327,443
Utility customers	54,156	55,468
Accrued interest	-	-
Organizations and individuals	74,471	61,887
Other governments	<u>70,391</u>	<u>90,309</u>
	496,147	661,100
Less allowances for doubtful amounts	-	-
	<u>\$ 496,147</u>	<u>\$ 661,100</u>

5. Inventories	<u>2019</u>	<u>2018</u>
Gravel	\$ 154,831	\$ 174,819
Other	2,641	775
	<u>\$ 157,472</u>	<u>\$ 175,594</u>
6. Investments	<u>2019</u>	<u>2018</u>
Surplus shares held with Caisse Group Financier	\$ 1,750	\$ 1,755
Red River Weed Control Board:		
Term deposits held at Caisse Groupe Financier, that mature between March 2020 and February 2021, bearing interest ranging from 2.4% to 3.25%	34,223	33,053
Club Sportif Iberville St. Malo		
Surplus shares held with the Caisse Group Financier	<u>732</u>	<u>732</u>
	<u>\$ 36,705</u>	<u>\$ 35,540</u>
7. Accounts Payable and Accrued Liabilities	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 169,758	\$ 263,804
Accrued expenses	82,427	104,266
Refundable deposits	143,908	121,708
School levies	-	-
Other governments	12,116	4,238
	<u>\$ 408,209</u>	<u>\$ 494,016</u>
8. Unearned Revenue	<u>2019</u>	<u>2018</u>
Manitoba Hydro Bipole Project	<u>\$ 412,630</u>	<u>\$ 480,847</u>
9. Long Term Debt	<u>2019</u>	<u>2018</u>
General Authority:		
By-law 2270-06, debenture, interest at 5.500%, payable at \$15,203 annually including interest, maturing December 31, 2024	\$ 64,921	\$ 75,946
By-law 2284-11, debenture, interest at 5.800%, payable at \$8,718 annually including interest, maturing December 31, 2029	<u>69,467</u>	<u>73,899</u>
	<u>\$ 134,388</u>	<u>\$ 149,845</u>
Utility Funds:		
By-law 2264-09, debenture for St. Malo Utility, interest at 6.000%, payable at \$20,924 annually including interest, maturing December 31, 2028	\$ 145,687	\$ 154,005
By-law 2246-07, debenture for St. Malo Utility, interest at 5.875%, payable at \$14,240 annually including interest, maturing December 31, 2027	85,499	97,384
By-law 2150, debenture for St. Malo Utility, interest at 6.500%, payable at \$15,882 annually including interest, maturing December 1, 2021	28,916	42,064
By-law 2228-06, debenture for St. Malo Utility, interest at 5.935%, payable at \$5,637 annually including interest, maturing December 1, 2025	<u>27,776</u>	<u>31,541</u>
Sub-total, continued on next page	<u>\$ 287,878</u>	<u>\$ 324,994</u>

Sub-total, from previous page	<u>\$ 287,878</u>	<u>\$ 324,994</u>
By-law 2234-06, debenture for St. Malo Utility, interest at 5.935%, payable at \$5,637 annually including interest, maturing December 1, 2025	27,776	31,541
By-law 2316-13, debenture for St. Malo Utility, interest at 3.875%, payable at \$11,234 annually including interest, maturing December 31, 2027	76,026	84,004
By-law 2335-15, debenture for St. Malo Utility, interest at 4.250%, payable at \$48,878 annually including interest, maturing December 31, 2035	559,178	583,267
By-law 2336-16, debenture for St. Malo Utility, interest at 3.250%, payable at \$59,661 annually including interest, maturing December 31, 2025	<u>320,535</u>	<u>368,229</u>
	<u>\$ 1,271,393</u>	<u>\$ 1,392,035</u>
	<u>\$ 1,405,781</u>	<u>\$ 1,541,880</u>

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

2020	\$ 142,350
2021	\$ 148,907
2022	\$ 139,905
2023	\$ 146,095
2024	\$ 152,576

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law # 2368-18	Purchase of new fire truck	\$ 325,000

10. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$66,104 (2018 - \$69,406) and are included in the statement of operations.

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

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

11. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion 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.

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 financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

13. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2019</u>	<u>2018</u>
General operating fund - Nominal surplus	\$ 2,455,298	\$ 2,186,752
Utility operating fund(s) - Nominal surplus	(338,693)	(329,135)
TCA net of related borrowings	8,795,909	9,027,534
Reserve funds	<u>2,956,932</u>	<u>2,459,463</u>
Accumulated surplus of municipality unconsolidated	13,869,446	13,344,614
Accumulated surpluses of consolidated entities	<u>273,367</u>	<u>139,664</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 14,142,813</u>	<u>\$ 13,484,278</u>

14. Public Sector Compensation Disclosure

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

a) Compensation and expenses paid to members of council amounted to \$118,782 in aggregate.

b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Darrel Curé	\$ 17,367	\$ 3,071	\$ 20,438
Councillor - Patrick Catellier	9,595	1,200	10,795
Councillor - Andre Carbonneau	14,185	2,775	16,960
Councillor - Brune Hébert	13,321	2,909	16,230
Councillor - Louis Courcelles	12,581	1,415	13,996
Councillor - Wain Wiwionski	16,202	4,782	20,984
Councillor - Gabriel Tétrault	<u>16,115</u>	<u>3,264</u>	<u>19,379</u>
	<u>\$ 99,366</u>	<u>\$ 19,416</u>	<u>\$ 118,782</u>

c) There were no officers receiving compensation in excess of \$75,000 individually.

15. Trust Funds

The Rural Municipality of De Salaberry administers the following trusts:

	Excess of		
Fond Laval Trust	Balance, beg. of the year	Receipts over Disbursements	Balance, end of the year
	<u>\$ 19,302</u>	<u>\$ 360</u>	<u>\$ 19,662</u>

16. Segmented Information

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

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

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

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

17. Government Partnerships

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

	2019	2018
Financial Position		
Financial Assets	\$ 105,402	\$ 93,925
Liabilities	9,764	6,534
Net financial assets (liabilities)	\$ 95,638	\$ 87,391
Non-financial assets	17,225	17,631
Accumulated surplus	<u>\$ 112,863</u>	<u>\$ 105,022</u>
Result of Operations		
Revenues	\$ 166,454	\$ 158,334
Expenses	158,922	147,175
Annual surplus	\$ 7,532	\$ 11,159
Elimination of revenues/expenses upon consolidation	\$ 41,824	\$ 39,160
Consolidated annual surplus (deficit)	<u>\$ (34,292)</u>	<u>\$ (28,001)</u>

18. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

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 financial statements.

Water services:

Description of Utility	Unamortized		Amortization During Year	Unamortized Balance Ending
	Opening Balance	Additions During Year		
St. Malo	\$ 185,977	\$ -	\$ 8,397	\$ 177,580

Sewer services:

Description of Utility	Unamortized		Amortization During Year	Unamortized Balance Ending
	Opening Balance	Additions During Year		
Ottelburne	\$ 38,799	\$ -	\$ 2,598	\$ 36,201

19. Subsequent Events

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Municipality continues to maintain operations where possible, while looking out for the needs and safety of the public and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

20. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Rural Municipality of De Salaberry
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2019

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	2019	2018
Cost										
Opening costs	\$ 400,000	\$ 988,944	\$ 4,284,428	\$ 102,722	\$ 31,303	\$ 8,953,024	\$ 6,393,310	\$ 27,434	\$ 21,181,165	\$ 20,571,986
Additions during the year	-	-	498,648	25,360	8,270	21,974	-	64,902	619,154	669,786
Disposals and write downs	-	-	(621,255)	(41,087)	(31,303)	-	-	-	(693,645)	(60,607)
Closing costs	400,000	988,944	4,161,821	86,995	8,270	8,974,998	6,393,310	92,336	21,106,674	21,181,165
Accumulated Amortization										
Opening accum'd amortization	53,474	810,712	1,837,406	95,640	-	5,301,300	2,384,632	-	10,483,164	9,908,161
Amortization	5,553	10,819	260,289	1,410	-	218,003	150,636	-	646,710	614,707
Disposals and write downs	-	-	(308,749)	(36,987)	-	-	-	-	(345,736)	(39,704)
Closing accum'd amortization	59,027	821,531	1,788,946	60,063	-	5,519,303	2,535,268	-	10,784,138	10,483,164
Net Book Value of Tangible Capital Assets	\$ 340,973	\$ 167,413	\$ 2,372,875	\$ 26,932	\$ 8,270	\$ 3,455,695	\$ 3,858,042	\$ 92,336	\$ 10,322,536	\$ 10,698,001

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,048,916	\$ 2,949,967
Taxes added	87,196	46,523
	<u>3,136,112</u>	<u>2,996,490</u>
Grants in lieu of taxation:		
Federal government	24,695	21,514
Federal government enterprises	-	-
Provincial government	-	-
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>24,695</u>	<u>21,514</u>
User fees		
Sales of service	322,128	276,995
Sales of goods	42,470	61,444
Rentals	54,004	138,155
Development charges	-	-
Facility use fees	-	-
	<u>418,602</u>	<u>476,594</u>
Permits, licences and fines		
Permits	38,747	44,881
Licences	691	4,830
Fees	10,840	11,330
Fines	-	-
	<u>50,278</u>	<u>61,041</u>
Investment income:		
Cash and temporary investments	92,607	69,953
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>92,607</u>	<u>69,953</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(115,381)	(3,705)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	41,535	42,112
Miscellaneous:		
Tax sale fees	26,608	23,670
Rebates	11,048	34,308
Other	190,088	59,412
	<u>153,898</u>	<u>155,797</u>
Water and sewer		
Municipal utilities (Schedule 9)	262,728	297,471
Consolidated water co-operatives	-	-
	<u>262,728</u>	<u>297,471</u>
Grants - Province of Manitoba		
Municipal operating grants	256,365	188,430
Other unconditional grants	43,722	70,707
Conditional grants	117,913	59,612
	<u>418,000</u>	<u>318,749</u>
Grants - other		
Federal government - gas tax funding	384,017	195,194
Federal government - other	3,494	3,438
Other municipal governments	121,417	75,150
	<u>508,928</u>	<u>273,782</u>
Total revenue	<u>\$ 5,065,848</u>	<u>\$ 4,671,391</u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 161,604	\$ 143,025
General administrative	610,467	492,187
Other	116,807	130,662
	<u>888,878</u>	<u>765,874</u>
Protective services:		
Police	-	-
Fire	198,661	164,580
Emergency measures	25,946	21,190
Other	75,453	81,365
	<u>300,060</u>	<u>267,135</u>
Transportation services:		
Road transport	-	-
Administration and engineering	1,133,296	1,218,139
Road and street maintenance	76,131	46,412
Ditches and road drainage	61	910
Bridge maintenance	1,139	5,343
Sidewalk and boulevard maintenance	26,648	27,476
Street lighting	-	-
Other	-	-
Air transport	-	-
Public transit	-	-
Other	414,495	398,075
	<u>1,651,770</u>	<u>1,696,355</u>
Environmental health services:		
Waste collection and disposal	276,371	312,138
Recycling	49,915	57,188
Other	30,959	27,111
	<u>357,245</u>	<u>396,437</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	4,079	4,079
Other	5,662	6,816
	<u>9,741</u>	<u>10,895</u>
Regional planning and development		
Planning and zoning	6,381	2,792
Urban renewal	-	-
Beautification and land rehabilitation	17,366	6,068
Urban area weed control	-	-
Other	-	-
	<u>23,747</u>	<u>8,860</u>
Resource conservation and industrial development		
Rural area weed control	109,267	103,968
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	77,050	136,412
Industrial development	-	-
Tourism	-	-
Other	6,809	5,187
	<u>193,126</u>	<u>245,567</u>
Sub-totals forward	<u>\$ 3,424,567</u>	<u>\$ 3,391,123</u>

SCHEDULE 3

**Rural Municipality of De Salaberry
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019**

	2019 Actual	2018 Actual
Sub-totals forward	\$ 3,424,567	\$ 3,391,123
Recreation and cultural services:		
Administration	-	-
Community centers and halls	1,665	1,546
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	308,761	224,480
Parks and playgrounds	-	-
Other recreational facilities	-	-
Museums	-	-
Libraries	81,705	72,059
Other cultural facilities	107,292	3,960
	<u>499,423</u>	<u>302,045</u>
Water and sewer services (Schedule 9)		
Municipal utilities (Schedule 9)	483,324	477,517
Consolidated water co-operatives	-	-
	<u>483,324</u>	<u>477,517</u>
Total expenses	<u>\$ 4,407,314</u>	<u>\$ 4,170,685</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ 2,949,225	\$ 2,807,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	24,695	21,514	-	-	-	-	-	-	-	-
User fees	111,770	129,830	31,885	41,703	-	-	138,297	147,566	2,920	2,450
Grants - other	433,627	241,788	-	-	-	-	-	-	2,027	2,245
Permits, licences and fines	14,166	14,910	1,440	3,232	800	1,000	-	-	-	-
Investment income	90,662	69,044	-	-	-	-	-	-	-	-
Other revenue	39,620	127,195	-	-	-	-	4,000	2,108	245	20
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	270,975	232,449	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	117,914	59,612	-	-	-	-	-	-	-	-
Total revenue	\$ 4,052,654	\$ 3,703,612	\$ 33,325	\$ 44,935	\$ 800	\$ 1,000	\$ 142,297	\$ 149,674	\$ 5,192	\$ 4,715
EXPENSES										
Personnel services	\$ 593,737	\$ 477,848	\$ 48,705	\$ 49,237	\$ 521,060	\$ 575,850	\$ 115,210	\$ 74,224	\$ 621	\$ 297
Contract services	192,665	205,790	79,297	67,422	140,322	73,655	180,291	246,906	267	1,061
Utilities	19,908	20,574	10,014	9,078	34,915	35,510	4,464	5,103	-	-
Maintenance materials and supplies	72,798	49,536	111,564	89,207	549,186	617,499	26,321	43,093	3,884	4,454
Grants and contributions	-	895	-	-	-	-	-	-	4,079	4,079
Amortization	4,244	5,915	32,331	34,244	402,931	393,841	30,959	27,111	852	1,002
Interest on long term debt	-	-	8,463	9,281	-	-	-	-	-	-
Other	5,526	5,316	9,686	8,666	719	-	-	-	38	2
Total expenses	\$ 888,878	\$ 765,874	\$ 300,060	\$ 267,135	\$ 1,649,133	\$ 1,696,355	\$ 357,245	\$ 396,437	\$ 9,741	\$ 10,895
Surplus (Deficit)	\$ 3,163,776	\$ 2,937,738	\$ (266,735)	\$ (222,200)	\$ (1,648,333)	\$ (1,695,355)	\$ (214,948)	\$ (246,763)	\$ (4,549)	\$ (6,180)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,887	\$ 189,220	\$ 3,136,112	\$ 2,996,490
Grants in lieu of taxation	-	-	-	-	-	-	-	-	24,695	21,514
User fees	-	-	58,933	55,415	74,797	99,630	-	-	418,602	476,594
Grants - other	-	-	17,500	19,031	55,774	10,718	-	-	508,928	273,782
Permits, licences and fines	-	-	33,872	37,664	-	4,235	-	-	50,278	61,041
Investment income	-	-	1,165	695	780	214	-	-	92,607	69,953
Other revenue	-	-	-	-	110,033	26,474	-	-	153,898	155,797
Water and sewer	-	-	-	-	-	-	262,728	297,471	262,728	297,471
Prov of MB - Unconditional Grants	-	-	-	-	29,111	26,688	-	-	300,086	259,137
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	117,914	59,612
Total revenue	\$ -	\$ -	\$ 111,470	\$ 112,805	\$ 270,495	\$ 167,959	\$ 449,615	\$ 486,691	\$ 5,065,848	\$ 4,671,391
EXPENSES										
Personnel services	\$ -	\$ -	\$ 109,627	\$ 170,838	\$ 75,790	\$ 66,250	\$ 104,778	\$ 105,938	\$ 1,569,528	\$ 1,520,482
Contract services	6,381	2,792	33,661	29,015	40,639	42,021	32,421	28,879	705,944	697,541
Utilities	-	-	1,815	1,606	34,887	34,645	17,937	16,401	123,940	122,917
Maintenance materials and supplies	17,366	6,068	26,850	22,409	47,092	38,527	115,518	109,900	970,579	980,693
Grants and contributions	-	-	17,500	18,000	273,781	116,943	-	-	295,360	139,917
Amortization	-	-	3,437	3,551	6,892	2,458	153,262	146,585	634,908	614,707
Interest on long term debt	-	-	-	-	-	-	61,451	66,877	69,914	76,158
Other	-	-	236	148	20,343	1,201	592	2,937	37,140	18,270
Total expenses	\$ 23,747	\$ 8,860	\$ 193,126	\$ 245,567	\$ 499,424	\$ 302,045	\$ 485,959	\$ 477,517	\$ 4,407,313	\$ 4,170,685
Surplus (Deficit)	\$ (23,747)	\$ (8,860)	\$ (81,656)	\$ (132,762)	\$ (228,929)	\$ (134,086)	\$ (36,344)	\$ 9,174	\$ 658,535	\$ 500,706

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

	Core Government		Controlled Entities		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Property taxes	\$ 3,136,112	\$ 2,996,490	\$ -	\$ -	\$ -	\$ -	\$ 3,136,112	\$ 2,996,490
Grants in lieu of taxation	24,695	21,514	-	-	-	-	24,695	21,514
User fees	281,952	319,099	74,622	99,480	62,028	58,015	418,602	476,594
Grants - other	433,627	241,788	45,000	-	30,301	31,994	508,928	273,782
Permits, licences and fines	50,278	61,041	-	-	-	-	50,278	61,041
Investment income	90,662	69,044	780	214	1,165	695	92,607	69,953
Other revenue	43,620	129,303	108,253	24,708	2,025	1,786	153,898	155,797
Water and sewer	262,728	297,471	-	-	-	-	262,728	297,471
Prov of MB - Unconditional Grants	270,975	232,449	-	-	29,111	26,688	300,086	259,137
Prov of MB - Conditional Grants	117,914	59,612	-	-	-	-	117,914	59,612
Total revenue	\$ 4,712,563	\$ 4,427,811	\$ 228,655	\$ 124,402	\$ 124,630	\$ 119,178	\$ 5,065,848	\$ 4,671,391
EXPENSES								
Personnel services	\$ 1,467,975	\$ 1,424,084	\$ -	\$ -	\$ 101,553	\$ 96,398	\$ 1,569,528	\$ 1,520,482
Contract services	655,853	651,664	40,157	36,566	9,934	9,311	705,944	697,541
Utilities	88,084	87,206	32,783	32,775	3,073	2,936	123,940	122,917
Maintenance materials and supplies	894,712	915,981	35,151	29,633	40,716	35,079	970,579	980,693
Grants and contributions	295,360	139,917	-	-	-	-	295,360	139,917
Amortization	626,604	611,725	5,625	-	2,679	2,982	634,908	614,707
Interest on long term debt	69,914	76,158	-	-	-	-	69,914	76,158
Other	16,523	16,924	19,650	873	967	473	37,140	18,270
Total expenses	\$ 4,115,025	\$ 3,923,659	\$ 133,366	\$ 99,847	\$ 158,922	\$ 147,179	\$ 4,407,313	\$ 4,170,685
Surplus (Deficit)	\$ 597,538	\$ 504,152	\$ 95,289	\$ 24,555	\$ (34,292)	\$ (28,001)	\$ 658,535	\$ 500,706

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	2019									
	General Reserve	Machinery Replacement Reserve	Handi-Van Reserve	Waste Disposal Reserve	RM Office Reserve	EDO Office Reserve	Office Technology Reserve	St. Malo Fire Reserve	St. Pierre Fire Reserve	St. Pierre Fire Vehicle Reserve
REVENUE										
Investment income	\$ 5,150	\$ 5,289	\$ 494	\$ 3,038	\$ 4,668	\$ 184	\$ 185	\$ 389	\$ 141	\$ 1,053
Other income	-	1,050	-	-	-	-	-	-	-	-
Total revenue	5,150	6,339	494	3,038	4,668	184	185	389	141	1,053
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	5,150	6,339	494	3,038	4,668	184	185	389	141	1,053
TRANSFERS										
Transfers from general operating fund	33,300	262,855	4,200	78,000	30,000	-	5,000	5,500	2,500	5,000
Transfers to general operating fund	(109,750)	(318,087)	-	(36,677)	-	-	(15,610)	(8,924)	(9,920)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(71,300)	(48,893)	4,694	44,361	34,668	184	(10,425)	(3,035)	(7,279)	6,053
FUND SURPLUS, BEGINNING OF	324,850	327,755	25,758	167,735	244,638	9,836	10,969	23,123	10,539	55,347
FUND SURPLUS, END OF YEAR	\$ 253,550	\$ 278,862	\$ 30,452	\$ 212,096	\$ 279,306	\$ 10,020	\$ 544	\$ 20,088	\$ 3,260	\$ 61,400

Rural Municipality of De Salaberry

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

										2018	
	St. Malo Fire Vehicle Reserve	Recreation Reserve	Gas Tax Reserve	Gravel Pit Reserve	St. Malo Utility Reserve	Otterburne Utility Reserve	St. Malo LUD Reserve	St. Malo PW Shop Reserve	Election Reserve	Total	Total
REVENUE											
Investment income	\$ 3,248	\$ 2,400	\$ 12,627	\$ 3,361	\$ 909	\$ 459	\$ 1,746	\$ 521	\$ -	\$ 45,862	\$ 33,805
Other income	2,200	1,100	-	-	250	-	6,650	-	-	11,250	7,666
Total revenue	5,448	3,500	12,627	3,361	1,159	459	8,396	521	-	57,112	41,471
EXPENSES											
Investment charges	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-
NET REVENUES	5,448	3,500	12,627	3,361	1,159	459	8,396	521	-	57,112	41,471
TRANSFERS											
Transfers from general operating fund	20,000	20,000	384,018	94,514	-	-	-	25,000	4,000	973,887	744,894
Transfers to general operating fund	-	(8,270)	(21,974)	-	-	-	-	-	-	(529,212)	(478,746)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	49,623	-	-	-	49,623	-
Transfers to utility operating fund	-	-	-	-	(53,941)	-	-	-	-	(53,941)	(66,535)
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	25,448	15,230	374,671	97,875	(52,782)	50,082	8,396	25,521	4,000	497,469	241,084
FUND SURPLUS, BEGINNING OF	170,364	125,741	598,503	168,367	53,949	24,337	92,652	25,000	-	2,459,463	2,218,379
FUND SURPLUS, END OF YEAR	\$ 195,812	\$ 140,971	\$ 973,174	\$ 266,242	\$ 1,167	\$ 74,419	\$ 101,048	\$ 50,521	\$ 4,000	\$ 2,956,932	\$ 2,459,463

**SCHEDULE OF L.U.D. OPERATIONS - L.U.D. of St. Malo
For the Year Ended December 31, 2019**

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Taxation	\$ 457,450	\$ 455,305	\$ 447,658
Other Revenue	15,250	33,456	22,200
Total revenue	<u>472,700</u>	<u>488,761</u>	<u>469,858</u>
Expenses			
General Government:			
Indemnities	12,900	10,800	65,304
Protective Services			
By-law enforcement	-	315	-
Transportation Services			
Road and street maintenance	249,550	177,261	193,082
Ditches and road drainage	18,000	6,328	1,076
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	5,500	1,139	5,343
Street lighting	43,500	16,443	19,152
Other	15,837	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Regional planning and development			
Beautification and land rehabilitation	20,150	17,366	6,068
Urban area weed control	-	-	-
Other	-	-	-
Resource conservation and industrial development			
Rural area weed control	-	-	150
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	<u>365,437</u>	<u>229,652</u>	<u>290,175</u>
Net revenues (expenses)	107,263	259,109	179,683
Transfers:			
Transfers from (to) operating fund	261,337	21,973	-
Transfers to capital	(343,600)	-	(97,968)
Transfers from (to) reserves	(25,000)	(25,000)	(25,000)
Change in L.U.D. balances	<u>\$ -</u>	<u>256,082</u>	<u>56,715</u>
Unexpended balance, beginning of year		<u>287,424</u>	<u>230,709</u>
Unexpended balance, end of year		<u>\$ 543,506</u>	<u>\$ 287,424</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

As at December 31, 2019

	2019		2018	
	St. Malo Utility	Otterburne Utility	Total	Total (Note 19)
FINANCIAL ASSETS				
Cash and temporary investments	\$ 50	\$ -	\$ 50	\$ 50
Amounts receivable	54,156	-	54,156	55,468
Portfolio investments	-	-	-	-
Due from other funds	-	48,384	48,384	83,551
	<u>\$ 54,206</u>	<u>\$ 48,384</u>	<u>\$ 102,590</u>	<u>\$ 139,069</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Long-term debt (Note 7)	1,271,393	-	1,271,393	1,392,035
Due to other funds	441,283	-	441,283	468,204
	<u>1,712,676</u>	<u>-</u>	<u>1,712,676</u>	<u>1,860,239</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$(1,658,470)</u>	<u>\$ 48,384</u>	<u>\$(1,610,086)</u>	<u>\$(1,721,170)</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	\$ 3,650,585	\$ 271,567	\$ 3,922,152	\$ 4,036,102
Inventories	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>3,650,585</u>	<u>271,567</u>	<u>3,922,152</u>	<u>4,036,102</u>
FUND SURPLUS (DEFICIT)	<u>\$ 1,992,115</u>	<u>\$ 319,951</u>	<u>\$ 2,312,066</u>	<u>\$ 2,314,932</u>

SCHEDULE OF UTILITY OPERATIONS - St. Malo Utility

For the Year Ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 160,500	\$ 151,385	\$ 160,279
Bulk Water fees	-	-	-
sub-total- water	<u>160,500</u>	<u>151,385</u>	<u>160,279</u>
Sewer			
Sewer fees	75,500	64,554	75,774
Lagoon tipping fees	-	12,090	5,730
sub-total- sewer	<u>75,500</u>	<u>76,644</u>	<u>81,504</u>
Property taxes	<u>182,094</u>	<u>186,887</u>	<u>189,220</u>
Government transfers			
Operating	1,166,000	-	-
Capital	-	-	-
sub-total- government transfers	<u>1,166,000</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	1,600	1,600	1,600
Connection charges	1,500	-	500
Installation service	23,000	7,500	28,500
Penalties	2,000	1,668	1,721
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	28,500	18,531	17,688
sub-total- other	<u>56,600</u>	<u>29,299</u>	<u>50,009</u>
Total revenue	<u>\$ 1,640,694</u>	<u>\$ 444,215</u>	<u>\$ 481,012</u>

Rural Municipality of De Salaberry
SCHEDULE OF UTILITY OPERATIONS (cont'd) - St. Malo Utility
 For the Year Ended December 31, 2019

SCHEDULE 9

	Budget	2019	2018
EXPENSES			
General			
Administration	\$ 131,250	\$ 103,295	\$ 103,295
Training costs	-	863	2,246
Billing and collection	8,000	6,172	7,707
Utilities (telephone, electricity, etc.)	19,000	14,135	13,590
sub-total- general	<u>158,250</u>	<u>124,465</u>	<u>126,838</u>
Water General			
Purification and treatment	11,500	21,642	12,253
Water purchases	-	-	-
Transmission and distribution	48,000	43,867	27,827
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	2,000	-	3,750
Other water supply costs	6,500	30,664	17,323
sub-total- water general	<u>68,000</u>	<u>96,173</u>	<u>61,153</u>
Water Amortization & Interest			
Amortization	-	74,046	65,056
Interest on long term debt	20,088	18,250	19,873
sub-total- water amortization & interest	<u>20,088</u>	<u>92,296</u>	<u>84,929</u>
Sewer General			
Collection system costs	17,000	14,689	7,556
Treatment and disposal cost	5,500	-	-
Lift Station costs	11,200	12,082	22,081
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	7,250	17,352	41,253
sub-total- sewer general	<u>40,950</u>	<u>44,123</u>	<u>70,890</u>
Sewage Amortization & Interest			
Amortization	-	65,597	70,545
Interest on long term debt	41,362	43,201	47,004
sub-total- sewer amortization & interest	<u>41,362</u>	<u>108,798</u>	<u>117,549</u>
Total expenses	<u>328,650</u>	<u>465,855</u>	<u>461,359</u>
NET OPERATING SURPLUS	1,312,044	(21,640)	19,653
TRANSFERS			
Transfers from (to) operating fund	(146,044)	-	-
Transfers from (to) capital	(1,226,000)	-	-
Transfers from (to) reserve funds	60,000	53,941	66,535
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>32,301</u>	<u>86,188</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>1,959,814</u>	<u>1,873,626</u>
FUND SURPLUS, END OF YEAR		<u>\$ 1,992,115</u>	<u>\$ 1,959,814</u>

SCHEDULE OF UTILITY OPERATIONS - Otterburne Utility
For the Year Ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
Sewer			
Sewer fees	24,767	26,525	23,869
Lagoon tipping fees	-	-	-
sub-total- sewer	24,767	26,525	23,869
Property taxes	-	-	-
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	3,000	4,500
Installation service	-	-	-
Penalties	-	-	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	42	158
Gain on sale of tangible capital assets	-	-	-
Other income	2,000	2,358	1,021
sub-total- other	2,000	5,400	5,679
Total revenue	\$ 26,767	\$ 31,925	\$ 29,548

Rural Municipality of De Salaberry
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Otterburne Utility
 For the Year Ended December 31, 2019

SCHEDULE 9

	Budget	2019	2018
EXPENSES			
General			
Administration	\$ -	\$ -	\$ -
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	-	-	-
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	-	-	-
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	-	-	-
Sewer General			
Collection system costs	15,100	6,486	5,175
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	15,100	6,486	5,175
Sewage Amortization & Interest			
Amortization	-	10,983	10,983
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	-	10,983	10,983
Total expenses	15,100	17,469	16,158
NET OPERATING SURPLUS	11,667	14,456	13,390
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) capital fund	-	-	-
Transfers from (to) reserve funds	(11,667)	(49,623)	-
CHANGE IN UTILITY FUND BALANCE	\$ -	(35,167)	13,390
FUND SURPLUS, BEGINNING OF YEAR		355,118	341,728
FUND SURPLUS, END OF YEAR		\$ 319,951	\$ 355,118

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2019

	Financial Plan General	Financial Plan Utility(ies)	LUD	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE									
Property taxes	\$ 3,119,224	\$ -	\$ 457,450	\$ -	\$ -	\$ (457,450)	\$ -	\$ -	\$ 3,119,224
Grants in lieu of taxation	24,695	-	-	-	-	-	-	-	24,695
User fees	391,778	-	-	-	-	-	-	-	391,778
Permits, licences and fines	43,900	-	-	-	-	-	-	-	43,900
Investment income	60,000	-	-	-	-	-	-	-	60,000
Other revenue	75,900	-	15,250	-	-	-	-	-	91,150
Water and sewer	-	1,485,367	-	-	-	-	-	-	1,485,367
Grants - Province of Manitoba	367,565	-	-	-	-	-	-	-	367,565
Grants - other	192,663	-	-	-	-	-	-	-	192,663
Transfers from accumulated surplus	-	-	261,337	-	-	(261,337)	-	-	-
Transfers from utility	-	182,094	-	-	-	(182,094)	-	-	-
Transfers from reserves	45,000	60,000	-	-	-	(105,000)	-	-	-
Total revenue	\$ 4,320,725	\$ 1,727,461	\$ 734,037	\$ -	\$ -	\$ (1,005,881)	\$ -	\$ -	\$ 5,776,342
EXPENSES									
General government services	\$ 855,550	\$ -	\$ 12,900	\$ 4,244	\$ -	\$ 1,977	\$ -	\$ -	\$ 874,671
Protective services	228,587	-	-	32,331	8,463	-	-	-	269,381
Transportation services	1,208,045	-	332,387	402,931	-	-	-	-	1,943,363
Environmental health services	300,534	-	-	30,959	-	-	-	-	331,493
Public health and welfare services	62,118	-	-	-	-	-	-	-	62,118
Regional planning and development	3,500	-	20,150	-	-	-	-	-	23,650
Resource cons and industrial dev	56,800	-	-	2,467	-	-	-	-	59,267
Recreation and cultural services	185,019	-	-	6,892	-	-	-	-	191,911
Water and sewer services	-	282,300	-	153,262	61,451	-	-	-	497,013
Fiscal services:									
Transfer to capital	-	1,226,000	343,600	-	-	(1,569,600)	-	-	-
Transfer to utility	206,861	25,400	-	-	-	(232,261)	-	-	-
Transfer to general	-	-	-	-	-	-	-	-	-
Debt charges	23,921	182,094	-	-	(206,015)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-	-
Transfer to L.U.D.	457,450	-	-	-	-	(457,450)	-	-	-
Transfer to reserves	730,363	11,667	25,000	-	-	(767,030)	-	-	-
Allowance for tax assets	1,977	-	-	-	-	(1,977)	-	-	-
Total expenses	\$ 4,320,725	\$ 1,727,461	\$ 734,037	\$ 633,086	\$ (136,101)	\$ (3,026,341)	\$ -	\$ -	\$ 4,252,867
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ (633,086)	\$ 136,101	\$ 2,020,460	\$ -	\$ -	\$ 1,523,475

Rural Municipality of De Salaberry
ANALYSIS OF TAXES ON ROLL
 December 31, 2019

SCHEDULE 11

	2019	2018
Balance, beginning of year	\$ 125,993	\$ 225,955
Add:		
Tax levy (Schedule 12)	7,291,535	7,216,451
Taxes added	87,196	46,523
Penalties or interest	41,535	42,112
Other accounts added	-	-
Tax Adjustments (Transferred in from A/R)	396	1,319
Tax Adjustments (Transferred in from Utility)	8,967	19,990
Sub-total	7,429,629	7,326,395
Deduct:		
Cash collections - current	6,384,272	6,354,151
Cash collections - arrears	32,333	166,262
Cash collections - future	232,511	233,476
Write-offs	-	242
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	678,273	672,226
Other credits (specify)	-	-
Sub-total	7,327,388	7,426,357
Balance, end of year	\$ 228,234	\$ 125,993

Rural Municipality of De Salaberry

SCHEDULE 12

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2019

	2019		2018	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D. of St. Malo	\$ 56,913,170	\$ 8.000	\$ 455,305	\$ 445,513
Name of LUD	\$ -	\$ -	\$ -	\$ -
Name of LUD	\$ -	\$ -	\$ -	\$ -
sub-total- L.U.D.			455,305	445,513
Debt charges:				
St. Malo Lagoon	\$ 41,788,360	\$ 0.378	15,796	15,773
St. Malo Water Plant Well	\$ 41,788,360	\$ 0.135	5,641	5,633
St. Malo Forcemain Upgrade	\$ 41,788,360	\$ 0.339	14,166	14,141
St. Malo Water Plant Reservoir	\$ 41,788,360	\$ 0.498	20,811	20,785
St. Charles Water and Sewer	\$ 683,100	\$ -	4,793	4,793
Le Rang Sewer and Water	\$ 1,002,310	\$ -	5,637	5,637
St. Malo FD Tanker Pumper	\$ 287,043,380	\$ 0.026	7,463	7,624
St. Malo FD Tanker Pumper	\$ 187,950,770	\$ 0.041	7,706	7,613
Dufrost Water Supply	\$ 865,190	\$ -	8,718	8,718
St. Malo Water Plant Reservoir #2	\$ 41,788,360	\$ 0.269	11,241	11,189
Gosselin LPS	\$ 6,870,060	\$ -	48,878	48,878
Lift Station	\$ 28,609,800	\$ -	59,661	59,661
sub-total- Debt charges			210,511	210,444
Deferred surplus	\$ -	\$ -	\$ -	\$ -
Reserves:				
Rural Machinery Replacement	\$ 230,130,210	\$ -	-	222,906
Gravel	\$ 230,130,210	\$ -	-	128,942
Recreation	\$ 287,043,380	\$ -	-	19,902
St. Malo and St. Pierre FD				
General At Large	\$ 287,043,380	\$ -	-	32,411
Municipal Office Building	\$ 287,043,380	\$ -	-	29,853
Office Technology	\$ 287,043,380	\$ -	-	5,118
Handivan	\$ 287,043,380	\$ -	-	4,265
sub-total- Reserves			-	443,396
General municipal - Rural Area	\$ 230,130,210	\$ 4.863	1,119,123	726,787
General municipal - At Large	\$ 287,043,380	\$ 3.666	1,052,301	921,166
			2,171,424	1,647,954
Special levies:				
Otterburne Sewer Services	\$ 4,716,580	\$ -	24,767	23,586
St. Malo & District Scavenging	\$ -	\$ -	-	-
Otterburne & District Scavenging	\$ -	\$ -	-	-
De Salaberry Waste Collection	\$ 77,714,400	\$ -	186,908	179,073
De Salaberry Fire Protection	\$ -	\$ -	-	-
sub-total- Special levies			211,675	202,659
Business tax (rate%)	\$ -	\$ -	\$ -	\$ -
Total municipal taxes (Schedule 2)			3,048,916	2,949,967
Education support levy	\$ 33,146,610	\$ 9.770	323,842	323,171
Special levies:				
Red River School Division	\$ 242,935,090	\$ 13.572	3,297,115	3,333,129
Border Land School Division	\$ 17,207,190	\$ 14.753	253,858	244,758
Hanover School Division	\$ 24,250,270	\$ 15.167	367,804	365,426
sub-total- Special levies			3,918,777	3,943,313
Total education taxes			4,242,619	4,266,484
Total tax levy (Schedule 11)			\$ 7,291,535	\$ 7,216,451

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 150,804	\$ 127,702
General administrative	610,467	492,187
Other	116,807	130,662
	<u>878,078</u>	<u>750,551</u>
Protective services:		
Police	-	-
Fire	198,661	164,580
Emergency measures	25,946	21,190
Other	75,453	81,365
	<u>300,060</u>	<u>267,135</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	956,035	1,025,057
Ditches and road drainage	69,803	45,337
Bridge maintenance	61	910
Sidewalk and boulevard maintenance	-	-
Street lighting	10,205	8,324
Other	-	-
Air transport	-	-
Public transit	-	-
Other	414,495	398,074
	<u>1,450,599</u>	<u>1,477,702</u>
Environmental health services:		
Waste collection and disposal	276,371	312,138
Recycling	49,915	57,188
Other	30,959	27,111
	<u>357,245</u>	<u>396,437</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	4,079	4,079
Other	-	-
	<u>4,079</u>	<u>4,079</u>
Regional planning and development		
Planning and zoning	6,382	2,792
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>6,382</u>	<u>2,792</u>
Resource conservation and industrial development		
Rural area weed control	35,000	35,500
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	77,050	136,412
Industrial development	-	-
Tourism	-	-
Other	6,808	5,187
	<u>118,858</u>	<u>177,099</u>
Sub-totals forward	\$ 3,115,301	\$ 3,075,795

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
Sub-totals forward	\$ 3,115,301	\$ 3,075,795
Recreation and cultural services:		
Administration	-	-
Community centers and halls	1,665	1,546
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	205,970	135,991
Parks and playgrounds	-	-
Other recreational facilities	-	-
Museums	-	-
Libraries	44,535	39,177
Other cultural facilities	107,292	3,960
	<u>359,462</u>	<u>180,674</u>
Total expenses	<u>\$ 3,474,763</u>	<u>\$ 3,256,469</u>

Rural Municipality of De Salaberry

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited

December 31, 2019

	General	2019 Utility	Total	2018 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 349,373	\$ (11,175)	\$ 338,198	\$ 130,794
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	973,887	49,623	1,023,510	744,894
Eliminate revenue - transfers from reserves	(529,212)	(53,941)	(583,153)	(545,281)
Increase revenue - reserve funds interest	44,494	1,368	45,862	33,805
Increase revenue - reserve other income	11,000	250	11,250	7,666
Increase (Decrease) revenue/expense - transfers between funds	-	-	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(60,997)	-	(60,997)	3,446
Eliminate expense - contributions to consolidating entities	72,397	-	72,397	50,521
Increase expense - amortization of tangible capital assets	(475,978)	(150,626)	(626,604)	(611,725)
Decrease expense - principal portion of debenture debt	15,457	120,642	136,099	135,002
Decrease revenue - proceeds from long term debt	-	-	-	-
Increase (decrease) revenue - gain (loss) on disposal of tangible capital assets	(115,381)	-	(115,381)	(3,705)
Decrease revenue - proceeds on disposal of tangible capital assets	(201,225)	-	(201,225)	(1,000)
Eliminate expense - acquisitions of tangible capital assets	581,904	36,675	618,579	556,289
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 665,719	\$ (7,184)	\$ 658,535	\$ 500,706