

Management's Responsibility

To the Ratepayers of Rural Municipality of Manitou Lake No. 442

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgements and estimates by management is required.

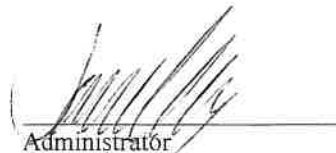
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Vantage, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.



Reeve



Administrator

June 4, 2020

INDEPENDENT AUDITORS' REPORT

To the Council of
Rural Municipality of Manitou Lake No. 442
Marsden, Saskatchewan

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Manitou Lake No. 442, which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statements of operations, change in net financial assets and cash flow 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 financial position of the Rural Municipality of Manitou Lake No. 442 as at December 31, 2019, and its financial performance and its 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of Manitou Lake No. 442 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of Manitou Lake No. 442'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.

Auditors' 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 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 auditors' 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 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 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.

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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script.

Chartered Professional Accountants

North Battleford, Saskatchewan
June 4, 2020

Rural Municipality of Manitou Lake No. 442
Consolidated Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	10,736,609	10,071,207
Taxes Receivable - Municipal (Note 3)	186,238	702,960
Other Accounts Receivable (Note 4)	235,515	327,535
Land for Resale (Note 5)		
Long-Term Investments (Note 6)	85,213	75,132
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	11,243,575	11,176,834
LIABILITIES		
Bank Indebtedness (Note 7)		
Accounts Payable	162,688	209,158
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 8)		
Lease Obligations		
Total Liabilities	162,688	209,158
NET FINANCIAL ASSETS (DEBT)	11,080,887	10,967,676
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	17,101,823	16,568,322
Prepayments and Deferred Charges		207
Stock and Supplies	37,964	67,765
Other (Note 9)	35,363	34,752
Total Non-Financial Assets	17,175,150	16,671,046
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	28,256,037	27,638,722

Rural Municipality of Manitou Lake No. 442
Consolidated Statement of Operations
For the year ended December 31, 2019

Statement 2

	2019 Budget	2019	2018
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	4,082,400	4,122,138	4,124,344
Fees and Charges (Schedule 4, 5)	275,410	359,012	274,438
Conditional Grants (Schedule 4, 5)	21,400	44,141	33,007
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)		(1,000)	(170,783)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	110,000	274,910	209,326
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)			
Total Revenues	4,489,210	4,799,201	4,470,332
EXPENSES			
General Government Services (Schedule 3)	587,300	1,365,080	582,020
Protective Services (Schedule 3)	157,500	178,789	27,068
Transportation Services (Schedule 3)	3,537,280	2,401,041	2,576,000
Environmental and Public Health Services (Schedule 3)	119,000	198,991	140,588
Planning and Development Services (Schedule 3)	15,000		
Recreation and Cultural Services (Schedule 3)	100,000	106,799	93,546
Utility Services (Schedule 3)			
Restructurings (Schedule 3)			
Total Expenses	4,516,080	4,250,700	3,419,222
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(26,870)	548,501	1,051,110
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	32,000	68,814	33,422
Surplus (Deficit) of Revenues over Expenses	5,130	617,315	1,084,532
Accumulated Surplus (Deficit), Beginning of Year	27,638,722	27,638,722	26,554,190
Accumulated Surplus (Deficit), End of Year	27,643,852	28,256,037	27,638,722

Rural Municipality of Manitou Lake No. 442
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2019

Statement 3

	2019 Budget	2019	2018
Surplus (Deficit)	5,130	617,315	1,084,532
(Acquisition) of tangible capital assets		(1,427,164)	(2,365,400)
Amortization of tangible capital assets		881,786	888,656
Proceeds on disposal of tangible capital assets		10,877	415,000
Loss (gain) on the disposal of tangible capital assets		1,000	170,783
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(533,501)	(890,961)
(Acquisition) of supplies inventories			(6,944)
(Acquisition) of Credit Union equity		(611)	
Consumption of supplies inventory		29,801	(354)
Use of prepaid expense		207	509
Surplus (Deficit) of expenses of other non-financial over expenditures		29,397	(6,789)
Increase/Decrease in Net Financial Assets	5,130	113,211	186,782
Net Financial Assets (Debt) - Beginning of Year	10,967,676	10,967,676	10,780,894
Net Financial Assets (Debt) - End of Year	10,972,806	11,080,887	10,967,676

Rural Municipality of Manitou Lake No. 442
Consolidated Statement of Cash Flow
For the year ended December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	617,315	1,084,532
Amortization	881,786	888,656
Loss (gain) on disposal of tangible capital assets	1,000	170,783
	1,500,101	2,143,971
Change in assets/liabilities		
Taxes Receivable - Municipal	516,722	(357,948)
Other Receivables	92,020	(127,637)
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(46,470)	(7,461)
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	29,801	(6,944)
Prepayments and Deferred Charges	207	509
Other (Specify)	(611)	(354)
Cash provided by operating transactions	2,091,770	1,644,136
Capital:		
Acquisition of tangible capital assets	(1,427,164)	(2,365,400)
Proceeds from the disposal of tangible capital assets	10,877	415,000
Other capital		
Cash applied to capital transactions	(1,416,287)	(1,950,400)
Investing:		
Long-term investments	(10,081)	(4,241)
Other investments		
Cash provided by (applied to) investing transactions	(10,081)	(4,241)
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	665,402	(310,505)
Cash and Temporary Investments - Beginning of Year	10,071,207	10,381,712
Cash and Temporary Investments - End of Year	10,736,609	10,071,207

Rural Municipality of Manitou Lake No. 442
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

1. Significant Accounting Policies

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.
- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
 - a) the transfers are authorized
 - b) any eligibility criteria have been met; and
 - c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

- d) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

Rural Municipality of Manitou Lake No. 442
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

1. Significant Accounting Policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles and Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
Infrastructure Assets	
Infrastructure Assets	
Road Network Assets	15 to 40 Yrs

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Capitalization of Interest: The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their lease term. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- m) **Landfill Liability:** The municipality maintains a waste transfer site.
- n) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- o) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- an environmental standard exists;
 - contamination exceeds the environmental standard;
 - the municipality:
 - is directly responsible; or
 - accepts responsibility;
 - it is expected that future economic benefits will be given up; and
 - a reasonable estimate of the amount can be made.

1. Significant Accounting Policies - continued

- p) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies is based on estimates of volume and quality.

The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

- q) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for police and fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- r) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 25, 2019.

New Accounting Standards:

- s) **Effective January 1, 2019,** the municipality adopted the following standard to comply with Public Sector Accounting Standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard.

PS 3430 Restructuring Transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis and has no impact on these financial statements.

Future Accounting Standards:

Effective On or After April 1, 2021:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective On or After April 1, 2022:

PS 3400, Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

The extent of the impact on adoption of these future standards is not known at this time.

Rural Municipality of Manitou Lake No. 442
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

2. Cash and Temporary Investments

	2019	2018
Cash	10,729,977	10,064,575
Temporary Investments		
Restricted Cash	6,632	6,632
Total Cash and Temporary Investments	10,736,609	10,071,207

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Taxes Receivable - Municipal

	2019	2018
Municipal - Current	326,204	345,526
- Arrears	838,653	470,865
	1,164,857	816,391
- Less Allowance for Uncollectible	(978,619)	(113,431)
Total municipal taxes receivable	186,238	702,960
School - Current	62,041	67,550
- Arrears	152,537	84,312
Total school taxes receivable	214,578	151,862
Other	18,149	14,020
Total taxes and grants in lieu receivable	418,965	868,842
Deduct taxes receivable to be collected on behalf of other organizations	(232,727)	(165,882)
Total Taxes Receivable - Municipal	186,238	702,960

4. Other Accounts Receivable

	2019	2018
Federal Government	113,033	215,109
Provincial Government		
Local Government		
Utility		
Trade	127,302	119,541
Other (Specify)		
Total Other Accounts Receivable	240,335	334,650
Less: Allowance for Uncollectible	(4,820)	(7,115)
Net Other Accounts Receivable	235,515	327,535

Rural Municipality of Manitou Lake No. 442
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

5. Land for Resale

	2019	2018
Tax Title Property	63	63
Allowance for market value adjustment	(63)	(63)
Less: portion due to school		
Net Tax Title Property	Nil	Nil
Other Land		
Allowance for market value adjustment		
Net Other Land		
Total Land for Resale	Nil	Nil

6. Long-Term Investments

	2019	2018
Sask Association of Rural Municipalities - Self Insurance Funds	85,213	75,132
Other (<i>Specify</i>)		
Total Long-Term Investments	85,213	75,132

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Funds are accounted for on the equity basis.

7. Bank Indebtedness

Credit Arrangements

At December 31, 2019, the Municipality had a line of credit totaling \$1,000,000, none of which was drawn. The following has been collateralized in connection with this line of credit:

- General security agreement.

8. Long-Term Debt

The debt limit of the municipality is \$4,356,567. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

Rural Municipality of Manitou Lake No. 442
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

9. Other Non-financial Assets

	2019	2018
Credit union and Co-op equities	35,363	34,752

10. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

The municipality has received a Statement of Claim from a former employee for an alleged wrongful termination. Indication is that any legal opinion as to liability is preliminary in nature.

11. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2019 was \$47,097. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

12. Comparative Figures

Certain comparative figures may have been restated to conform to the current year's presentation.

13. Related Parties

The consolidated financial statements include transactions with related parties.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

Rural Municipality of Manitou Lake No. 442
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2019

Schedule 1

	2019 Budget	2019	2018
TAXES			
General municipal tax levy	4,167,000	4,150,121	4,185,887
Abatements and adjustments	(105,000)	(115,431)	(102,117)
Discount on current year taxes	(215,000)	(213,010)	(210,967)
Net Municipal Taxes	3,847,000	3,821,680	3,872,803
Potash tax share			
Trailer license fees			
Penalties on tax arrears	35,000	98,458	55,534
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	3,882,000	3,920,138	3,928,337
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	179,000	179,534	173,542
Total Unconditional Grants	179,000	179,534	173,542
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	18,000	18,987	18,987
Other (<i>Specify</i>)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	3,400	3,479	3,478
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	21,400	22,466	22,465
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	4,082,400	4,122,138	4,124,344

Rural Municipality of Manitou Lake No. 442
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 1

	2019 Budget	2019	2018
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	1,200	550	935
- Other (Administrative fees, expense recoveries)	48,610	55,245	54,670
Total Fees and Charges	49,810	55,795	55,605
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	110,000	274,910	209,326
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	159,810	330,705	264,931
Conditional Grants			
- Student Employment	19,000	19,704	1,315
- Other (<i>Specify</i>)			
Total Conditional Grants	19,000	19,704	1,315
Total Operating	178,810	350,409	266,246
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total General Government Services	178,810	350,409	266,246

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges	65,000	64,904	
- Other (<i>Specify</i>)			
Total Fees and Charges	65,000	64,904	
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	65,000	64,904	
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	65,000	64,904	

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Protective Services	65,000	64,904	

Rural Municipality of Manitou Lake No. 442
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 2

	2019 Budget	2019	2018
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	15,000	2,154	28,546
- Sales of supplies		2,862	
- Road Maintenance and Restoration Agreements	90,000	121,641	82,723
- Approach approvals	500	800	705
- Other (Permits)	50,000	63,356	66,518
Total Fees and Charges	155,500	190,813	178,492
- Tangible capital asset sales - gain (loss)		(1,000)	(170,783)
- Other (Specify)			
Total Other Segmented Revenue	155,500	189,813	7,709
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	155,500	189,813	7,709
Capital			
Conditional Grants			
- Federal Gas Tax	32,000	68,814	33,422
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	32,000	68,814	33,422
Restructuring Revenue (Specify, if any)			
Total Transportation Services	187,500	258,627	41,131

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Pest Control Products	5,000	43,385	37,596
- Donations		3,365	2,095
- Other (Cemetery fees)	100	750	650
Total Fees and Charges	5,100	47,500	40,341
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	5,100	47,500	40,341
Conditional Grants			
- Student Employment			
- TAPD			
- Invasive Plant Control Program		24,437	25,279
- Beaver Control Program			2,321
- Other (Pest control grant)	2,400		4,092
Total Conditional Grants	2,400	24,437	31,692
Total Operating	7,500	71,937	72,033
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Restructuring Revenue (Specify, if any)			
Total Environmental and Public Health Services	7,500	71,937	72,033

Rural Municipality of Manitou Lake No. 442
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 3

	2019 Budget	2019	2018
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Recreation and Cultural Services			

Rural Municipality of Manitou Lake No. 442
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 4

	2019 Budget	2019	2018
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	438,810	745,877	379,410

SUMMARY

Total Other Segmented Revenue	385,410	632,922	312,981
Total Conditional Grants	21,400	44,141	33,007
Total Capital Grants and Contributions	32,000	68,814	33,422
Restructuring Revenue			
TOTAL REVENUE BY FUNCTION	438,810	745,877	379,410

Rural Municipality of Manitou Lake No. 442

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 1

	2019 Budget	2019	2018
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	68,000	42,073	63,777
Wages and benefits	250,000	243,874	247,712
Professional/Contractual services	158,000	128,135	192,143
Utilities	15,500	13,308	14,110
Maintenance, materials and supplies	56,100	53,947	43,805
Grants and contributions - operating	10,000	1,000	3,350
- capital	10,000		
Amortization	19,700	17,555	17,123
Interest			
Allowance for uncollectible		865,188	
Other (Specify)			
General Government Services	587,300	1,365,080	582,020
Restructuring (Specify, if any)			
Total General Government Services	587,300	1,365,080	582,020

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	156,700	156,647	26,352
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	800	716	716
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating		21,426	
- capital			
Amortization			
Interest			
Other (Specify)			

Protective Services	157,500	178,789	27,068
Restructuring (Specify, if any)			
Total Protective Services	157,500	178,789	27,068

TRANSPORTATION SERVICES

Wages and benefits	599,000	535,763	548,798
Professional/Contractual Services	316,000	121,769	235,310
Utilities	15,180	15,679	9,466
Maintenance, materials, and supplies	379,000	280,858	286,992
Gravel	750,000	582,637	616,786
Grants and contributions - operating			
- capital	550,000		
Amortization	928,100	864,231	871,533
Interest			
Other (Allowance for uncollectibles)		104	7,115

Transportation Services	3,537,280	2,401,041	2,576,000
Restructuring (Specify, if any)			
Total Transportation Services	3,537,280	2,401,041	2,576,000

Rural Municipality of Manitou Lake No. 442

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 2

	2019 Budget	2019	2018
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services	50,000	105,589	75,644
Utilities			
Maintenance, materials and supplies	65,000	87,962	50,428
Grants and contributions - operating			
o Waste disposal	4,000	631	12,841
o Public Health		3,190	
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (Allowance for uncollectibles)		1,619	1,675
Environmental and Public Health Services	119,000	198,991	140,588
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	119,000	198,991	140,588

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	15,000		
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
Planning and Development Services	15,000		
Restructuring (Specify, if any)			
Total Planning and Development Services	15,000		

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	100,000	106,799	93,546
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (Specify)			
Recreation and Cultural Services	100,000	106,799	93,546
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	100,000	106,799	93,546

Rural Municipality of Manitou Lake No. 442

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 3

	2019 Budget	2019	2018
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Utility Services			
Restructuring (Specify, if any)			
Total Utility Services			
TOTAL EXPENSES BY FUNCTION	4,516,080	4,250,700	3,419,222

Rural Municipality of Manitou Lake No. 442
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2019

Schedule 4

Revenues (Schedule 2)

Fees and Charges
Tangible Capital Asset Sales - Gain (Loss)
Land Sales - Gain
Investment Income and Commissions
Other Revenues
Grants - Conditional
- Capital
Restructurings
Total Revenues

General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
55,795	64,904	190,813 (1,000)	47,500				359,012 (1,000)
274,910							274,910
19,704			24,437				44,141
		68,814					68,814
350,409	64,904	258,627	71,937				745,877

Expenses (Schedule 3)

Wages and Benefits
Professional/Contractual Services
Utilities
Maintenance Materials and Supplies
Grants and Contributions
Amortization
Interest
Allowance for Uncollectible
Other
Restructurings
Total Expenses

285,947		535,763					821,710
128,135	157,363	121,769	105,589				512,856
13,308		15,679					28,987
53,947		863,495	87,962		106,799		1,005,404
1,000	21,426		3,821				133,046
17,555		864,231					881,786
865,188		104	1,619				865,188
							1,723
1,365,080	178,789	2,401,041	198,991		106,799		4,250,700
(1,014,671)	(113,885)	(2,142,414)	(127,054)		(106,799)		(3,504,823)

Surplus (Deficit) by Function

Taxes and other unconditional revenue (Schedule 1)

4,122,138

Net Surplus (Deficit)

617,315

Rural Municipality of Manitou Lake No. 442
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	55,605		178,492	40,341				274,438
Tangible Capital Asset Sales - Gain (Loss)			(170,783)					(170,783)
Land Sales - Gain								
Investment Income and Commissions	209,326							209,326
Other Revenues								
Grants - Conditional	1,315			31,692				33,007
- Capital			33,422					33,422
Restructurings								
Total Revenues	266,246		41,131	72,033				379,410
Expenses (Schedule 3)								
Wages and Benefits	311,489		548,798					860,287
Professional/Contractual Services	192,143	27,068	235,310	75,644				530,165
Utilities	14,110		9,466					23,576
Maintenance Materials and Supplies	43,805		903,778	50,428		93,546		998,011
Grants and Contributions	3,350			12,841				109,737
Amortization	17,123		871,533					888,656
Interest								
Allowance for Uncollectible								
Other			7,115	1,675				8,790
Restructurings								
Total Expenses	582,020	27,068	2,576,000	140,588		93,546		3,419,222
Surplus (Deficit) by Function	(315,774)	(27,068)	(2,534,869)	(68,555)		(93,546)		(3,039,812)

Taxes and other unconditional revenue (Schedule 1)

4,124,344

Net Surplus (Deficit)

1,084,532

Rural Municipality of Manitou Lake No. 442
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2019

Schedule 6

	2019						2018	
	General Assets							
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Infrastructure Assets	General/Infrastructure Assets Under Construction	Total
Asset costs								
Opening Asset Costs	89,256	30,093	1,547,302	161,948	2,695,384	21,992,540	58,579	24,941,184
Additions during the year		66,659	29,002	14,319	51,768	966,269	299,147	2,365,400
Disposals and write-downs during the year				(13,777)		(4,507)		(731,482)
Transfers (from) assets under construction								
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Asset Costs	89,256	96,752	1,576,304	162,490	2,747,152	22,954,302	357,726	26,575,102
Accumulated Amortization Costs								
Opening Accumulated Amortization Costs		5,090	121,020	47,848	360,584	9,472,238		10,006,780
Add: Amortization taken		2,288	27,282	16,438	133,278	702,500		888,656
Less: Accumulated amortization on disposals				(6,407)				(145,699)
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Accumulated Amortization Costs		7,378	148,302	57,879	493,862	10,174,738		10,882,159
Net Book Value	89,256	89,374	1,428,002	104,611	2,253,290	12,779,564	357,726	16,568,322

1. Total contributed/donated assets received in 2019

are:

- Infrastructure Assets
- Vehicles
- Machinery and Equipment

3. Amount of interest capitalized in Schedule 6

Schedule 7

25

Rural Municipality of Manitou Lake No. 442
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2019

Schedule 8

	2018	Changes	2019
UNAPPROPRIATED SURPLUS	10,383,764	83,814	10,467,578
APPROPRIATED RESERVES			
Machinery and Equipment			
Public Reserve	6,631		6,631
Capital Trust	400,005		400,005
Utility			
Other (Equipment, rink, gravel)	280,000		280,000
Total Appropriated	686,636		686,636
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Total Organized Hamlets			
INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	16,568,322	533,501	17,101,823
Less: Related debt			
Net Investment in Tangible Capital Assets	16,568,322	533,501	17,101,823
Total Accumulated Surplus	27,638,722	617,315	28,256,037

Rural Municipality of Manitou Lake No. 442

Schedule of Mill Rates and Assessments

For the year ended December 31, 2019

Schedule 9

PROPERTY CLASS						
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)
Taxable Assessment	99,423,380	10,738,565		64,640	62,166,950	
Regional Park Assessment						
Total Assessment						172,393,535
Mill Rate Factor(s)	1.0000	1.2000		1.2000	9.0000	
Total Base/Minimum Tax (generated for each property class)		43,200			579,500	622,700
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	521,973	110,853		407	3,516,888	4,150,121

MILL RATES: MILLS

Average Municipal*	24.0735
Average School*	4.3584
Potash Mill Rate	
Uniform Municipal Mill Rate	5.2500

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Rural Municipality of Manitou Lake No. 442
Schedule of Council Remuneration
For the year ended December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Ian Lamb	16,250		16,250
Division 1	Travis Lindsay	4,000		4,000
Division 2	Brian Graham	8,375		8,375
Division 3	Norman Wright	8,875		8,875
Division 4	Jason Paterson	8,625		8,625
Division 5	Rick Swanstrom	6,875		6,875
Division 6	Joe Koch	8,000		8,000
Total		61,000		61,000