

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

MUNICIPALITY OF HARRISON PARK
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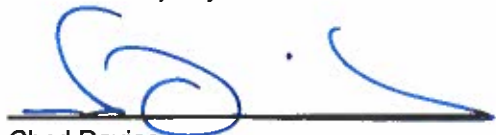
STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the Municipality of Harrison Park and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

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.

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



Chad Davies
Chief Administrative Officer



INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Municipality of Harrison Park
Onanole, Manitoba

Opinion

We have audited the accompanying consolidated financial statements of the Municipality of Harrison Park, which comprise of the statement of financial position as at December 31, 2019 and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Harrison Park as at December 31, 2019, and its operations 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 Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Municipality of Harrison Park 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 Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality of Harrison Park'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 of Harrison Park or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality of Harrison Park's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality of Harrison Park'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 of Harrison Park's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality of Harrison Park 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.

Brandon, Manitoba
June 9, 2021



 Chartered Professional Accountants Ltd.

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash (Note 3)	\$ 7,275,133	\$ 7,331,373
Amounts receivable (Note 4)	924,392	1,095,391
Real estate properties held for sale (Note 2)	22,552	22,552
	<u>8,222,077</u>	<u>8,449,316</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	370,367	1,045,184
Severance and sick leave payable	40,145	36,947
Deferred revenue (Note 2)	2,400	2,600
Landfill closure and post closure liabilities (Note 7)	8,916	8,177
Long-term debt (Note 8)	1,283,259	1,368,288
	<u>1,705,087</u>	<u>2,461,196</u>
NET FINANCIAL ASSETS	<u>6,516,990</u>	<u>5,988,120</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,881,201	12,292,029
Inventories (Note 5)	49,065	25,073
Prepaid expenses	28,497	17,811
	<u>12,958,763</u>	<u>12,334,913</u>
ACCUMULATED SURPLUS (Note 15)	<u>\$ 19,475,753</u>	<u>\$18,323,033</u>
COMMITMENTS (Note 11)		

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 3,576,168	\$ 3,570,456	\$ 3,541,648
Grants in lieu of taxation	40,391	40,391	40,565
User fees	307,800	335,741	333,227
Permits, licences and fines	500	1,475	227
Investment income	60,000	166,410	140,592
Other revenue	64,900	65,474	92,360
Water and sewer	486,978	555,502	456,976
Grants - Province of Manitoba	415,617	484,028	406,516
Grants - Other	457,156	182,988	113,083
Total revenue (Schedules 2, 4 and 5)	5,409,510	5,402,465	5,125,194
EXPENSES			
General government services	862,806	885,586	926,705
Protective services	311,533	322,063	253,194
Transportation services	2,270,985	1,821,809	1,891,338
Environmental health services	356,523	351,406	330,356
Public health and welfare services	25,768	19,296	89,777
Regional planning and development	129,655	101,724	97,472
Resource conservation and industrial development	99,145	63,944	35,281
Recreation and cultural services	132,564	66,642	44,414
Water and sewer services	616,736	617,275	531,863
Total expenses (Schedules 3, 4 and 5)	4,805,715	4,249,745	4,200,400
ANNUAL SURPLUS	\$ 603,795	1,152,720	924,794
ACCUMULATED SURPLUS, BEGINNING OF YEAR		18,323,033	17,398,239
ACCUMULATED SURPLUS, END OF YEAR		\$ 19,475,753	\$ 18,323,033

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 For the year ended December 31, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
ANNUAL SURPLUS	\$ 603,795	\$ 1,152,720	\$ 924,794
Acquisition of tangible capital assets	(4,760,423)	(1,663,252)	(983,247)
Amortization of tangible capital assets	524,814	524,814	473,395
Loss on sale of tangible capital assets		26,725	5,089
Proceeds on sale of tangible capital assets		522,542	23,651
Increase in inventories		(23,992)	(17,919)
Decrease (increase) in prepaid expenses		(10,687)	6,967
	(4,235,609)	(623,850)	(492,064)
CHANGE IN NET FINANCIAL ASSETS	\$ (3,631,814)	528,870	432,730
NET FINANCIAL ASSETS, BEGINNING OF YEAR		5,988,120	5,555,390
NET FINANCIAL ASSETS, END OF YEAR		\$ 6,516,990	\$ 5,988,120

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2019

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,152,720	\$ 924,794
Changes in non-cash items:		
Amounts receivable	170,999	1,145,760
Inventories	(23,992)	(17,919)
Prepays	(10,687)	6,967
Accounts payable and accrued liabilities	(674,817)	(355,961)
Deferred revenue	(200)	
Severance and sick leave payable	3,198	(26,824)
Landfill closure and post closure liabilities	739	683
Loss on sale of tangible capital assets	26,725	5,089
Amortization	524,814	473,395
	<u>1,169,499</u>	<u>2,155,984</u>
CASH PROVIDED BY OPERATING TRANSACTIONS		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	522,542	23,651
Cash used to acquire tangible capital assets	(1,663,252)	(983,247)
	<u>(1,140,710)</u>	<u>(959,596)</u>
CASH APPLIED TO CAPITAL TRANSACTIONS		
FINANCING TRANSACTIONS		
Debt repayment	(85,029)	(81,696)
	<u>(85,029)</u>	<u>(81,696)</u>
CASH APPLIED TO FINANCING TRANSACTIONS		
INCREASE (DECREASE) IN CASH	<u>(56,240)</u>	<u>1,114,692</u>
CASH, BEGINNING OF YEAR	<u>7,331,373</u>	<u>6,216,681</u>
CASH, END OF YEAR	<u>\$ 7,275,133</u>	<u>\$ 7,331,373</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

1. STATUS OF THE MUNICIPALITY OF HARRISON PARK

The incorporated Municipality of Harrison Park (“the Municipality”) is a Municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The Municipality of Harrison Park reflects the amalgamation of the former Rural Municipality of Harrison and Rural Municipality of Park. The Municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The Municipality owns three utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SUMMARY OF 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:

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 Municipality has no controlled organizations.

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

South Mountain Waste Management Group - 33.33% (2018 - 33.33%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipality 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 17.

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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Temporary Investments

Cash and temporary investments include cash and temporary investments which comprise term deposits and guaranteed investment certificates.

Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

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.

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.

Leases

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

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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulation 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 stipulation an equivalent amount of revenue is recognized as the liability is settled.

Deferred Revenue

Deferred 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.

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

Cash is comprised of the following:

	2019	2018
Cash	\$ 7,275,133	\$ 7,331,373

The Municipality has designated \$3,094,155 (2018 - \$3,120,597) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2019	2018
Taxes on roll (Schedule 11)	\$ 512,089	\$ 528,456
Other governments	164,439	209,410
Utility customers (Schedule 8)	130,239	116,143
Government grants	43,646	150,362
Organizations and individuals	73,979	129,437
	<u>924,392</u>	<u>1,133,808</u>
Less allowance for doubtful amounts		(38,417)
	<u>\$ 924,392</u>	<u>\$ 1,095,391</u>

5. INVENTORIES

	2019	2018
Inventories for use:		
Culverts	\$ 30,736	\$ 20,796
Fuel	16,379	2,327
Beaver levelers	1,950	1,950
	<u>\$ 49,065</u>	<u>\$ 25,073</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
School levies	\$ 138,172	\$ 352,565
Accounts payable	94,292	626,970
Accrued expenses	69,552	65,649
Other governments (Schedule 8)	68,351	
	<u>\$ 370,367</u>	<u>\$ 1,045,184</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

The Municipality is currently operating a Class 3 landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2019	2018
Estimated closure and post closure costs over the next 89 years	\$ 5,533,283	\$ 5,533,283
Discount rate	6.00 %	6.00 %
Discount costs	30,957	29,205
Expected year capacity will be reached	2108	2108
Acres:		
Used to date	7.2	7.0
Remaining	17.8	18.0
Total	25	25
Percent utilized	28.80 %	28.00 %
Liability based on percentage	\$ 8,916	\$ 8,177

8. LONG TERM DEBT

	2019	2018
Utility Funds		
Debenture, payable at \$132,490 annually including interest at 3.980%, maturing December 2031.	\$ 1,244,868	\$ 1,324,637
Debenture, payable at \$7,715 annually including interest at 5.625%, maturing December 2025.	38,391	43,651
	\$ 1,283,259	\$ 1,368,288

Principal payments due in the next five years are as follows:

2020	\$ 88,500
2021	92,114
2022	95,876
2023	99,794
2024	103,874
	<u>480,158</u>
	<u>\$ 480,158</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

9. DEBENTURES PENDING

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
None		\$

10. OBLIGATION UNDER OPERATING LEASE

In 2017, the Municipality entered into a three year lease agreement with Brandt Tractor Inc. for the two graders at \$60,558 per grader annually including taxes, expiring January 2021. The first lease payment commenced in January 2018 and the last payment will be in January 2020.

The minimum lease payments to expiration are as follows:

2020	<u>\$ 121,116</u>
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11. COMMITMENTS

The Municipality is committed to the Sandy Lake Water and Sewer upgrades with an anticipated project cost of \$450,000. The project will be funded with contributions of \$165,000 from the Province of Manitoba and the remainder covered by the Municipality. As of the financial statement date, \$96,836 had been spent on the project with an additional \$414,710 spent subsequent to year end.

Furthermore, a resolution was passed by the Council on September 9, 2019 to support the following projects:

Deer Road Water Project - a grant funding was also submitted to the Investing in Canada Infrastructure Program - Green Infrastructure Stream. The Municipality commits to provide its share of \$386,770 towards the project. As of the financial statements date and to date, nothing had been spent on the project as the Municipality is waiting for the funding approval.

Mooswa Drive Water Project - a grant funding was also submitted to the Investing in Canada Infrastructure Program - Green Infrastructure Stream. The Municipality commits to provide its share of \$271,120 towards the project. As of financial statement date, nothing had been spent on the project and \$28,000 was spent subsequent to year end for engineering cost.

Victor Avenue & West Water Project - a grant funding was also submitted to the Investing in Canada Infrastructure Program - Green Infrastructure Stream. The Municipality commits to provide its share of \$807,486 towards the project. As of the financial statements date and to date, nothing had been spent on the project as the Municipality is waiting for the funding approval.

12. 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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

13. 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 2.0% 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 \$67,783 (2018 - \$65,791) 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 has 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 requirements. As a result, solvency funding is no longer required by MEPP.

14. 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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

15. ACCUMULATED SURPLUS

	2019	2018
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 4,483,040	\$ 4,035,139
Utility Operating Fund(s) - Nominal Surplus	303,960	245,302
TCA net of related borrowings	11,597,942	10,923,741
Reserve Funds	3,094,155	3,120,597
	<hr/>	<hr/>
Accumulated Surplus of Municipality Unconsolidated	19,479,097	18,324,779
	<hr/>	<hr/>
Accumulated Surpluses of Consolidated Entities	(3,344)	(1,746)
	<hr/>	<hr/>
Accumulated Surplus per Consolidated Statement of Financial Position	\$ 19,475,753	\$18,323,033
	<hr/> <hr/>	<hr/> <hr/>

16. PUBLIC SECTOR COMPENSATION DISCLOSURE

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

- a) There were no members of council receiving compensation in excess of \$75,000 individually.
- b) Compensation paid to members of council amounted to \$81,533 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Jeremy Andreychuk	\$ 12,614	\$ 1,892	14,506
Craig Atkinson	11,009	1,074	12,083
Ian Drul	11,618	2,065	13,683
Jason Potter	12,764	1,856	14,620
Wayne Shewchuk	12,604	1,912	14,516
Wade Skolney	9,663	1,090	10,753
Larry Spitula	11,261	943	12,204
	<hr/>	<hr/>	<hr/>
	\$ 81,533	\$ 10,832	\$ 92,365
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Chad Davies	CAO	\$ 104,654

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

17. TRUST FUNDS

The Municipality administers the following trust funds:

	Balance, beginning of year	Deficiency of receipts over disbursements	Balance, end of year
Sandy Lake Demchuk Trust	\$ 4,705	\$ (622)	\$ 4,083
Jackfish Cemetery	9,973	(871)	9,102
Rackham Cemetery	9,556	(1,029)	8,527
Newdale Cemetery	142	(142)	
	<u>\$ 24,376</u>	<u>\$ (2,664)</u>	<u>\$ 21,712</u>

18. SEGMENTED INFORMATION

The Municipality of Harrison Park provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource 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.

19. PUBLIC UTILITIES BOARD

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

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

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

19. PUBLIC UTILITIES BOARD (continued)

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Sandy Lake	\$ 155,663	\$ 5,173	\$ 10,944	\$ 149,892
Onanole	3,442,893		75,600	3,367,293
	<u>\$ 3,598,556</u>	<u>\$ 5,173</u>	<u>\$ 86,544</u>	<u>\$ 3,517,185</u>

Sewer services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Sandy Lake	\$ 95,551	\$ 5,172	\$ 3,878	\$ 96,845
Newdale	27,264		2,084	25,180
	<u>\$ 122,815</u>	<u>\$ 5,172</u>	<u>\$ 5,962</u>	<u>\$ 122,025</u>

20. 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. The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2019	2018
Financial Position		
Financial assets	\$ 1,761	\$ 2,938
Liabilities	5,105	4,684
Net financial assets	<u>(3,344)</u>	<u>(1,746)</u>
Non-financial assets		
Accumulated deficit	<u>\$ (3,344)</u>	<u>\$ (1,746)</u>
Result of Operations		
Revenues	\$ 11,887	\$ 12,310
Expenses	17,985	16,920
Intercompany revenue and expense eliminations	4,500	4,500
Deficit	<u>\$ (1,598)</u>	<u>\$ (110)</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2019

21. PRIOR PERIOD ADJUSTMENT

In the current year, it was identified there was an unrecorded tangible capital asset for the Heron Creek Culvert installation that occurred in 2010. As a result, the prior years' figures have been restated.

The impact of this adjustment was an increase to the 2018 opening tangible capital assets and accumulated surplus balances in the amount of \$86,328 as well as an increase to amortization expense in the amount of \$2,616. The net effect of the adjustment was an increase to the 2018 ending accumulated surplus and 2019 opening accumulated surplus in the amount of \$83,712.

22. SUBSEQUENT EVENTS

Subsequent to year end, the COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the municipality has not suffered any significant disruptions. However, certain processes and procedures were improvised to help reduce the spread of the virus such as board meetings held virtually and Municipal offices closed to the public. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of the disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

On December 1, 2020, the Municipality finalized the sale of the former Westoba Credit Union Ltd. building located at 110 Wapiti Drive, Onanole, Manitoba with sale proceeds of \$249,054. The net book value of the land is \$11,761 and the building is \$229,821 which are included as capital assets at December 31, 2019.

MUNICIPALITY OF HARRISON PARK
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2019

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2019	2018
Cost										
Opening costs	\$ 893,855	972,835	3,364,548	60,485	51,338	12,593,904	8,661,593	96,836	\$ 26,598,558	\$ 25,665,531
Additions during the year	11,347		1,486,718				68,351	96,836	1,663,252	983,247
Disposals and write downs		(17,178)	(945,534)			(75,000)			(1,037,712)	(50,220)
Transfers			51,338		(51,338)					
Closing costs	905,202	955,657	3,957,070	60,485		12,518,904	8,729,944	96,836	27,224,098	26,598,558
Accumulated Amortization										
Opening accum'd amortization	200,149	473,369	1,485,018	57,441		11,040,559	1,049,993		14,306,529	13,854,614
Amortization	17,981	25,735	205,754	3,044		77,760	195,440		524,814	473,395
Disposals and write downs		(13,742)	(399,704)			(75,000)			(488,446)	(21,480)
Closing accum'd amortization	217,230	485,362	1,291,068	60,485		11,043,319	1,245,433		14,342,897	14,306,529
Net Book Value of Tangible Capital Assets	\$ 687,972	470,295	2,666,002			1,475,585	7,484,511	96,836	\$ 12,881,201	\$ 12,292,029

Water and sewer underground networks contributed to the Municipality totals \$5,842,730 and were capitalized at their fair value at the time of their receipt.

The Municipality has 740 km of roads that were capitalized at a nominal value of \$8,588,460.

MUNICIPALITY OF HARRISON PARK
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
 For the year ended December 31, 2019

	2019 Actual	2018 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,537,493	\$ 3,466,883
Taxes added	32,963	74,765
	<u>3,570,456</u>	<u>3,541,648</u>
 Grants in lieu of taxation:		
Federal government	<u>40,391</u>	<u>40,565</u>
 User fees:		
Sales of service	330,093	330,215
Sales of goods	1,183	922
Rentals	4,465	2,090
	<u>335,741</u>	<u>333,227</u>
 Permits, licences and fines:		
Permits	1,424	225
Licences	51	2
	<u>1,475</u>	<u>227</u>
 Investment income:		
Cash and temporary investments	<u>166,410</u>	<u>140,592</u>
 Other revenue:		
Gain on sale of tangible capital assets	5,512	8,640
Penalties and interest	39,350	40,758
Miscellaneous	20,612	9,629
Insurance proceeds		33,333
	<u>65,474</u>	<u>92,360</u>
 Water and sewer		
Municipal utility	<u>555,502</u>	<u>456,976</u>
 Grants - Province of Manitoba:		
Municipal operating grants	200,668	163,107
Other unconditional grants	3,229	
Conditional grants	280,131	243,409
	<u>484,028</u>	<u>406,516</u>
 Sub-total	<u>\$ 5,219,477</u>	<u>\$ 5,012,111</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)
For the year ended December 31, 2019

	2019 Actual	2018 Actual
Sub-total (Carry forward)	\$ 5,219,477	\$ 5,012,111
Grants - other:		
Federal government - gas tax funding	173,988	101,784
Federal government - other		2,300
Other municipal governments	9,000	8,999
	<u>182,988</u>	<u>113,083</u>
Total revenue	<u>\$ 5,402,465</u>	<u>\$ 5,125,194</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
 For the year ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 101,619	\$ 111,477
General administrative	759,628	755,563
Other	24,339	59,665
	<u>885,586</u>	<u>926,705</u>
Protective services:		
Fire	229,202	200,590
Emergency measures	13,075	11,168
Other protection	75,005	41,436
Loss on disposal of tangible capital assets	4,781	
	<u>322,063</u>	<u>253,194</u>
Transportation services:		
Road transport	452,723	474,841
Administration and engineering	1,293,511	1,322,208
Road and street maintenance		1,067
Bridge maintenance	35,310	46,483
Street lighting	16,245	33,010
Other	24,020	13,729
Loss on disposal of tangible capital assets		
	<u>1,821,809</u>	<u>1,891,338</u>
Environmental health services:		
Waste collection and disposal	308,845	293,376
Recycling	39,125	36,980
Loss on disposal of tangible capital assets	3,436	
	<u>351,406</u>	<u>330,356</u>
Public health and welfare services:		
Public health	2,403	1,575
Medical care	5,000	76,309
Social assistance	11,893	11,893
	<u>19,296</u>	<u>89,777</u>
Regional planning and development:		
Planning and zoning	94,463	89,374
Urban renewal	2,898	2,835
Beautification and land rehabilitation	4,111	4,341
Other	252	922
	<u>101,724</u>	<u>97,472</u>
Sub-total	<u>\$ 3,501,884</u>	<u>\$ 3,588,842</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)
 For the year ended December 31, 2019

	2019 Actual	2018 Actual
Sub-total (Carry forward)	\$ 3,501,884	\$ 3,588,842
Resource conservation and industrial development:		
Rural area weed control	934	118
Veterinary services	4,322	4,291
Water resources and conservation	22,638	22,053
Tourism	810	810
Other	35,240	8,009
	<u>63,944</u>	<u>35,281</u>
Recreation and cultural services:		
Administration	19,426	20,535
Swimming pools and beaches	11,751	6,926
Parks and playgrounds	9,749	14,355
Museums	22,704	2,051
Other cultural facilities	3,012	547
	<u>66,642</u>	<u>44,414</u>
Water and sewer (Schedule 9)		
Municipal utility	617,275	531,863
Total expenses	<u><u>\$ 4,249,745</u></u>	<u><u>\$ 4,200,400</u></u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 4 - 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	\$ 3,430,250	\$ 3,401,442								
Grants in lieu of taxation	40,391	40,565								
User fees	11,770	38,531	104,944	68,456	61,003	41,511	122,386	134,595		200
Grants - other	173,988	104,084					9,000	8,999		
Permits, licences and fines	1,475	227								
Investment income	166,410	140,592								
Other revenue	65,474	92,360								
Water and sewer										
Prov of MB - unconditional grants	203,897	163,107			277,639	228,217	2,492	3,030		
Prov of MB - conditional grants		12,162								
Total revenue	4,093,655	3,993,070	104,944	68,456	338,642	269,728	133,878	146,624		200
EXPENSES										
Personnel services	508,447	512,636	56,168	45,429	452,917	484,389	156,318	143,875		
Contract services	135,943	134,755	39,920	31,394	408,241	456,030	101,712	105,624	14,296	13,468
Utilities	23,620	23,273	17,303	17,762	14,722	14,362	4,284	3,981		
Maintenance, materials and supplies	98,380	102,764	84,211	81,964	748,043	729,191	79,239	69,664	5,000	76,309
Grants and contributions	81,121	63,499	119,680	76,645	173,866	192,626	6,219	7,085		
Amortization	18,193	32,791				1,011				
Interest on long term debt					24,020	13,729	3,634	127		
Other	19,882	56,987	4,781							
Total expenses	885,586	926,705	322,063	253,194	1,821,809	1,891,338	351,406	330,356	19,296	89,777
Surplus (Deficit)	\$ 3,208,069	\$ 3,066,365	(217,119)	(184,738)	(1,483,167)	(1,621,610)	(217,528)	(183,732)	(19,296)	(89,577)

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

MUNICIPALITY OF HARRISON PARK
SCHEDULE 4 - 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							140,206	140,206	\$ 3,570,456	\$ 3,541,648
Grants in lieu of taxation									40,391	40,565
User fees	35,633	27,026	5	908		22,000			335,741	333,227
Grants - other									182,988	113,083
Permits, licences and fines									1,475	227
Investment income									166,410	140,592
Other revenue									65,474	92,360
Water and sewer							555,502	456,976	555,502	456,976
Prov of MB - unconditional grants									203,897	163,107
Prov of MB - conditional grants									280,131	243,409
Total revenue	35,633	27,026	5	908		22,000	695,708	597,182	5,402,465	5,125,194
EXPENSES										
Personnel services	69,089	68,693					40,755	40,208	1,283,694	1,295,230
Contract services	21,694	21,851	5,256	4,409	6,966	2,706	43,860	28,613	777,888	798,850
Utilities									59,929	59,378
Maintenance, materials and supplies	10,941	6,928	9,707	7,040	9,749	14,354	166,945	169,667	1,207,215	1,181,572
Grants and contributions			23,448	22,862	38,511	19,550	195,440	156,444	148,080	182,220
Amortization					11,416	7,804			524,814	473,395
Interest on long term debt							55,176	58,510	55,176	59,521
Other			25,533	970			115,099	78,421	192,949	150,234
Total expenses	101,724	97,472	63,944	35,281	66,642	44,414	617,275	531,863	4,249,745	4,200,400
Surplus (Deficit)	(66,091)	(70,446)	(63,939)	(34,373)	(66,642)	(22,414)	78,433	65,319	\$ 1,152,720	\$ 924,794



MUNICIPALITY OF HARRISON PARK
SCHEDULE 5 - 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	\$ 3,570,456	\$ 3,541,648					\$ 3,570,456	\$ 3,541,648
Grants in lieu of taxation	40,391	40,565					40,391	40,565
User fees	335,346	332,946			395	281	335,741	333,227
Grants - other	173,988	104,084			9,000	8,999	182,988	113,083
Permits, licences and fines	1,475	227					1,475	227
Investment income	166,410	140,592					166,410	140,592
Other revenue	65,474	92,360					65,474	92,360
Water and sewer	555,502	456,976					555,502	456,976
Prov of MB - unconditional grants	203,897	163,107					203,897	163,107
Prov of MB - conditional grants	277,639	240,379			2,492	3,030	280,131	243,409
Total revenue	5,390,578	5,112,884			11,887	12,310	5,402,465	5,125,194
EXPENSES								
Personnel services	1,270,595	1,282,253			13,099	12,977	1,283,694	1,295,230
Contract services	774,738	796,782			3,150	2,068	777,888	798,850
Utilities	58,724	58,362			1,205	1,016	59,929	59,378
Maintenance, materials and supplies	1,206,882	1,180,840			333	732	1,207,215	1,181,572
Grants and contributions	148,080	182,220					148,080	182,220
Amortization	524,814	473,395					524,814	473,395
Interest on long term debt	55,176	59,521					55,176	59,521
Other	192,751	150,107			198	127	192,949	150,234
Total expenses	4,231,760	4,183,480			17,985	16,920	4,249,745	4,200,400
Surplus (Deficit)	\$ 1,158,818	\$ 929,404			(6,098)	(4,610)	\$ 1,152,720	\$ 924,794



MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2019

	2019						
	South Shore Replacement Reserve	Newdale Utility Reserve	Sandy Lake Utility Reserve	Village of Newdale Reserve	Village of Sandy Lake Reserve	Health Facility Reserve	Sub Total
REVENUE							
Investment income	\$ 1,349	622	4,117	2,552	4,338	1,802	\$ 14,780
Other income							
Total revenue	<u>1,349</u>	<u>622</u>	<u>4,117</u>	<u>2,552</u>	<u>4,338</u>	<u>1,802</u>	<u>14,780</u>
EXPENSES							
Investment charges							
Other expenses							
Total expenses							
NET REVENUES	<u>1,349</u>	<u>622</u>	<u>4,117</u>	<u>2,552</u>	<u>4,338</u>	<u>1,802</u>	<u>14,780</u>
TRANSFERS							
Debt repayment				12,000	67,000		79,000
Transfers from operating fund							
Transfers to operating fund		10,000	30,000				40,000
Transfers from utility fund			(75,000)				(75,000)
Transfers to utility fund							
Acquisition of tangible capital assets							
CHANGE IN RESERVE FUND BALANCES	<u>1,349</u>	<u>10,622</u>	<u>(40,883)</u>	<u>14,552</u>	<u>71,338</u>	<u>1,802</u>	<u>58,780</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>11,046</u>	<u>21,593</u>	<u>153,489</u>	<u>87,814</u>	<u>160,854</u>	<u>63,479</u>	<u>498,275</u>
FUND SURPLUS, END OF YEAR	<u>\$ 12,395</u>	<u>32,215</u>	<u>112,606</u>	<u>102,366</u>	<u>232,192</u>	<u>65,281</u>	<u>\$ 557,055</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2019

	2019			Sub Total
	Street Paving Reserve	Gas Tax Reserve	Onanole Water & Sewer Reserve	
REVENUE				
Investment income				
Other income	2,316	10,317	9,435	22,068
Total revenue	<u>2,316</u>	<u>10,317</u>	<u>9,435</u>	<u>22,068</u>
EXPENSES				
Investment charges				
Other expenses				
Total expenses				
NET REVENUES	2,316	10,317	9,435	22,068
TRANSFERS				
Debt repayment				
Transfers from operating fund				
Transfers to operating fund	100,000	173,988		273,988
Transfers from utility fund				
Transfers to utility fund				
Acquisition of tangible capital assets				
CHANGE IN RESERVE FUND BALANCES	102,316	184,305	9,435	296,056
FUND SURPLUS, BEGINNING OF YEAR	85,737	364,129	58,288	508,154
FUND SURPLUS, END OF YEAR	<u>188,053</u>	<u>548,434</u>	<u>67,723</u>	<u>804,210</u>



MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2019

	2019							Sub Total
	Park Southwest Reserve	Park Southeast Reserve	Waste Disposal Reserve	Public Works Shop Reserve	Bridge Reserve	Recreation Reserve	Administration Reserve Surplus	
REVENUE								
Investment income	72	124	2,068	7,190	5,830	82	6,563	\$ 21,929
Other income								
Total revenue	<u>72</u>	<u>124</u>	<u>2,068</u>	<u>7,190</u>	<u>5,830</u>	<u>82</u>	<u>6,563</u>	<u>21,929</u>
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	72	124	2,068	7,190	5,830	82	6,563	21,929
TRANSFERS								
Debt repayment								
Transfers from operating fund				20,000	30,000		112,000	162,000
Transfers to operating fund								
Transfers from utility fund								
Transfers to utility fund							(41,164)	(41,164)
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	72	124	2,068	27,190	35,830	82	77,399	142,765
FUND SURPLUS, BEGINNING OF YEAR	<u>2,723</u>	<u>4,688</u>	<u>52,257</u>	<u>271,336</u>	<u>213,409</u>	<u>3,102</u>	<u>226,828</u>	<u>774,343</u>
FUND SURPLUS, END OF YEAR	<u>\$ 2,795</u>	<u>4,812</u>	<u>54,325</u>	<u>298,526</u>	<u>249,239</u>	<u>3,184</u>	<u>304,227</u>	<u>\$ 917,108</u>



MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2019

	2019					2018	
	General Reserve	Machinery Reserve	Capital Reserve	Fire Reserve	Veterinary Reserve	Park North General Reserve	Total
REVENUE							
Investment income	\$ 12,087	15,165	1,732	8,401	158	131	\$ 96,451
Other income							
Total revenue	<u>12,087</u>	<u>15,165</u>	<u>1,732</u>	<u>8,401</u>	<u>158</u>	<u>131</u>	<u>96,451</u>
EXPENSES							
Investment charges							
Other expenses							
Total expenses							
NET REVENUES	<u>12,087</u>	<u>15,165</u>	<u>1,732</u>	<u>8,401</u>	<u>158</u>	<u>131</u>	<u>96,451</u>
TRANSFERS							
Debt repayment							1,016,782
Transfers from operating fund	34,000	172,750		110,000			(22,168)
Transfers to operating fund	(13)						40,000
Transfers from utility fund							(75,000)
Transfers to utility fund							(183)
Acquisition of tangible capital assets	<u>(27,096)</u>	<u>(592,823)</u>		<u>(258,535)</u>			<u>(724,771)</u>
CHANGE IN RESERVE FUND BALANCES	<u>18,978</u>	<u>(404,908)</u>	<u>1,732</u>	<u>(140,134)</u>	<u>158</u>	<u>131</u>	<u>(26,442)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>464,657</u>	<u>548,293</u>	<u>65,363</u>	<u>250,600</u>	<u>5,960</u>	<u>4,952</u>	<u>3,120,597</u>
FUND SURPLUS, END OF YEAR	<u>\$ 483,635</u>	<u>143,385</u>	<u>67,095</u>	<u>110,466</u>	<u>6,118</u>	<u>5,083</u>	<u>\$ 3,094,155</u>
							<u>\$ 3,120,597</u>



MUNICIPALITY OF HARRISON PARK
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Sandy Lake
 For the year ended December 31, 2019

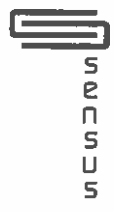
	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Taxation	\$ 195,725	\$ 195,725	\$ 218,345
Other revenue	9,432	7,200	14,887
Total revenue	<u>205,157</u>	<u>202,925</u>	233,232
EXPENSES			
General government			
Indemnities	6,757	5,860	6,667
Other		4,592	4,230
Transportation services			
Road and street maintenance	106,006	88,671	75,239
Sidewalk and boulevard maintenance	5,000		
Street lighting	13,500	7,018	14,215
Environmental health			
Waste collection and disposal	7,262	8,938	8,556
Recycling	7,262	8,938	8,681
Other	4,655		
Regional planning and development			
Urban area weed control	200		
Resource conservation and industrial development			
Recreation and cultural services			
Swimming pools and beaches	6,629	4,785	4,220
Parks and playgrounds	2,250	9,475	11,332
Total expenses	<u>159,521</u>	<u>138,277</u>	133,140
NET REVENUES	45,636	64,648	100,092
TRANSFERS			
Transfers to reserves	(67,000)	(67,000)	(38,000)
Transfer to capital		(37,850)	(41,679)
CHANGES IN L.U.D. BALANCES	<u>\$ (21,364)</u>	<u>(40,202)</u>	20,413
UNEXPENDED BALANCE, BEGINNING OF YEAR		<u>68,375</u>	47,962
UNEXPENDED BALANCE, END OF YEAR		<u>\$ 28,173</u>	<u>\$ 68,375</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Newdale
 For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Taxation	\$ 37,456	\$ 37,456	\$ 38,580
Other revenue	14,500	11,662	12,058
Total revenue	<u>51,956</u>	<u>49,118</u>	<u>50,638</u>
EXPENSES			
General government			
Indemnities	5,850	5,400	4,130
Other		1,999	1,838
Transportation services			
Road and street maintenance	30,830	20,087	18,434
Street lighting	3,589	3,021	3,629
Environmental health			
Other	960	880	800
Regional planning and development			
Urban area weed control	500		
Other	200		
Recreation and cultural services			
Parks and playgrounds	2,040	274	3,023
Total expenses	<u>43,969</u>	<u>31,661</u>	<u>31,854</u>
NET REVENUES	7,987	17,457	18,784
TRANSFERS			
Transfers to L.U.D. reserves	(12,000)	(12,000)	(14,000)
CHANGES IN L.U.D. BALANCES	<u>\$ (4,013)</u>	5,457	4,784
UNEXPENDED BALANCE, BEGINNING OF YEAR		<u>25,039</u>	20,255
UNEXPENDED BALANCE, END OF YEAR		<u>\$ 30,496</u>	<u>\$ 25,039</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 8 - SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2019

	2019			2018	
	Onanole	Newdale	Sandy Lake	Total	Total
FINANCIAL ASSETS					
Amounts receivable (Note 4)	\$ 49,794	\$ 13,941	\$ 66,504	\$ 130,239	\$ 116,143
Due from other funds	49,794	24,093	341,612	365,705	218,874
		38,034	408,116	495,944	335,017
LIABILITIES					
Accounts payable and accrued liabilities (Note 6)	68,351			68,351	89,715
Long-term debt (Note 8)	1,244,868		38,391	1,283,259	1,368,288
Due to other funds	123,633			123,633	
	1,436,852		38,391	1,475,243	1,458,003
	(1,387,058)	38,034	369,725	(979,299)	(1,122,986)
NET FINANCIAL ASSETS (NET DEBT)					
	6,751,322	50,498	779,527	7,581,347	7,611,600
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	5,364,264	88,532	1,149,252	6,602,048	6,488,614
FUND SURPLUS					
COMMITMENTS (Note 11)					



MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Onanole
For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 125,000	\$ 81,286	\$ 71,714
Bulk water fees		1,491	
Sub-Total - Water	125,000	82,777	71,714
Sewer			
Sewer fees	70,000	62,897	54,078
Lagoon tipping fees		29,270	
Sub-Total - Sewer	70,000	92,167	54,078
Property taxes	249,064	132,490	132,490
Government transfers		16,653	
Other			
Hydrant rentals	1,650	1,650	1,650
Connection charges		84,975	79,261
Penalties	200	55	324
Other income	1,000		
Sub-Total - Other	2,850	86,680	81,235
Total revenue	\$ 446,914	\$ 410,767	\$ 339,517

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Onanole (continued)
 For the year ended December 31, 2019

	Budget	2019	2018
EXPENSES			
General			
Administration	\$ 25,000	\$ 29,752	\$ 22,011
Water General			
Water purchases	77,000	132,914	110,815
Water Amortization and Interest			
Amortization		152,062	113,066
Interest on long term debt		52,721	55,775
Sub-Total - Water Amortization & Interest		204,783	168,841
Sewer General			
Treatment and disposal cost	61,620	36,548	27,773
Lift station costs	2,500	11,963	4,336
Sub-Total - Sewer General	64,120	48,511	32,109
Total expenses	166,120	415,960	333,776
NET REVENUES (DEFICIT)	\$ 280,794	(5,193)	5,741
TRANSFERS			
CHANGE IN UTILITY FUND BALANCE		(5,193)	5,741
FUND SURPLUS, BEGINNING OF YEAR		5,369,457	5,363,716
FUND SURPLUS, END OF YEAR		\$ 5,364,264	\$ 5,369,457

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Newdale
 For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Sewer			
Sewer fees	\$ 31,789	\$ 33,350	\$ 31,441
Total revenue	<u>31,789</u>	<u>33,350</u>	<u>31,441</u>
EXPENSES			
Sewer General			
Collection system costs	<u>16,000</u>	<u>17,749</u>	<u>22,250</u>
Sewer Amortization & Interest			
Amortization		<u>4,677</u>	<u>4,677</u>
Total expenses	<u>16,000</u>	<u>22,426</u>	<u>26,927</u>
NET OPERATING SURPLUS	<u>\$ 15,789</u>	<u>10,924</u>	<u>4,514</u>
TRANSFERS			
Transfers from (to) reserve funds		<u>(10,000)</u>	<u>183</u>
CHANGE IN UTILITY FUND BALANCE		<u>924</u>	<u>4,697</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>87,608</u>	<u>82,911</u>
FUND SURPLUS, END OF YEAR	<u>\$ 88,532</u>	<u>\$ 87,608</u>	

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Sandy Lake
 For the year ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 210,000	\$ 178,197	\$ 167,010
Bulk water fees	10,000	11,509	9,406
Sub-Total - Water	<u>220,000</u>	<u>189,706</u>	<u>176,416</u>
Sewer			
Sewer fees	<u>31,789</u>	<u>37,874</u>	<u>36,487</u>
Property taxes	<u>127,715</u>	<u>7,716</u>	<u>7,716</u>
Government transfers		<u>10,345</u>	
Government transfers - capital			
Other			
Hydrant rentals	3,500	3,500	3,500
Penalties	500	501	534
Other income	<u>1,550</u>	<u>1,950</u>	<u>1,570</u>
Sub-Total - Other	<u>5,550</u>	<u>5,951</u>	<u>5,604</u>
Total revenue	<u>\$ 385,054</u>	<u>\$ 251,592</u>	<u>\$ 226,223</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Sandy Lake (continued)
 For the year ended December 31, 2019

	Budget	2019	2018
EXPENSES			
General			
Administration	\$ 60,000	\$ 40,755	\$ 40,208
Water General			
Purification and treatment	65,000	70,583	78,622
Water Amortization & Interest			
Amortization		23,862	23,862
Sewer General			
Lift station costs	59,000	26,395	10,893
Sewer Amortization & Interest			
Amortization		14,839	14,839
Interest on long term debt		2,455	2,736
Sub-Total - Sewer Amortization & Interest		17,294	17,575
Total expenses	184,000	178,889	171,160
NET OPERATING SURPLUS	\$ 201,054	72,703	55,063
TRANSFERS			
Transfers from reserve funds		45,000	
CHANGE IN UTILITY FUND BALANCE		117,703	55,063
FUND SURPLUS, BEGINNING OF YEAR		1,031,549	976,486
FUND SURPLUS, END OF YEAR	\$ 1,149,252	\$ 1,031,549	

MUNICIPALITY OF HARRISON PARK
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2019

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 3,199,389	376,779					\$ 3,576,168
Grants in lieu of taxation	40,391						40,391
User fees	307,405					395	307,800
Grants - Province of Manitoba	413,125					2,492	415,617
Grants - other	448,156					9,000	457,156
Permits, licences and fines	500						500
Investment income	60,000						60,000
Other revenue	64,900						64,900
Water and sewer		486,978			(213,378)		
Transfers from accumulated surplus	108,378	105,000			(52,500)		
Transfers from reserves	52,500				(265,878)	11,887	
Total revenue	<u>4,694,744</u>	<u>968,757</u>					<u>5,409,510</u>
EXPENSES							
General government services	844,613		18,193				862,806
Protective services	191,853		119,680				311,533
Transportation services	2,096,108		173,866	1,011			2,270,985
Environmental health services	336,819		6,219			13,485	356,523
Public health and welfare services	25,768						25,768
Regional planning and development	129,655						129,655
Resource cons and industrial dev	99,145						99,145
Recreation and cultural services	121,148		11,416				132,564
Water and sewer services		366,120	195,440	55,176			616,736
Fiscal services:							
Transfer to capital	15,000	341,574	(356,574)	(142,489)			
Debt charges	2,284	140,205					
Short term interest		70,000			(902,332)		
Transfer to reserves							
Allowance for tax assets							
Total expenses	<u>4,694,725</u>	<u>917,899</u>	<u>168,240</u>	<u>(86,302)</u>	<u>(902,332)</u>	<u>13,485</u>	<u>4,805,715</u>
Surplus (Deficit)	\$ 19	<u>50,858</u>	<u>(168,240)</u>	<u>86,302</u>	<u>636,454</u>	<u>(1,598)</u>	\$ <u>603,795</u>



MUNICIPALITY OF HARRISON PARK
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
 For the year ended December 31, 2019

	2019	2018
Balance, beginning of year	\$ 528,456	\$ 500,149
Add:		
Tax levy (Schedule 12)	6,229,991	6,081,247
Taxes added	32,963	74,765
Penalties or interest	39,350	40,758
Other accounts added	29,433	
Sub-total	6,331,737	6,196,770
Deduct:		
Cash collections - current	5,526,650	5,277,965
Cash collections - arrears	415,719	423,527
Writeoffs	8,758	5,604
Title value of tax titles acquired	3,837	21,741
E.P.T.C. - cash advance	393,140	439,626
Sub-total	6,348,104	6,168,463
Balance, end of year	\$ 512,089	\$ 528,456

MUNICIPALITY OF HARRISON PARK
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 Newdale	2,509,880	14.919	\$ 37,445	\$ 38,569
L.U.D of Sandy Lake	19,320,910	9.967	<u>192,572</u>	<u>214,769</u>
Sub-Total - L.U.D			<u>230,017</u>	<u>253,338</u>
Debt charges:				
L.I.D.	17,165,480	0.397	7,580	7,589
Other (Bylaw 1238 and 1340)			<u>134,774</u>	<u>134,774</u>
Sub-Total - Debt charges			<u>142,354</u>	<u>142,363</u>
General Municipal - At Large	228,081,840	10.780	<u>2,458,722</u>	<u>2,039,823</u>
Special levies:				
Plan 812 Waste Disposal			2,871	2,872
Ag & Com. District of Newdale	12,071,690	0.650	7,999	7,946
Ward 1	50,457,410	8.693	438,626	518,961
Ward 2	155,793,640	1.649	<u>256,904</u>	<u>501,580</u>
Sub-Total - Special levies			<u>706,400</u>	<u>1,031,359</u>
Total municipal taxes (Schedule 2)			<u>3,537,493</u>	<u>3,466,883</u>
Education support levy	11,772,520	9.770	<u>115,017</u>	<u>113,370</u>
Special levy:				
Park West	26,548,100	10.509	278,994	272,721
Rolling River	199,798,910	11.504	<u>2,298,487</u>	<u>2,228,273</u>
Sub-Total - Special levies			<u>2,577,481</u>	<u>2,500,994</u>
Total education taxes			<u>2,692,498</u>	<u>2,614,364</u>
Total tax levy (Schedule 11)			<u>\$ 6,229,991</u>	<u>\$ 6,081,247</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the year ended December 31, 2019

	2019	2018
General government services:		
Legislative	\$ 101,619	\$ 111,477
General administrative	759,628	755,563
Other	24,339	59,665
	885,586	926,705
Protective services:		
Fire	229,202	200,590
Emergency measures	13,075	11,168
Other	75,005	41,436
Loss on disposal of tangible capital assets	4,781	
	322,063	253,194
Transportation services:		
Road transport		
Administration and engineering	452,723	474,841
Road and street maintenance	1,293,511	1,322,208
Bridge maintenance		1,067
Street lighting	35,310	46,483
Other	16,245	33,010
Loss on disposal of tangible capital assets	24,020	13,729
	1,821,809	1,891,338
Environmental health services:		
Waste collection and disposal	308,845	293,376
Recycling	25,640	24,560
Loss on disposal of tangible capital assets	3,436	
	337,921	317,936
Public health and welfare services:		
Public health	2,403	1,575
Medical care	5,000	76,309
Social assistance	11,893	11,893
	19,296	89,777
Regional planning and development:		
Planning and zoning	94,463	89,374
Urban renewal	2,898	2,835
Beautification and land rehabilitation	4,111	4,341
Other	252	922
	101,724	97,472
Sub-total	\$ 3,488,399	\$ 3,576,422

MUNICIPALITY OF HARRISON PARK
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES (continued)
 For the year ended December 31, 2019

	2019	2018
Sub-total (carry forward)	\$ 3,488,399	\$ 3,576,422
Resource conservation and industrial development:		
Rural area weed control	934	118
Veterinary services	4,322	4,291
Water resources and conservation	22,638	22,053
Tourism	810	810
Other	35,240	8,009
	63,944	35,281
Recreation and cultural services:		
Administration	19,426	20,535
Swimming pools and beaches	11,751	6,926
Parks and playgrounds	9,749	14,355
Museums	22,704	2,051
Other cultural facilities	3,012	547
	66,642	44,414
Total expenses	\$ 3,618,985	\$ 3,656,117

MUNICIPALITY OF HARRISON PARK
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS
For the year ended December 31, 2019

	2019		2018	
	General	Utility	Total	Total
MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT				
	\$ 448,797	\$ 58,658	\$ 507,455	\$ 452,022
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	831,738	40,000	871,738	1,016,782
Eliminate revenue - transfers from reserves	(919,631)	(75,000)	(994,631)	(747,122)
Increase revenue - reserve funds interest	96,451		96,451	32,497
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	(1,598)		(1,598)	(110)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	82,105		82,105	118,876
Eliminate revenue - transfer from nominal surplus	(83,000)		(83,000)	(510,959)
Increase expense - amortization of tangible capital assets	(329,374)	(195,440)	(524,814)	(473,395)
Decrease expense - principal portion of debenture debt		85,029	85,029	81,696
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(26,725)		(26,725)	(5,089)
Eliminate revenue - proceeds on sale of tangible capital assets	(522,542)		(522,542)	(23,651)
Eliminate expense - acquisitions of tangible capital assets	1,498,065	165,187	1,663,252	983,247
NET SURPLUS PER STATEMENT OF OPERATIONS				
	\$ 1,074,286	\$ 78,434	\$ 1,152,720	\$ 924,794

