

Town of Arborg

**Consolidated Financial Statements
Year ended December 31, 2021**

STATEMENT OF RESPONSIBILITY

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

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

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

Chambers Fraser as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor 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.

Arborg, Manitoba



Cindy Stansell
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Reeve and members of Council of the

Town of Arborg

Opinion

We have audited the accompanying consolidated financial statements of the Town of Arborg, which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2021, and its results of 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 Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 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 financial statements that are free from material misstatements, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 organization'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 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Winnipeg, Canada
June 14, 2023

Chambers Fraser
Chartered Professional Accountants

Town of Arborg

Consolidated Financial Statements

Year ended December 31, 2021

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Town of Arborg
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 2,450,605	\$ 2,195,318
Amounts receivable (Note 4)	432,929	485,769
Inventories for sale (Note 5)	<u>119,583</u>	<u>119,583</u>
	<u>\$ 3,003,117</u>	<u>\$ 2,800,669</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 564,929	\$ 342,371
Deferred revenue (Note 7)	497,634	262,551
Landfill closure and post closure liabilities (Note 8)	29,025	24,364
Long-term debt (Note 9)	1,016,135	1,104,690
Obligations under capital lease (Note 10)	<u>31,571</u>	<u>47,483</u>
	<u>2,139,294</u>	<u>1,781,459</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 863,823</u>	<u>\$ 1,019,211</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 8,668,456	\$ 8,529,881
Prepaid expenses	<u>52,372</u>	<u>55,123</u>
	<u>8,720,828</u>	<u>8,585,004</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 9,584,651</u>	<u>\$ 9,604,215</u>

Approved on behalf of Council:



Peter Dueck - Mayor



Ron Johnston - Deputy Mayor

Town of Arborg
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2021

	<u>2021 Budget (Note 13)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
REVENUE			
Property taxes	\$ 1,082,431	\$ 1,083,103	\$ 1,062,700
Grants in lieu of taxation	81,704	81,704	79,195
User fees	329,093	325,717	219,332
Permits, licences and fines	6,150	6,079	8,829
Investment income	10,000	7,194	13,039
Other revenue	44,627	58,030	148,134
Water and sewer	493,675	506,217	539,552
Grants - Province of Manitoba	374,776	342,773	406,739
Grants - other	372,767	71,754	125,006
	<u>2,795,223</u>	<u>2,482,571</u>	<u>2,602,526</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	310,109	277,225	266,697
Protective services	330,921	290,928	301,688
Transportation services	435,811	390,325	395,045
Environmental health services	173,475	301,846	168,690
Public health and welfare services	49,720	45,210	49,716
Regional planning and development	18,520	17,197	15,871
Resource conservation and industrial development	44,585	39,133	53,553
Recreation and cultural services	623,649	579,577	511,583
Water and sewer services	641,152	560,694	536,487
	<u>2,627,942</u>	<u>2,502,135</u>	<u>2,299,330</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ 167,281</u>	(19,564)	303,196
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>9,604,215</u>	<u>9,301,019</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 9,584,651</u>	<u>\$ 9,604,215</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2021

	<u>2021 Budget (Note 13)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
ANNUAL SURPLUS	\$ 167,281	\$ (19,564)	\$ 303,196
Acquisition of tangible capital assets	(1,427,329)	(734,015)	(269,140)
Amortization of tangible capital assets	585,814	585,814	578,044
Loss (Gain) on sale of tangible capital assets		-	(10,499)
Proceeds on sale of tangible capital assets		-	14,999
Write down of capital assets		9,625	-
Decrease (increase) in inventories		-	-
Decrease (increase) in prepaid expense		2,752	(26,740)
	<u>(841,515)</u>	<u>(135,824)</u>	<u>286,664</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (674,234)</u>	(155,388)	589,860
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,019,211</u>	<u>429,351</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 863,823</u>	<u>\$ 1,019,211</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ (19,564)	\$ 303,196
Changes in non-cash items:		
Amounts receivable	52,839	38,433
Inventories	-	-
Prepays	2,751	(26,740)
Accounts payable and accrued liabilities	222,558	(181,368)
Deferred revenue	235,084	20,670
Landfill closure and post closure liabilities	4,661	8,352
Write down of capital assets	9,625	-
Loss (Gain) on sale of tangible capital asset	-	(10,499)
Amortization	585,814	578,044
Cash provided by operating transactions	<u>1,093,767</u>	<u>730,088</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	14,999
Cash used to acquire tangible capital assets	<u>(734,015)</u>	<u>(269,140)</u>
FINANCING TRANSACTIONS		
Debt repayment	(88,555)	(132,639)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	<u>(15,912)</u>	<u>(15,052)</u>
Cash applied to financing transactions	<u>(104,467)</u>	<u>(147,691)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	255,286	328,256
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>2,195,318</u>	<u>1,867,062</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 2,450,604</u>	<u>\$ 2,195,318</u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	<u>\$ 2,450,605</u>	<u>\$ 2,195,318</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

1. Status of the Town of Arborg

The incorporated Town of Arborg is a municipal government that was first created as a Village in 1964 pursuant to the Manitoba Municipal Act. The Municipality continued as a Town as of October 25, 1997. The Town provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The Municipality owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in environmental health, recreation and cultural services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality.

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:

Arborg Bifrost Parks & Recreation Commission (consolidated 50%) (2020 – consolidated 50%)
BAR Waste Authority Co-op Inc. (consolidated 38%) (2020 – consolidated 38%)
Evergreen Public Library (consolidated 10%) (2020 – consolidated 10%)

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

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) 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.

f) 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.

g) 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 per acceptance by Town. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize interest charges as part of the cost of its tangible capital assets.

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

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 40 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 years
Road grade	40 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 to 40 years
Underground networks	40 to 50 years
Machinery and equipment	5 to 10 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.

h) 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.

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

i) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Certain government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the acquisition of tangible capital assets. In addition, certain user charges and fees are collected for which the related service have yet to be performed. Revenue is recognized in the fiscal year when the related costs are incurred, services performed or the tangible capital assets are acquired.

In accordance with PSAB guidelines, government transfers, as well as revenue from contributed assets, are required to be recognized as revenue in the consolidated financial statements in the fiscal year in which the tangible capital assets are acquired.

j) 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.

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,450,605	\$ 2,195,318
Temporary Investments	-	-
	<u>\$ 2,450,605</u>	<u>\$ 2,195,318</u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.

Designated Reserve Funds	<u>\$ 2,371,862</u>	<u>\$ 2,157,416</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 95,159	\$ 136,151
Government grants	19,591	21,779
Utility customers	91,486	90,845
Organizations and individuals	111,457	107,447
Other governments	123,675	137,279
	<u>441,368</u>	<u>493,501</u>
Less allowances for doubtful amounts	<u>(8,439)</u>	<u>(7,732)</u>
	<u>\$ 432,929</u>	<u>\$ 485,769</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

5. Inventories

Inventories for sale:

	<u>2021</u>	<u>2020</u>
Land	<u>\$ 119,583</u>	<u>\$ 119,583</u>
	<u>\$ 119,583</u>	<u>\$ 119,583</u>

6. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 357,296	\$ 184,261
Accrued expenses	52,321	50,999
School levies	45,836	31,464
Other governments	109,476	75,647
	<u>\$ 564,929</u>	<u>\$ 342,371</u>

7. Deferred Revenue:

	<u>2021</u>	<u>2020</u>
Federal Gas Tax Funding	\$ 299,350	\$ 201,682
Handi-Transit Vehicle Replacement Funding	18,588	18,528
	<u>317,938</u>	<u>220,210</u>
Other	179,696	42,341
	<u>\$ 497,634</u>	<u>\$ 262,551</u>

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 2 landfill site through the government partnership, BAR Waste Authority Co-op Inc. 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.

For the year ended December 31,2021, a discount rate of 3.4% (2020 - .7%) was applied to future cash outflows related to the closure and post-closure costs to calculate the liability.

	<u>2021</u>	<u>2020</u>
Total landfill closure and post closure liabilities	<u>\$ 29,025</u>	<u>\$ 24,364</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

9. Long Term Debt

	<u>2021</u>	<u>2020</u>
General Authority:		
Debenture for Bar Waste and Recreation Commission debt, at 1.59%, \$44,125 annually including interest, maturing July, 2026	\$ 210,477	\$ -
Debenture for paving, at 3.75%, \$72,733 annually including interest, maturing December, 2030	547,011	597,345
	<u>\$ 757,488</u>	<u>\$ 597,345</u>
Utility Funds:		
Debenture for water and sewer, at 2.75%, \$7,501 annually including interest, maturing December, 2021	\$ -	\$ 7,300
Debenture for water and sewer, at 3.75%, \$34,391 annually including interest, maturing December, 2030	258,647	282,446
	<u>\$ 258,647</u>	<u>\$ 289,746</u>
Debenture long term debt	\$ 1,016,135	\$ 887,091
The debentures of the Municipality have been issued with terms ranging from 5 to 20 years to maturity.		
For proportionate consolidated government partnerships:		
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at prime per annum, repayable in monthly blended payments of \$2,355, secured by general security agreement and letter of comfort from the Town of Arborg and the Rural Municipality of Bifrost-Riverton, maturing September 2034	-	148,018
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at prime per annum, repayable in monthly blended payments of \$16,250, secured by general security agreement and letter of comfort from the Town of Arborg and the Rural Municipality of Bifrost-Riverton, maturing February 2026. No payments were required by the lender during the current year.	-	27,422
Bar Waste Authority Co-op loan bearing interest at prime plus 1% per annum, repayable in annual blended payments of \$20,750, maturing November 2026.	-	42,159
	<u>\$ 1,016,135</u>	<u>\$ 1,104,690</u>

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

2022	\$ 117,992
2023	121,403
2024	124,873
2025	128,650
2026	129,330

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law # 4-2022	Fire truck	\$ 172,500
By-law # 10-2022	Landfill expansion	113,144

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

10. Obligation Under Capital Lease(s)

Future minimum lease payments under the capital lease together with the obligation due under the capital lease are as follows:

	<u>2021</u>	<u>2020</u>
2021	\$ -	\$ 18,156
2022	18,156	18,156
2023	15,123	15,123
Remainder of lease	<u>-</u>	<u>-</u>
Total minimum lease payments	\$ 33,279	\$ 51,435
Less amount representing future interest at 5.6%	<u>(1,708)</u>	<u>(3,952)</u>
Balance of obligation	<u>\$ 31,571</u>	<u>\$ 47,483</u>

Interest expense of **\$ 2,242** included in fire expenses with respect to this obligation.

Assets under capital lease includes fire equipment.

	<u>2021</u>	<u>2020</u>
Cost of leased tangible capital asset(s)	\$ 79,070	\$ 79,070
Accumulated amortization of leased tangible capital asset(s)	<u>(51,167)</u>	<u>(35,005)</u>
	<u>\$ 27,903</u>	<u>\$ 44,065</u>

Amortization expense includes **\$16,162** on leased tangible capital assets.

11. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during 2021 by the municipality on behalf of its employees are expected to be **\$28,644** (2020 - \$21,623) 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, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

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.

13. 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.

14. Accumulated Surplus

	<u>2021</u>	<u>2020</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	(129,247)	195,215
Utility operating fund - Nominal surplus	79,129	75,170
General capital fund - Capital surplus	2,949,751	2,910,998
Utility capital fund - Capital surplus	4,218,238	4,346,777
Reserve funds	<u>2,405,600</u>	<u>2,191,154</u>
	9,523,471	9,719,314
Deferred revenue - Reserves	<u>(317,938)</u>	<u>(220,211)</u>
Accumulated surplus of municipality unconsolidated	9,205,533	9,499,103
Accumulated surplus (deficit) of consolidated entities	<u>379,118</u>	<u>105,112</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 9,584,651</u>	<u>\$ 9,604,215</u>

15. Public Sector Compensation Disclosure

It is a requirement of The Municipal Act that the annual financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the municipality. For the year ended December 31, 2021:

- a) Compensation paid to members of council amounted to \$36,225 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Peter Dueck	\$ 9,248	\$ 1,200	\$ 10,448
Councillor - John Crackle	3,999	700	4,699
Councillor - Ron Johnston	7,191	1,200	8,391
Councillor - Donna Gislason	1,478	200	1,678
Councillor - Ron Rogowsky	7,118	1,370	8,488
Councillor - Rob Thorsteinson	<u>7,191</u>	<u>1,200</u>	<u>8,391</u>
	<u>\$ 36,225</u>	<u>\$ 5,870</u>	<u>\$ 42,095</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2021:

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

Name	Position	Amount
Bruce Swanson	Public Works Foreman	\$ 79,477
Cindy Stansell	Chief Administrative Officer	\$ 75,480

16. Public Utilities Board

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

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

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

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water services	\$ 2,671,735	\$ -	\$ 108,572	\$ 2,563,163
Sewer services	176,073	-	14,697	161,376
	<u>\$ 2,847,808</u>	<u>\$ -</u>	<u>\$ 123,269</u>	<u>\$ 2,724,539</u>

17. Segmented Information

The Town of Arborg provides a wide ranges of services to its residents.

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

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

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

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

18. Government Partnerships

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

	<u>2021</u>	<u>2020</u>
Financial Position		
Financial assets	\$ 70,151	\$ 12,817
Financial liabilities	<u>261,785</u>	<u>315,053</u>
Net financial assets (liabilities)	<u>(191,634)</u>	<u>(302,236)</u>
Non financial assets	<u>570,752</u>	<u>407,348</u>
Accumulated surplus	<u>\$ 379,118</u>	<u>\$ 105,112</u>
Results of operations		
Revenues	\$ 590,855	\$ 233,082
Expenses	<u>316,849</u>	<u>264,448</u>
Consolidated annual (Deficit) surplus	<u>\$ 274,006</u>	<u>\$ (31,366)</u>

Town of Arborg
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2021

SCHEDULE 1

	General Capital Assets				Infrastructure				Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2021	2020
Cost										
Opening costs	3,191,548	2,141,128	1,214,462	16,104	50,215	2,321,143	9,056,787	-	17,991,387	17,767,247
Additions during the year	238,913	86,529	284,261	-	19,102	-	105,210	-	734,015	269,140
Transfer during the year	-	215	50,000	-	(50,215)	-	-	-	-	-
Disposals and adjustments	(27,500)	-	(55,744)	-	-	-	-	-	(83,244)	(45,000)
Closing costs	3,402,961	2,227,872	1,492,979	16,104	19,102	2,321,143	9,161,997	-	18,642,158	17,991,387
Accumulated Amortization										
Opening accum'd amortization	1,427,777	1,469,831	810,948	5,728	-	1,326,959	4,420,263	-	9,461,506	8,923,962
Amortization	96,278	69,406	60,919	3,005	-	91,356	264,850	-	585,814	578,044
Disposals and adjustments	(19,173)	-	(54,445)	-	-	-	-	-	(73,618)	(40,500)
Closing accum'd amortization	1,504,882	1,539,237	817,422	8,733	-	1,418,315	4,685,113	-	9,973,702	9,461,506
Net Book Value of Tangible Capital Assets	1,898,079	688,635	675,557	7,371	19,102	902,828	4,476,884	-	8,668,456	8,529,881

Town of Arborg
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2021

SCHEDULE 2

	<u>2021 Actual</u>	<u>2020 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,081,490	\$ 1,040,493
Taxes added	<u>1,613</u>	<u>22,207</u>
	<u>1,083,103</u>	<u>1,062,700</u>
Grants in lieu of taxation:		
Federal government	1,912	1,962
Federal government enterprises	2,321	2,489
Provincial government	14,891	14,459
Provincial government enterprises	<u>62,580</u>	<u>60,285</u>
	<u>81,704</u>	<u>79,195</u>
User fees		
Sales of service	243,161	161,375
Rentals	<u>82,556</u>	<u>57,957</u>
	<u>325,717</u>	<u>219,332</u>
Permits, licences and fines		
Licences	4,551	4,801
Fines	<u>1,528</u>	<u>4,028</u>
	<u>6,079</u>	<u>8,829</u>
Investment income:		
Cash and temporary investments	<u>7,194</u>	<u>13,039</u>
	<u>7,194</u>	<u>13,039</u>
Other revenue:		
Gain on sale of tangible capital assets	(9,625)	10,499
Contributed assets	-	79,000
Penalties and interest	15,748	20,107
Miscellaneous (specify):		
Donations	-	26,156
Sundry income	<u>51,907</u>	<u>12,372</u>
	<u>58,030</u>	<u>148,134</u>
Water and sewer (Schedule 4)	<u>506,217</u>	<u>539,552</u>
Grants - Province of Manitoba		
General assistance payment	249,260	323,019
Conditional grants	<u>93,513</u>	<u>83,720</u>
	<u>342,773</u>	<u>406,739</u>
Grants - other		
Federal government - gas tax funding	38,840	52,500
Federal government - other	1,500	808
Other local governments	<u>31,414</u>	<u>71,698</u>
	<u>71,754</u>	<u>125,006</u>
Total revenue	<u><u>2,482,571</u></u>	<u><u>2,602,526</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2021

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
General government services:		
Legislative	28,077	\$ 27,515
General administrative	215,545	208,782
Other	33,603	30,400
	<u>277,225</u>	<u>266,697</u>
Protective services:		
Police	149,794	149,794
Fire	104,532	113,648
Emergency measures	7,667	8,085
Other protection	28,935	30,161
	<u>290,928</u>	<u>301,688</u>
Transportation services:		
Road transport		
Road and street maintenance	366,934	371,876
Street lighting	23,391	23,169
	<u>390,325</u>	<u>395,045</u>
Environmental health services:		
Waste collection and disposal	241,741	148,075
Other	60,105	20,615
	<u>301,846</u>	<u>168,690</u>
Public health and welfare services:		
Public health	41,194	45,700
Social assistance	4,016	4,016
	<u>45,210</u>	<u>49,716</u>
Regional planning and development		
Planning and zoning	9,520	10,179
Urban renewal	3,275	3,022
Beautification and land rehabilitation	4,402	2,670
	<u>17,197</u>	<u>15,871</u>
Resource conservation and industrial development		
Rural area weed control	3,077	3,068
Drainage of land	493	193
Veterinary services	2,500	2,500
Regional development	23,855	29,274
Other	9,208	18,518
	<u>39,133</u>	<u>53,553</u>
Recreation and cultural services:		
Parks and playgrounds	30,652	23,016
Other recreational facilities	520,627	460,850
Libraries	28,298	27,717
	<u>579,577</u>	<u>511,583</u>
Water and sewer services (Schedule 4)	<u>560,694</u>	<u>536,487</u>
Total expenses	<u><u>2,502,135</u></u>	<u><u>2,299,330</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ 1,041,211	\$ 1,020,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	81,704	79,195	-	-	-	-	-	-	-	-
User fees	84,466	61,151	2,583	1,176	6,771	3,800	114,518	73,791	-	-
Permits, licences and fines	191	121	1,788	4,283	-	-	-	-	-	-
Investment income	5,171	10,166	943	1,189	881	1,372	-	-	-	-
Other revenue	13,702	112,125	-	-	-	-	1,003	2,352	-	-
Water and sewer										
Prov of MB - Unconditional Grants	249,260	323,019	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	55,825	39,273	-	-	-	-	-	-	-	-
Grants - other	38,840	52,500	-	-	-	-	14,289	-	-	-
Total revenue	<u>\$ 1,570,370</u>	<u>\$ 1,698,358</u>	<u>\$ 5,314</u>	<u>\$ 6,648</u>	<u>\$ 7,652</u>	<u>\$ 5,172</u>	<u>\$ 129,810</u>	<u>\$ 76,143</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 137,407	\$ 143,690	\$ 19,426	\$ 10,327	\$ 119,255	\$ 114,642	\$ 36,028	\$ 36,543	\$ -	\$ -
Contract services	82,056	72,935	155,462	155,879	549	480	165,841	56,557	-	-
Utilities	13,236	13,885	5,330	5,329	31,021	30,875	1,130	1,208	-	-
Maintenance materials and supplies	21,108	16,555	59,855	79,611	41,822	48,858	28,843	43,709	-	-
Grants and contributions	20,760	13,085	2,000	2,000	-	-	60,105	20,615	45,211	49,716
Amortization	1,952	2,816	28,856	28,542	175,228	174,126	9,899	10,059	-	-
Interest on long term debt	-	-	-	-	22,448	26,064	-	-	-	-
Other	704	3,731	20,000	20,000	-	-	-	-	-	-
Total expenses	<u>\$ 277,223</u>	<u>\$ 266,697</u>	<u>\$ 290,929</u>	<u>\$ 301,688</u>	<u>\$ 390,323</u>	<u>\$ 395,045</u>	<u>\$ 301,846</u>	<u>\$ 168,691</u>	<u>\$ 45,211</u>	<u>\$ 49,716</u>
Surplus (Deficit)	<u>\$ 1,293,147</u>	<u>\$ 1,431,661</u>	<u>\$ (285,615)</u>	<u>\$ (295,040)</u>	<u>\$ (382,671)</u>	<u>\$ (389,873)</u>	<u>\$ (172,036)</u>	<u>\$ (92,548)</u>	<u>\$ (45,211)</u>	<u>\$ (49,716)</u>

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2021

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,892	\$ 41,892	\$ 1,083,103	\$ 1,062,700
Grants in lieu of taxation	-	-	-	-	-	-	-	-	81,704	79,195
User fees	-	-	-	-	117,379	79,413	-	-	325,717	219,331
Permits, licences and fines	-	-	4,100	4,425	-	-	-	-	6,079	8,829
Investment income	200	312	-	-	-	-	-	-	7,195	13,039
Other revenue	-	-	-	-	43,324	33,658	-	-	58,029	148,135
Water and sewer	-	-	-	-	-	-	506,217	539,552	506,217	539,552
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	249,260	323,019
Prov of MB - Conditional Grants	-	-	-	-	31,519	44,174	6,169	273	93,513	83,720
Grants - other	-	-	14,354	56,697	4,271	15,809	-	-	71,754	125,006
Total revenue	\$ 200	\$ 312	\$ 18,454	\$ 61,122	\$ 196,493	\$ 173,054	\$ 554,278	\$ 581,717	\$ 2,482,571	\$ 2,602,526
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 192,575	\$ 178,444	\$ 168,548	\$ 164,705	\$ 673,239	\$ 648,351
Contract services	4,402	2,670	6,814	2,788	81,873	71,962	31,074	29,830	528,071	393,101
Utilities	-	-	-	-	61,133	57,367	18,848	17,557	130,698	126,221
Maintenance materials and supplies	-	-	2,887	16,164	120,089	74,967	48,236	24,211	322,840	304,075
Grants and contributions	12,795	13,201	25,850	31,553	10,639	22,018	-	-	177,360	152,188
Amortization	-	-	-	-	105,030	81,362	264,850	281,139	585,815	578,044
Interest on long term debt	-	-	-	-	-	-	10,793	11,848	33,241	37,912
Other	-	-	3,582	3,048	8,239	25,462	18,346	7,197	50,871	59,438
Total expenses	\$ 17,197	\$ 15,871	\$ 39,133	\$ 53,553	\$ 579,578	\$ 511,582	\$ 560,695	\$ 536,487	\$ 2,502,135	\$ 2,299,330
Surplus (Deficit)	\$ (16,997)	\$ (15,559)	\$ (20,679)	\$ 7,569	\$ (383,085)	\$ (338,528)	\$ (6,417)	\$ 45,230	\$ (19,564)	\$ 303,196

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2021

	Core Government		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020
REVENUE						
Property taxes	\$ 1,083,103	\$ 1,062,700	\$ -	\$ -	\$ 1,083,103	\$ 1,062,700
Grants in lieu of taxation	81,704	79,195	-	-	81,704	79,195
User fees	111,824	82,242	213,893	137,089	325,717	219,331
Permits, licences and fines	6,079	8,829	-	-	6,079	8,829
Investment income	7,195	13,039	-	-	7,195	13,039
Other revenue	13,702	112,125	44,327	36,010	58,029	148,135
Water and sewer	506,217	539,552	-	-	506,217	539,552
Prov of MB - Unconditional Grants	249,260	323,019	-	-	249,260	323,019
Prov of MB - Conditional Grants	61,994	39,546	31,519	44,174	93,513	83,720
Grants - other	(14,500)	109,197	86,254	15,809	71,754	125,006
Total revenue	<u>\$ 2,106,578</u>	<u>\$ 2,369,444</u>	<u>\$ 375,993</u>	<u>\$ 233,082</u>	<u>\$ 2,482,571</u>	<u>\$ 2,602,526</u>
EXPENSES						
Personnel services	\$ 491,451	\$ 478,879	\$ 181,788	\$ 169,472	\$ 673,239	\$ 648,351
Contract services	461,393	326,498	66,678	66,603	528,071	393,101
Utilities	71,342	70,746	59,356	55,475	130,698	126,221
Maintenance materials and supplies	221,376	238,576	101,464	65,499	322,840	304,075
Grants and contributions	177,360	152,188	-	-	177,360	152,188
Amortization	530,582	544,052	55,233	33,992	585,815	578,044
Interest on long term debt	33,241	37,912	-	-	33,241	37,912
Other	46,823	39,340	4,048	20,098	50,871	59,438
Total expenses	<u>\$ 2,033,568</u>	<u>\$ 1,888,191</u>	<u>\$ 468,567</u>	<u>\$ 411,139</u>	<u>\$ 2,502,135</u>	<u>\$ 2,299,330</u>
Surplus (Deficit)	<u>\$ 73,010</u>	<u>\$ 481,253</u>	<u>\$ (92,574)</u>	<u>\$ (178,057)</u>	<u>\$ (19,564)</u>	<u>\$ 303,196</u>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2021**

	2021					
	<u>General</u>	<u>Economic Development</u>	<u>Gas Tax</u>	<u>Building</u>	<u>Critical Infrastructure Needs</u>	<u>Equipment Replacement</u>
REVENUE						
Investment income	\$ 756	\$ 200	\$ 890	\$ 315	\$ 121	\$ 383
Other income	-	-	-	-	-	-
Total revenue	<u>756</u>	<u>200</u>	<u>890</u>	<u>315</u>	<u>121</u>	<u>383</u>
TRANSFERS						
Transfers from general operating	-	50,000	135,618	-	-	20,000
Transfers to general operating	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(38,840)	(70,875)	-	(3,700)
CHANGE IN RESERVE FUND BALANCES	<u>756</u>	<u>50,200</u>	<u>97,668</u>	<u>(70,560)</u>	<u>121</u>	<u>16,683</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>233,895</u>	<u>61,886</u>	<u>201,682</u>	<u>97,507</u>	<u>37,439</u>	<u>113,590</u>
FUND SURPLUS, END OF YEAR	<u>\$ 234,651</u>	<u>\$ 112,086</u>	<u>\$ 299,350</u>	<u>\$ 26,947</u>	<u>\$ 37,560</u>	<u>\$ 130,273</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2021

	2021						
	<u>Fire</u>	<u>Paving</u>	<u>Walking</u>	<u>Handi-van</u>	<u>ABFD</u>	<u>PCH Building</u>	<u>PCH Building donations</u>
REVENUE							
Investment income	\$ 178	\$ 376	\$ -	\$ 60	\$ 765	\$ 648	\$ -
Other income	-	-	-	-	6,025	-	-
Total revenue	<u>178</u>	<u>376</u>	<u>-</u>	<u>60</u>	<u>6,790</u>	<u>648</u>	<u>-</u>
TRANSFERS							
Transfers from general operating	-	25,000	-	-	-	15,000	-
Transfers to general operating	-	-	-	-	(2,869)	-	-
Transfers from utility operating	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(50,000)	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	<u>(49,822)</u>	<u>25,376</u>	<u>-</u>	<u>60</u>	<u>3,921</u>	<u>15,648</u>	<u>-</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>55,169</u>	<u>103,777</u>	<u>72</u>	<u>18,528</u>	<u>66,954</u>	<u>151,168</u>	<u>20,008</u>
FUND SURPLUS, END OF YEAR	<u>\$ 5,347</u>	<u>\$ 129,153</u>	<u>\$ 72</u>	<u>\$ 18,588</u>	<u>\$ 70,875</u>	<u>\$ 166,816</u>	<u>\$ 20,008</u>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2021**

	2021				2020
	Utility Replacement	Enviromental Health	Recreation and Culture	COVID-19 Restart	Total
REVENUE					
Investment income	\$ 2,990	\$ -	\$ -	\$ 226	\$ 7,908
Other income	-	-	-	-	6,025
Total revenue	2,990	-	-	226	13,933
TRANSFERS					
Transfers from general operating	118,166	20,000	20,000	-	403,784
Transfers to general operating	-	-	-	-	(2,869)
Transfers from utility operating	-	-	-	-	-
Transfers between reserves	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(36,987)	(200,402)
CHANGE IN RESERVE FUND BALANCES	121,156	20,000	20,000	(36,761)	214,446
FUND SURPLUS, BEGINNING OF YEAR	925,741	-	-	70,000	2,157,416
FUND SURPLUS, END OF YEAR	\$ 1,046,897	\$ 20,000	\$ 20,000	\$ 33,239	\$ 2,371,862

Town of Arborg
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2021

SCHEDULE 7

	Total	
	2021	2020
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
REVENUES		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
EXPENDITURES		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 91,484	\$ 90,844
Due from other funds	<u>5,083</u>	<u>1,325</u>
	<u>\$ 96,567</u>	<u>\$ 92,169</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,440	\$ 17,000
Long-term debt (Note 10)	258,647	289,747
Due to other funds	<u>-</u>	<u>-</u>
	<u>276,087</u>	<u>306,747</u>
NET DEBT	<u>\$ (179,520)</u>	<u>\$ (214,578)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 4,476,884</u>	<u>\$ 4,636,524</u>
FUND SURPLUS	<u>\$ 4,297,364</u>	<u>\$ 4,421,946</u>

Town of Arborg
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2021

SCHEDULE 9

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
REVENUE			
Water			
Water fees	\$ 310,000	\$ 319,339	\$ 314,358
sub-total- water	<u>310,000</u>	<u>319,339</u>	<u>314,358</u>
Sewer			
Sewer fees	72,600	74,906	73,085
Lagoon tipping fees	45,450	45,449	87,449
sub-total- sewer	<u>118,050</u>	<u>120,355</u>	<u>160,534</u>
Property taxes	<u>41,893</u>	<u>41,892</u>	<u>41,892</u>
Government transfers			
Government transfers - capital	30,000	6,169	273
sub-total- government transfers	<u>30,000</u>	<u>6,169</u>	<u>273</u>
Other			
Hydrant rentals	20,000	20,000	20,000
Connection charges	4,600	4,443	3,498
Penalties	1,500	1,681	1,590
Other income	39,525	40,399	39,572
sub-total- other	<u>65,625</u>	<u>66,523</u>	<u>64,660</u>
 Total revenue	 <u>565,568</u>	 <u>554,278</u>	 <u>581,717</u>
EXPENSES			
General			
Administration	147,357	117,886	115,809
Training costs	1,900	1,311	2,621
Billing and collection	4,485	3,481	2,798
sub-total- general	<u>153,742</u>	<u>122,678</u>	<u>121,228</u>
Water			
Purification and treatment	29,561	30,882	26,701
Transmission and distribution	17,083	28,842	6,115
Service and other supply costs	86,500	61,496	54,192
Connection costs	-	-	-
sub-total- water general	<u>133,144</u>	<u>121,220</u>	<u>87,008</u>
Water Amortization & Interest			
Amortization	224,864	224,864	243,215
sub-total- water amortization & interest	<u>224,864</u>	<u>224,864</u>	<u>243,215</u>
Sewer			
Collection system costs	73,178	37,473	30,245
Treatment and disposal cost	1,250	365	1,047
Lift Station costs	4,196	3,315	3,972
sub-total- sewer general	<u>78,624</u>	<u>41,153</u>	<u>35,264</u>
Sewer Amortization & Interest			
Amortization	39,986	39,986	37,924
Interest on long term debt	10,793	10,793	11,848
sub-total- sewer amortization & interest	<u>50,779</u>	<u>50,779</u>	<u>49,772</u>
 Total expenses	 <u>641,153</u>	 <u>560,694</u>	 <u>536,487</u>
 NET REVENUES	 <u>(75,585)</u>	 <u>(6,416)</u>	 45,230
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	(98,166)	(118,166)	(259,620)
 CHANGE IN UTILITY FUND BALANCE	 <u>\$ (173,751)</u>	 <u>(124,582)</u>	 <u>(214,390)</u>
 FUND SURPLUS, BEGINNING OF YEAR		 <u>4,421,946</u>	 <u>4,636,336</u>
 FUND SURPLUS, END OF YEAR		 <u>\$ 4,297,364</u>	 <u>\$ 4,421,946</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year Ended December 31, 2021

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,082,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,082,431
Grants in lieu of taxation	81,704	-	-	-	-	-	-	81,704
User fees	115,200	-	-	-	-	-	213,893	329,093
Permits, licences and fines	6,150	-	-	-	-	-	-	6,150
Investment income	10,000	-	-	-	-	-	-	10,000
Other revenue	300	-	-	-	-	-	44,327	44,627
Water and sewer		493,675	-	-	-	-	-	493,675
Grants - Province of Manitoba	313,257	30,000	-	-	-	-	31,519	374,776
Grants - other	71,651	-	-	-	-	-	301,116	372,767
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from General		41,893	-	-	(41,893)	-	-	-
Transfers from reserves	435,000	-	-	-	(435,000)	-	-	-
Total revenue	\$ 2,115,693	\$ 565,568	\$ -	\$ -	\$ (476,893)	\$ -	\$ 590,855	\$ 2,795,223
EXPENSES								
General government services	\$ 297,450	\$ -	\$ 1,952	\$ 10,000	\$ 707	\$ -	\$ -	\$ 310,109
Protective services	302,065	-	28,856	-	-	-	-	330,921
Transportation services	238,135	-	175,228	22,448	-	-	-	435,811
Environmental health services	113,880	-	-	-	-	-	59,595	173,475
Public health and welfare services	49,720	-	-	-	-	-	-	49,720
Regional planning and development	18,520	-	-	-	-	-	-	18,520
Resource cons and industrial dev	44,585	-	-	-	-	-	-	44,585
Recreation and cultural services	306,699	-	59,696	-	-	-	257,254	623,649
Water and sewer services		365,509	264,850	10,793	-	-	-	641,152
Fiscal services:								
Transfer to capital	500,000	60,000	(560,000)	-	-	-	-	-
Debt charges	72,734	41,893	-	(114,627)	-	-	-	-
Short term interest	10,000	-	-	(10,000)	-	-	-	-
Transfer to Utility	41,892	-	-	-	(41,892)	-	-	-
Transfer to reserves	119,306	98,166	-	-	(217,472)	-	-	-
Allowance for tax assets	707	-	-	-	(707)	-	-	-
Total expenses	\$ 2,115,693	\$ 565,568	\$ (29,418)	\$ (81,386)	\$ (259,364)	\$ -	\$ 316,849	\$ 2,627,942
Surplus (Deficit)	\$ -	\$ -	\$ 29,418	\$ 81,386	\$ (217,529)	\$ -	\$ 274,006	\$ 167,281

Town of Arborg
 ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2021

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 136,151	\$ 185,836
Add:		
Tax levy (Schedule 12)	1,714,594	1,669,473
Taxes added	1,613	22,207
Penalties or interest	15,748	20,107
Other accounts added	5,315	6,723
Sub-total	<u>1,737,270</u>	<u>1,718,510</u>
Deduct:		
Cash collections	1,625,001	1,564,103
Writeoffs	-	-
M.P.T.C. - cash advance	153,261	204,092
Sub-total	<u>1,778,262</u>	<u>1,768,195</u>
Balance, end of year	<u>\$ 95,159</u>	<u>\$ 136,151</u>

Town of Arborg
ANALYSIS OF TAX LEVY
Year Ended December 31, 2021

SCHEDULE 12

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D. General & Utility	60,634,090	1.785	108,232	142,618
Reserves:				
Machinery replacement	49,771,090	0.187	9,307	19,103
Fire	49,771,090	0.000	-	9,796
Building	49,771,090	0.280	13,936	23,511
General	49,771,090	0.000	-	-
Paving	49,771,090	0.467	23,243	23,511
General municipal	49,771,090	18.613	926,389	821,571
Special levies:				
Cable fees	-	-	383	383
Rounding			-	
Total municipal taxes (Schedule 2)			1,081,490	1,040,493
Education support levy	12,161,250	8.809	107,128	106,011
Special levy:				
Evergreen SD #22	47,907,440	10.979	525,976	522,969
Adjustments of school levy to municipal taxes			-	
Total education taxes			633,104	628,980
			\$ 1,714,594	\$ 1,669,473

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2021

	2021 Actual	2020 Actual
General government services:		
Legislative	\$ 28,077	\$ 27,515
General administrative	215,545	208,782
Other	33,601	30,400
	<u>277,223</u>	<u>266,697</u>
Protective services:		
Police	149,794	149,794
Fire	104,532	113,648
Emergency measures	7,667	8,085
Other protection	28,935	30,161
	<u>290,928</u>	<u>301,688</u>
Transportation services:		
Road transport		
Road and street maintenance	366,934	371,876
Street lighting	23,391	23,169
	<u>390,325</u>	<u>395,045</u>
Environmental health services:		
Waste collection and disposal	71,696	83,338
Other	238,249	20,615
	<u>309,945</u>	<u>103,953</u>
Public health and welfare services:		
Public health	41,194	45,700
Social assistance	4,016	4,016
	<u>45,210</u>	<u>49,716</u>
Regional planning and development		
Planning and zoning	9,520	10,179
Urban renewal	3,275	3,022
Beautification and land rehabilitation	4,402	2,670
	<u>17,197</u>	<u>15,871</u>
Resource conservation and industrial development		
Rural area weed control	3,077	3,068
Drainage of land	493	193
Veterinary services	2,500	2,500
Regional development	23,855	29,274
Other	9,208	18,518
	<u>39,133</u>	<u>53,553</u>
Recreation and cultural services:		
Parks and playgrounds	30,652	23,016
Other recreational facilities	489,964	272,464
Libraries	16,569	16,392
Other cultural facilities	-	-
	<u>537,185</u>	<u>311,872</u>
Total expenses	<u><u>1,907,146</u></u>	<u><u>1,498,395</u></u>

Town of Arborg
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2021

SCHEDULE 14

	General	2021 Utility	Total	2020 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (324,459)	\$ 3,959	\$ (320,500)	\$ 60,375
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase revenue - capital grants and other revenue		-	-	-
Increase expense - net book value of assets written off	(8,426)	-	(8,426)	(4,500)
Increase expense - amortization of tangible capital assets	(265,732)	(264,850)	(530,582)	(544,052)
Eliminate expense - acquisitions of tangible capital assets	246,666	105,210	351,876	211,409
Reserve:				
Increase revenue - reserve funds interest	7,908		7,908	13,003
Eliminate expense - transfers to reserves	291,642	118,166	409,808	622,155
Eliminate revenue - transfers from reserves to operating funds	(203,271)	-	(203,271)	(136,263)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas tax	(97,668)		(97,668)	(15,352)
Decrease revenue - increase in deferred revenue - Handi Van	(60)		(60)	(138)
Other:				
Eliminate expense - repayment of principal portion of long term debt	66,245	31,100	97,345	127,925
	(287,155)	(6,415)	(293,570)	334,562
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	274,006	-	274,006	(31,366)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ (13,149)	\$ (6,415)	\$ (19,564)	\$ 303,196