

# Town of Arborg

**Consolidated Financial Statements  
Year ended December 31, 2022**

## 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

Date: August 28, 2024



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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, 2022 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2022, 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, 2020, 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

*Chambers Fraser*

Chartered Professional Accountants

# **Town of Arborg**

## **Consolidated Financial Statements**

### **Year ended December 31, 2022**

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**Town of Arborg**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 2,631,831	\$ 2,450,605
Amounts receivable (Note 4)	549,300	432,929
Inventories for sale (Note 5)	<u>119,583</u>	<u>119,583</u>
	<u>\$ 3,300,714</u>	<u>\$ 3,003,117</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 501,989	\$ 564,929
Deferred revenue (Note 7)	562,506	497,634
Landfill closure and post closure liabilities (Note 8)	22,093	29,025
Long-term debt (Note 9)	1,055,712	1,016,135
Obligations under capital lease (Note 10)	<u>14,750</u>	<u>31,571</u>
	<u>2,157,049</u>	<u>2,139,294</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 1,143,665</u>	<u>\$ 863,823</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 8,612,281	\$ 8,668,456
Prepaid expenses	<u>37,463</u>	<u>52,372</u>
	<u>8,649,744</u>	<u>8,720,828</u>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<u>\$ 9,793,410</u>	<u>\$ 9,584,651</u>

Approved on behalf of Council:

Peter Dueck - Mayor

Ron Johnston - Deputy Mayor

**Town of Arborg**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2022**

	<b>2022 Budget (Note 13)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>REVENUE</b>			
Property taxes	\$ 1,107,523	\$ 1,130,744	\$ 1,083,103
Grants in lieu of taxation	88,101	88,101	81,704
User fees	357,766	361,568	325,717
Permits, licences and fines	5,750	5,551	6,079
Investment income	7,000	47,761	7,194
Other revenue	83,972	207,060	58,030
Water and sewer	451,520	454,639	506,217
Grants - Province of Manitoba	1,482,413	514,593	342,773
Grants - other	279,733	155,376	71,754
	<u>3,863,778</u>	<u>2,965,393</u>	<u>2,482,571</u>
Total revenue (Schedules 2, 4 and 5)			
<b>EXPENSES</b>			
General government services	369,067	363,206	277,225
Protective services	359,278	360,254	290,928
Transportation services	472,368	465,810	390,325
Environmental health services	174,765	217,986	301,846
Public health and welfare services	44,720	42,883	45,210
Regional planning and development	20,520	13,659	17,197
Resource conservation and industrial development	49,240	44,054	39,133
Recreation and cultural services	644,963	650,321	579,577
Water and sewer services	635,724	598,461	560,694
	<u>2,770,645</u>	<u>2,756,634</u>	<u>2,502,135</u>
Total expenses (Schedules 3, 4 and 5)			
<b>ANNUAL SURPLUS</b>	<u>\$ 1,093,133</u>	208,759	(19,564)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>9,584,651</u>	<u>9,604,215</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 9,793,410</u>	<u>\$ 9,584,651</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, 2022**

	<u>2022 Budget (Note 13)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>ANNUAL SURPLUS</b>	<b><u>\$ 1,093,133</u></b>	<b><u>\$ 208,759</u></b>	<b><u>\$ (19,564)</u></b>
Acquisition of tangible capital assets	(778,500)	(555,383)	(734,015)
Amortization of tangible capital assets	606,558	606,558	585,815
Loss (Gain) on sale of tangible capital assets		(13,667)	-
Proceeds on sale of tangible capital assets		18,667	-
Write down of capital assets		-	9,625
Decrease (increase) in inventories		-	-
Decrease (increase) in prepaid expense		14,908	2,751
	<u>(171,942)</u>	<u>71,083</u>	<u>(135,824)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ 921,191</u></b>	<b>279,842</b>	<b>(155,388)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b><u>863,823</u></b>	<b><u>1,019,211</u></b>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>		<b><u><u>\$ 1,143,665</u></u></b>	<b><u><u>\$ 863,823</u></u></b>

*The accompanying notes are an integral part of this financial statement*

**Town of Arborg**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 208,759	\$ (19,564)
Changes in non-cash items:		
Amounts receivable	(116,371)	52,839
Prepays	14,908	2,752
Accounts payable and accrued liabilities	(62,940)	222,558
Deferred revenue	64,871	235,084
Landfill closure and post closure liabilities	(6,932)	4,661
Write down of capital assets	-	9,625
Loss (Gain) on sale of tangible capital asset	(13,667)	-
Amortization	606,558	585,815
Cash provided by operating transactions	<u>695,186</u>	<u>1,093,769</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	18,667	-
Cash used to acquire tangible capital assets	<u>(555,383)</u>	<u>(734,015)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	172,309	-
Debt repayment	(132,732)	(88,555)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	<u>(16,821)</u>	<u>(15,912)</u>
Cash applied to financing transactions	<u>22,755</u>	<u>(104,467)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>181,226</b>	<b>255,288</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>2,450,606</u>	<u>2,195,318</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u>\$ 2,631,832</u></u>	<u><u>\$ 2,450,606</u></u>
<b>CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:</b>		
Cash and temporary investments (Note 3)	<u><u>\$ 2,631,831</u></u>	<u><u>\$ 2,450,605</u></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, 2022**

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**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%) (2021 – consolidated 50%)  
BAR Waste Authority Co-op Inc. (consolidated 38%) (2021 – consolidated 38%)  
Evergreen Public Library (consolidated 10%) (2021 – 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.

**Town of Arborg**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

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**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, 2022**

**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>2022</u>	<u>2021</u>
Cash	\$ 2,631,831	\$ 2,450,605
Temporary Investments	-	-
	<u>\$ 2,631,831</u>	<u>\$ 2,450,605</u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions. The reserved amounts exceed the cash and temporary investments held by the Municipality.

Designated Reserve Funds	<u>\$ 2,634,733</u>	<u>\$ 2,371,862</u>
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**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 141,580	\$ 95,159
Government grants	141,543	19,591
Utility customers	100,617	91,486
Organizations and individuals	107,615	111,457
Other governments	66,015	123,675
	<u>557,370</u>	<u>441,368</u>
Less allowances for doubtful amounts	<u>(8,070)</u>	<u>(8,439)</u>
	<u>\$ 549,300</u>	<u>\$ 432,929</u>

**Town of Arborg**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

**5. Inventories**

**Inventories for sale:**

	<u>2022</u>	<u>2021</u>
Land	\$ 119,583	\$ 119,583
	<u>\$ 119,583</u>	<u>\$ 119,583</u>

**6. Accounts Payable and Accrued Liabilities**

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 238,352	\$ 236,054
Accrued expenses	59,104	52,321
School levies	3,558	45,836
Other governments	200,975	230,718
	<u>\$ 501,989</u>	<u>\$ 564,929</u>

**7. Deferred Revenue:**

	<u>2022</u>	<u>2021</u>
Federal Gas Tax Funding	\$ 310,664	\$ 201,682
Handi-Transit Vehicle Replacement Funding	19,021	18,528
	<u>329,685</u>	<u>220,210</u>
Other	232,821	277,424
	<u>\$ 562,506</u>	<u>\$ 497,634</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 31,2022, a discount rate of 6.8% (2021 - 3.4%) was applied to future cash outflows related to the closure and post-closure costs to calculate the liability.

	<u>2022</u>	<u>2021</u>
Total landfill closure and post closure liabilities	<u>\$ 22,093</u>	<u>\$ 29,025</u>

**Town of Arborg**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

**9. Long Term Debt**

	<u>2022</u>	<u>2021</u>
<b>General Authority:</b>		
Debenture for Bar Waste and Recreation Commission debt, at 1.59%, \$44,125 annually including interest, maturing July, 2026	<b>\$ 169,601</b>	\$ 210,476
Debenture for paving, at 3.75%, \$72,733 annually including interest, maturing December, 2030	<b>494,790</b>	547,012
Debenture for fire truck, at 3.125%, \$20,329 annually including interest, maturing December, 2031	<b>157,366</b>	-
	<u><b>\$ 821,757</b></u>	<u>\$ 757,488</u>
<b>Utility Funds:</b>		
Debenture for water and sewer, at 3.75%, \$34,391 annually including interest, maturing December, 2030	<b>\$ 233,955</b>	\$ 258,647
	<u><b>\$ 233,955</b></u>	<u>\$ 258,647</u>
	<u><b>\$ 1,055,712</b></u>	<u><b>\$ 1,016,135</b></u>

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

2023	<b>\$ 136,814</b>
2024	<b>140,766</b>
2025	<b>145,039</b>
2026	<b>139,164</b>
2027	<b>107,617</b>

**Schedule of Debenture Pending**

Authority	Purpose	Amount Authorized
By-law # 10-2022	Landfill expansion	113,144

**Town of Arborg**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

**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>2022</u>	<u>2021</u>
2022	\$ -	\$ 18,156
2023	15,123	15,123
Remainder of lease	<u>-</u>	<u>-</u>
Total minimum lease payments	<b>\$ 15,123</b>	<b>\$ 33,279</b>
Less amount representing future interest at 5.6%	<u>(373)</u>	<u>(1,708)</u>
Balance of obligation	<b><u>\$ 14,750</u></b>	<b><u>\$ 31,571</u></b>

Interest expense of **\$ 1,335** included in fire expenses with respect to this obligation.

Assets under capital lease includes fire equipment.

	<u>2022</u>	<u>2021</u>
Cost of leased tangible capital asset(s)	<b>\$ 79,070</b>	\$ 79,070
Accumulated amortization of leased tangible capital asset(s)	<u>(67,330)</u>	<u>(51,167)</u>
	<b><u>\$ 11,740</u></b>	<b><u>\$ 27,903</u></b>

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 2020 by the municipality on behalf of its employees are expected to be **\$102,175** (2021 - \$28,644) 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, 2021, indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249.0 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, 2021.

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, 2022**

**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>2022</u>	<u>2021</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	(87,101)	(129,247)
Utility operating fund - Nominal surplus	83,010	79,129
General capital fund - Capital surplus	3,184,982	2,949,751
Utility capital fund - Capital surplus	3,988,047	4,218,238
Reserve funds	<u>2,548,343</u>	<u>2,405,600</u>
	<u>9,717,281</u>	<u>9,523,471</u>
Deferred revenue - Reserves	<u>(329,685)</u>	<u>(317,938)</u>
Accumulated surplus of municipality unconsolidated	<u>9,387,596</u>	9,205,533
Accumulated surplus (deficit) of consolidated entities	<u>405,814</u>	<u>379,118</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 9,793,410</u></u>	<u><u>\$ 9,584,651</u></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, 2022:

- a) Compensation paid to members of council amounted to \$44,039 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	\$ 10,250	\$ 2,106	\$ 12,356
Councillor - Ron Johnston	8,410	2,023	10,433
Councillor - Donna Gislason	8,388	1,940	10,328
Councillor - Ron Rogowsky	8,388	2,173	10,561
Councillor - Rob Thorsteinson	<u>8,603</u>	<u>2,255</u>	<u>10,858</u>
	<u><u>\$ 44,039</u></u>	<u><u>\$ 10,497</u></u>	<u><u>\$ 54,536</u></u>

**Town of Arborg**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

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, 2022:

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

Name	Position	Amount
Bruce Swanson	Public Works Foreman	\$ 89,977
Cindy Stansell	Chief Administrative Officer	\$ 81,463

**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	\$ 2,496,733	\$ -	\$ 142,032	\$ 2,354,701
Sewer services	166,018	-	13,262	152,756
	<u>\$ 2,662,751</u>	<u>\$ -</u>	<u>\$ 155,294</u>	<u>\$ 2,507,457</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, 2022**

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**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>2022</u>	<u>2021</u>
Financial Position		
Financial assets	\$ 123,811	\$ 70,151
Financial liabilities	<u>304,930</u>	<u>261,785</u>
Net financial assets (liabilities)	<u>(181,119)</u>	<u>(191,634)</u>
Non financial assets	<u>586,933</u>	<u>570,752</u>
Accumulated surplus	<u>\$ 405,814</u>	<u>\$ 379,118</u>
Results of operations		
Revenues	\$ 370,352	\$ 590,855
Expenses	<u>343,656</u>	<u>316,849</u>
Consolidated annual (Deficit) surplus	<u>\$ 26,696</u>	<u>\$ 274,006</u>

**Town of Arborg**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2022**

**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	2022	2021
<b>Cost</b>										
Opening 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
Additions during the year	161,615	24,423	89,677	-	247,805	-	9,296	22,567	555,383	734,015
Transfer during the year	-	19,102	-	-	(19,102)	-	-	-	-	-
Disposals and adjustments	-	-	(73,570)	-	-	-	-	-	(73,570)	(83,244)
Closing costs	<b>3,564,576</b>	<b>2,271,397</b>	<b>1,509,086</b>	<b>16,104</b>	<b>247,805</b>	<b>2,321,143</b>	<b>9,171,293</b>	<b>22,567</b>	<b>19,123,971</b>	<b>18,642,158</b>
<b>Accumulated Amortization</b>										
Opening accum'd amortization	1,504,882	1,539,237	817,422	8,733	-	1,418,315	4,685,113	-	9,973,702	9,461,505
Amortization	96,797	77,568	76,513	2,523	-	88,979	264,178	-	606,558	585,815
Disposals and adjustments	-	-	(68,570)	-	-	-	-	-	(68,570)	(73,618)
Closing accum'd amortization	<b>1,601,679</b>	<b>1,616,805</b>	<b>825,365</b>	<b>11,256</b>	<b>-</b>	<b>1,507,294</b>	<b>4,949,291</b>	<b>-</b>	<b>10,511,690</b>	<b>9,973,702</b>
Net Book Value of Tangible Capital Assets	<b>1,962,897</b>	<b>654,592</b>	<b>683,721</b>	<b>4,848</b>	<b>247,805</b>	<b>813,849</b>	<b>4,222,002</b>	<b>22,567</b>	<b>8,612,281</b>	<b>8,668,456</b>

Town of Arborg  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**Year Ended December 31, 2022**

**SCHEDULE 2**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 1,096,353	\$ 1,081,490
Taxes added	<u>34,391</u>	<u>1,613</u>
	<u>1,130,744</u>	<u>1,083,103</u>
<b>Grants in lieu of taxation:</b>		
Federal government	1,892	1,912
Federal government enterprises	2,298	2,321
Provincial government	14,738	14,891
Provincial government enterprises	<u>69,173</u>	<u>62,580</u>
	<u>88,101</u>	<u>81,704</u>
<b>User fees</b>		
Sales of service	272,018	243,161
Rentals	<u>89,550</u>	<u>82,556</u>
	<u>361,568</u>	<u>325,717</u>
<b>Permits, licences and fines</b>		
Licences	3,952	4,551
Fines	<u>1,599</u>	<u>1,528</u>
	<u>5,551</u>	<u>6,079</u>
<b>Investment income:</b>		
Cash and temporary investments	<u>47,761</u>	<u>7,194</u>
	<u>47,761</u>	<u>7,194</u>
<b>Other revenue:</b>		
Gain (loss) on sale of tangible capital assets	6,150	(9,625)
Contributed assets	-	-
Penalties and interest	14,475	15,748
Miscellaneous (specify):		
Donations	135,447	39,385
Expense recoveries	7,514	5,773
Sundry income	<u>43,474</u>	<u>6,749</u>
	<u>207,060</u>	<u>58,030</u>
<b>Water and sewer (Schedule 4)</b>	<u>454,639</u>	<u>506,217</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	249,428	249,260
Conditional grants	<u>265,165</u>	<u>93,513</u>
	<u>514,593</u>	<u>342,773</u>
<b>Grants - other</b>		
Federal government - gas tax funding	64,959	38,840
Federal government - other	41,420	1,500
Other local governments	<u>48,997</u>	<u>31,414</u>
	<u>155,376</u>	<u>71,754</u>
<b>Total revenue</b>	<u><u>2,965,393</u></u>	<u><u>2,482,571</u></u>

Town of Arborg  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**Year Ended December 31, 2022**

**SCHEDULE 3**

	<b>2022</b>	2021
	<b>Actual</b>	Actual
<b>General government services:</b>		
Legislative	31,536	\$ 28,077
General administrative	267,850	215,545
Other	63,820	33,603
	<u>363,206</u>	<u>277,225</u>
<b>Protective services:</b>		
Police	165,198	149,794
Fire	131,645	104,532
Emergency measures	11,090	7,667
Other protection	52,321	28,935
	<u>360,254</u>	<u>290,928</u>
<b>Transportation services:</b>		
Road transport		
Road and street maintenance	440,371	366,934
Street lighting	25,439	23,391
	<u>465,810</u>	<u>390,325</u>
<b>Environmental health services:</b>		
Waste collection and disposal	193,695	241,741
Other	24,291	60,105
	<u>217,986</u>	<u>301,846</u>
<b>Public health and welfare services:</b>		
Public health	38,867	41,194
Social assistance	4,016	4,016
	<u>42,883</u>	<u>45,210</u>
<b>Regional planning and development</b>		
Planning and zoning	9,520	9,520
Urban renewal	4,139	3,275
Beautification and land rehabilitation	-	4,402
	<u>13,659</u>	<u>17,197</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	3,397	3,077
Drainage of land	207	493
Veterinary services	2,500	2,500
Regional development	25,907	23,855
Other	12,043	9,208
	<u>44,054</u>	<u>39,133</u>
<b>Recreation and cultural services:</b>		
Parks and playgrounds	7,604	30,652
Other recreational facilities	612,241	520,627
Libraries	30,476	28,298
	<u>650,321</u>	<u>579,577</u>
<b>Water and sewer services (Schedule 4)</b>	<u>598,461</u>	<u>560,694</u>
<b>Total expenses</b>	<u><u>2,756,634</u></u>	<u><u>2,502,135</u></u>

**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2022**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$1,096,353	\$1,041,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	88,101	81,704	-	-	-	-	-	-	-	-
User fees	91,845	84,466	4,019	2,583	7,159	6,771	59,363	114,518	-	-
Permits, licences and fines	252	191	1,849	1,788	-	-	-	-	-	-
Investment income	33,188	5,170	1,957	943	8,666	881	-	-	883	-
Other revenue	127,738	13,703	-	-	-	-	2,220	1,003	-	-
Water and sewer										
Prov of MB - Unconditional Grants	249,428	249,260	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	230,186	55,825	-	-	-	-	-	-	-	-
Grants - other	89,959	38,840	-	-	-	-	8,997	14,289	-	-
Total revenue	<u>\$ 2,007,050</u>	<u>\$ 1,570,370</u>	<u>\$ 7,825</u>	<u>\$ 5,314</u>	<u>\$ 15,825</u>	<u>\$ 7,652</u>	<u>\$ 70,580</u>	<u>\$ 129,810</u>	<u>\$ 883</u>	<u>\$ -</u>
<b>EXPENSES</b>										
Personnel services	\$ 146,899	\$ 137,407	\$ 28,770	\$ 19,426	\$ 137,728	\$ 119,255	\$ 43,284	\$ 36,028	\$ -	\$ -
Contract services	148,249	82,056	183,172	155,462	507	549	57,626	165,841	-	-
Utilities	14,435	13,236	4,898	5,330	34,473	31,021	1,186	1,130	-	-
Maintenance materials and supplies	23,970	21,108	70,933	59,855	93,989	41,822	81,815	28,843	-	-
Grants and contributions	26,400	20,760	5,250	2,000	-	-	24,291	60,105	42,883	45,211
Amortization	2,899	1,952	45,963	28,856	170,827	175,228	9,632	9,899	-	-
Interest on long term debt	-	-	-	-	28,286	22,448	-	-	-	-
Other	355	704	21,269	20,000	-	-	152	-	-	-
Total expenses	<u>\$ 363,207</u>	<u>\$ 277,223</u>	<u>\$ 360,255</u>	<u>\$ 290,929</u>	<u>\$ 465,810</u>	<u>\$ 390,323</u>	<u>\$ 217,986</u>	<u>\$ 301,846</u>	<u>\$ 42,883</u>	<u>\$ 45,211</u>
<b>Surplus (Deficit)</b>	<u>\$ 1,643,843</u>	<u>\$ 1,293,147</u>	<u>\$ (352,430)</u>	<u>\$ (285,615)</u>	<u>\$ (449,985)</u>	<u>\$ (382,671)</u>	<u>\$ (147,406)</u>	<u>\$ (172,036)</u>	<u>\$ (42,000)</u>	<u>\$ (45,211)</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, 2022**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,391	\$ 41,892	\$ 1,130,744	\$ 1,083,103
Grants in lieu of taxation	-	-	-	-	-	-	-	-	88,101	81,704
User fees	-	-	-	-	199,182	117,379	-	-	361,568	325,717
Permits, licences and fines	-	-	3,450	4,100	-	-	-	-	5,551	6,079
Investment income	2,603	200	-	-	464	-	-	-	47,761	7,194
Other revenue	-	-	-	-	77,102	43,324	-	-	207,060	58,030
Water and sewer	-	-	-	-	-	-	454,639	506,217	454,639	506,217
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	249,428	249,260
Prov of MB - Conditional Grants	-	-	-	-	26,856	31,519	8,123	6,169	265,165	93,513
Grants - other	-	-	40,000	14,354	16,420	4,271	-	-	155,376	71,754
<b>Total revenue</b>	<b>\$ 2,603</b>	<b>\$ 200</b>	<b>\$ 43,450</b>	<b>\$ 18,454</b>	<b>\$ 320,024</b>	<b>\$ 196,493</b>	<b>\$ 497,153</b>	<b>\$ 554,278</b>	<b>\$ 2,965,393</b>	<b>\$ 2,482,571</b>
<b>EXPENSES</b>										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 190,691	\$ 192,575	\$ 181,871	\$ 168,548	\$ 729,243	\$ 673,239
Contract services	-	4,402	9,285	6,814	84,336	81,873	50,210	31,074	533,385	528,071
Utilities	-	-	-	-	78,209	61,133	24,517	18,848	157,718	130,698
Maintenance materials and supplies	-	-	2,964	2,887	149,388	120,089	45,236	48,236	468,295	322,840
Grants and contributions	13,659	12,795	27,670	25,850	12,852	10,639	-	-	153,005	177,360
Amortization	-	-	-	-	113,059	105,030	264,178	264,850	606,558	585,815
Interest on long term debt	-	-	-	-	-	-	9,699	10,793	37,985	33,241
Other	-	-	4,134	3,582	21,784	8,239	22,751	18,346	70,445	50,871
<b>Total expenses</b>	<b>\$ 13,659</b>	<b>\$ 17,197</b>	<b>\$ 44,053</b>	<b>\$ 39,133</b>	<b>\$ 650,319</b>	<b>\$ 579,578</b>	<b>\$ 598,462</b>	<b>\$ 560,695</b>	<b>\$ 2,756,634</b>	<b>\$ 2,502,135</b>
<b>Surplus (Deficit)</b>	<b>\$ (11,056)</b>	<b>\$ (16,997)</b>	<b>\$ (603)</b>	<b>\$ (20,679)</b>	<b>\$ (330,295)</b>	<b>\$ (383,085)</b>	<b>\$ (101,309)</b>	<b>\$ (6,417)</b>	<b>\$ 208,759</b>	<b>\$ (19,564)</b>

**CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS**  
**Year Ended December 31, 2022**

	Core Government		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>						
Property taxes	\$ 1,130,744	\$ 1,083,103	\$ -	\$ -	\$ 1,130,744	\$ 1,083,103
Grants in lieu of taxation	88,101	81,704	-	-	88,101	81,704
User fees	122,811	111,824	238,757	213,893	361,568	325,717
Permits, licences and fines	5,551	6,079	-	-	5,551	6,079
Investment income	47,761	7,194	-	-	47,761	7,194
Other revenue	127,738	13,703	79,322	44,327	207,060	58,030
Water and sewer	454,639	506,217			454,639	506,217
Prov of MB - Unconditional Grants	249,428	249,260			249,428	249,260
Prov of MB - Conditional Grants	238,309	61,994	26,856	31,519	265,165	93,513
Grants - other	129,959	(14,500)	25,417	86,254	155,376	71,754
Total revenue	<u>\$ 2,595,041</u>	<u>\$ 2,106,578</u>	<u>\$ 370,352</u>	<u>\$ 375,993</u>	<u>\$ 2,965,393</u>	<u>\$ 2,482,571</u>
<b>EXPENSES</b>						
Personnel services	\$ 544,891	\$ 491,451	\$ 184,352	\$ 181,788	\$ 729,243	\$ 673,239
Contract services	469,644	461,393	63,741	66,678	533,385	528,071
Utilities	82,566	71,342	75,152	59,356	157,718	130,698
Maintenance materials and supplies	314,199	221,376	154,096	101,464	468,295	322,840
Grants and contributions	153,005	177,360	-	-	153,005	177,360
Amortization	550,568	530,582	55,990	55,233	606,558	585,815
Interest on long term debt	37,985	33,241	-	-	37,985	33,241
Other	54,356	46,823	16,089	4,048	70,445	50,871
Total expenses	<u>\$ 2,207,214</u>	<u>\$ 2,033,568</u>	<u>\$ 549,420</u>	<u>\$ 468,567</u>	<u>\$ 2,756,634</u>	<u>\$ 2,502,135</u>
<b>Surplus (Deficit)</b>	<u>\$ 387,827</u>	<u>\$ 73,010</u>	<u>\$ (179,068)</u>	<u>\$ (92,574)</u>	<u>\$ 208,759</u>	<u>\$ (19,564)</u>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2022**

	2022					
	<u>General</u>	<u>Economic Development</u>	<u>Gas Tax</u>	<u>Building</u>	<u>Critical Infrastructure Needs</u>	<u>Equipment Replacement</u>
<b>REVENUE</b>						
Investment income	\$ 5,449	\$ 2,603	\$ 6,957	\$ 783	\$ 874	\$ 3,235
Other income	-	-	-	-	-	-
Total revenue	<u>5,449</u>	<u>2,603</u>	<u>6,957</u>	<u>783</u>	<u>874</u>	<u>3,235</u>
<b>TRANSFERS</b>						
Transfers from general operating	-	-	69,316	15,000	-	20,000
Transfers to general operating	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(32,500)	(64,959)	(24,261)	-	(22,421)
<b>CHANGE IN RESERVE FUND BALANCES</b>	5,449	(29,897)	11,314	(8,478)	874	814
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>234,651</u>	<u>112,086</u>	<u>299,350</u>	<u>26,947</u>	<u>37,560</u>	<u>130,273</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 240,100</u>	<u>\$ 82,189</u>	<u>\$ 310,664</u>	<u>\$ 18,469</u>	<u>\$ 38,434</u>	<u>\$ 131,087</u>

Town of Arborg  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
Year Ended December 31, 2022

**SCHEDULE 6**

	2022						
	<u>Fire</u>	<u>Paving</u>	<u>Walking</u>	<u>Handi-van</u>	<u>ABFD</u>	<u>PCH Building</u>	<u>Road Reconstruction</u>
<b>REVENUE</b>							
Investment income	\$ 229	\$ 2,999	\$ 1	\$ 433	\$ 3,839	\$ 696	\$ 78
Other income	-	-	-	-	148,703	-	-
Total revenue	<u>229</u>	<u>2,999</u>	<u>1</u>	<u>433</u>	<u>152,542</u>	<u>696</u>	<u>78</u>
<b>TRANSFERS</b>							
Transfers from general operating	10,000	-	-	-	-	15,000	15,103
Transfers to general operating	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(20,000)	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	<u>10,229</u>	<u>(17,001)</u>	<u>1</u>	<u>433</u>	<u>152,542</u>	<u>15,696</u>	<u>15,181</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>5,347</u>	<u>129,153</u>	<u>72</u>	<u>18,588</u>	<u>70,875</u>	<u>166,816</u>	<u>-</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 15,576</u>	<u>\$ 112,152</u>	<u>\$ 73</u>	<u>\$ 19,021</u>	<u>\$ 223,417</u>	<u>\$ 182,512</u>	<u>\$ 15,181</u>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
Year Ended December 31, 2022**

	2022						2021
	PCH Building donations	Utility Replacement	Enviromental Health	Recreation and Culture	COVID-19 Restart	Total	Total
<b>REVENUE</b>							
Investment income	\$ -	\$ 24,311	\$ 464	\$ 464	\$ 418	\$ 53,833	\$ 7,908
Other income	-	-	-	-	-	148,703	6,025
Total revenue	-	24,311	464	464	418	202,536	13,933
<b>TRANSFERS</b>							
Transfers from general operating	-	125,000	-	-	-	269,419	403,784
Transfers to general operating	-	-	-	-	-	-	(2,869)
Transfers from utility operating	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(11,286)	(33,657)	(209,084)	(200,402)
<b>CHANGE IN RESERVE FUND BALANCES</b>	-	149,311	464	(10,822)	(33,239)	262,871	214,446
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	20,008	1,046,897	20,000	20,000	33,239	2,371,862	2,157,416
<b>FUND SURPLUS, END OF YEAR</b>	\$ 20,008	\$ 1,196,208	\$ 20,464	\$ 9,178	\$ -	\$ 2,634,733	\$ 2,371,862

Town of Arborg  
**SCHEDULE OF TRUST FUNDS**  
**Year Ended December 31, 2022**

**SCHEDULE 7**

	Total	
	2022	2021
<b>ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUES</b>		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>

Town of Arborg  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
Year Ended December 31, 2022

**SCHEDULE 8**

	<u>2022</u>	<u>2021</u>
	Total	Total
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 100,615	\$ 91,484
Due from other funds	-	5,083
	<u>\$ 100,615</u>	<u>\$ 96,567</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 19,701	\$ 17,440
Long-term debt (Note 10)	233,955	258,647
Due to other funds	20,473	
	<u>274,129</u>	<u>276,087</u>
<b>NET DEBT</b>	<u>\$ (173,514)</u>	<u>\$ (179,520)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	<u>\$ 4,244,570</u>	<u>\$ 4,476,884</u>
<b>FUND SURPLUS</b>	<u>\$ 4,071,056</u>	<u>\$ 4,297,364</u>

Town of Arborg  
**SCHEDULE OF UTILITY OPERATIONS**  
Year Ended December 31, 2022

**SCHEDULE 9**

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 312,500	\$ 312,247	\$ 319,339
sub-total- water	<u>312,500</u>	<u>312,247</u>	<u>319,339</u>
<b>Sewer</b>			
Sewer fees	73,100	72,448	74,906
Lagoon tipping fees	3,450	3,449	45,449
sub-total- sewer	<u>76,550</u>	<u>75,897</u>	<u>120,355</u>
<b>Property taxes</b>	<u>1,041,893</u>	<u>34,391</u>	<u>41,892</u>
<b>Government transfers</b>			
Government transfers - capital	1,015,000	8,123	6,169
sub-total- government transfers	<u>1,015,000</u>	<u>8,123</u>	<u>6,169</u>
<b>Other</b>			
Hydrant rentals	20,000	20,000	20,000
Connection charges	600	2,427	4,443
Penalties	1,500	1,594	1,681
Other income	40,370	42,474	40,399
sub-total- other	<u>62,470</u>	<u>66,495</u>	<u>66,523</u>
 Total revenue	 <u>2,508,413</u>	 <u>497,153</u>	 <u>554,278</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	162,522	141,285	117,886
Training costs	1,100	3,455	1,311
Billing and collection	4,285	3,548	3,481
sub-total- general	<u>167,907</u>	<u>148,288</u>	<u>122,678</u>
<b>Water</b>			
Purification and treatment	32,620	37,976	30,882
Transmission and distribution	13,983	19,897	28,842
Service and other supply costs	82,030	61,634	61,496
Connection costs	-	-	-
sub-total- water general	<u>128,633</u>	<u>119,507</u>	<u>121,220</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	224,496	224,496	224,864
sub-total- water amortization & interest	<u>224,496</u>	<u>224,496</u>	<u>224,864</u>
<b>Sewer</b>			
Collection system costs	59,988	51,353	37,473
Treatment and disposal cost	1,100	1,270	365
Lift Station costs	4,220	4,166	3,315
sub-total- sewer general	<u>65,308</u>	<u>56,789</u>	<u>41,153</u>
<b>Sewer Amortization &amp; Interest</b>			
Amortization	39,682	39,682	39,986
Interest on long term debt	9,699	9,699	10,793
sub-total- sewer amortization & interest	<u>49,381</u>	<u>49,381</u>	<u>50,779</u>
 Total expenses	 <u>635,725</u>	 <u>598,461</u>	 <u>560,694</u>
 NET REVENUES	 1,872,688	 (101,308)	 (6,416)
<b>TRANSFERS</b>			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	(97,873)	(125,000)	(118,166)
 CHANGE IN UTILITY FUND BALANCE	 <u>\$ 1,774,815</u>	 <u>(226,308)</u>	 <u>(124,582)</u>
 FUND SURPLUS, BEGINNING OF YEAR		 <u>4,297,364</u>	 <u>4,421,946</u>
 FUND SURPLUS, END OF YEAR		 <u>\$ 4,071,056</u>	 <u>\$ 4,297,364</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 1,107,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,107,523
Grants in lieu of taxation	88,101	-	-	-	-	-	-	88,101
User fees	119,009	-	-	-	-	-	238,757	357,766
Permits, licences and fines	5,750	-	-	-	-	-	-	5,750
Investment income	7,000	-	-	-	-	-	-	7,000
Other revenue	4,650	-	-	-	-	-	79,322	83,972
Water and sewer		451,520	-	-	-	-	-	451,520
Grants - Province of Manitoba	440,557	1,015,000	-	-	-	-	26,856	1,482,413
Grants - other	254,316	-	-	-	-	-	25,417	279,733
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from General		1,041,893			(1,041,893)			-
Transfers from reserves	450,200	-	-	-	(450,200)	-	-	-
Total revenue	<u>\$ 2,477,106</u>	<u>\$ 2,508,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,492,093)</u>	<u>\$ -</u>	<u>\$ 370,352</u>	<u>\$ 3,863,778</u>
<b>EXPENSES</b>								
General government services	\$ 359,812	\$ -	\$ 2,899	\$ 6,000	\$ 356	\$ -	\$ -	\$ 369,067
Protective services	313,315	-	45,963	-	-	-	-	359,278
Transportation services	273,255	-	170,827	28,286	-	-	-	472,368
Environmental health services	111,338	-	-	-	-	-	63,427	174,765
Public health and welfare services	44,720	-	-	-	-	-	-	44,720
Regional planning and development	20,520	-	-	-	-	-	-	20,520
Resource cons and industrial dev	49,240	-	-	-	-	-	-	49,240
Recreation and cultural services	298,033	-	66,701	-	-	-	280,229	644,963
Water and sewer services		361,847	264,178	9,699	-	-	-	635,724
Fiscal services:								
Transfer to capital	684,500	2,006,800	(2,691,300)	-	-	-	-	-
Debt charges	144,809	41,893	-	(186,702)	-	-	-	-
Short term interest	6,000	-	-	(6,000)	-	-	-	-
Transfer to Utility	41,892	-	-	-	(41,892)	-	-	-
Transfer to reserves	129,316	97,873	-	-	(227,189)	-	-	-
Allowance for tax assets	356	-	-	-	(356)	-	-	-
Total expenses	<u>\$ 2,477,106</u>	<u>\$ 2,508,413</u>	<u>\$ (2,140,732)</u>	<u>\$ (148,717)</u>	<u>\$ (269,081)</u>	<u>\$ -</u>	<u>\$ 343,656</u>	<u>\$ 2,770,645</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,140,732</u>	<u>\$ 148,717</u>	<u>\$ (1,223,012)</u>	<u>\$ -</u>	<u>\$ 26,696</u>	<u>\$ 1,093,133</u>

Town of Arborg  
 ANALYSIS OF TAXES ON ROLL  
 Year Ended December 31, 2022

**SCHEDULE 11**

	<u>2022</u>	<u>2021</u>
<b>Balance, beginning of year</b>	<b>\$ 95,159</b>	<b>\$ 136,151</b>
<b>Add:</b>		
Tax levy (Schedule 12)	1,725,419	1,714,594
Taxes added	34,391	1,613
Penalties or interest	14,475	15,748
Other accounts added	-	5,315
<b>Sub-total</b>	<b><u>1,774,285</u></b>	<b><u>1,737,270</u></b>
<b>Deduct:</b>		
Cash collections	1,599,102	1,625,001
Writeoffs	725	-
M.P.T.C. - cash advance	128,037	153,261
<b>Sub-total</b>	<b><u>1,727,864</u></b>	<b><u>1,778,262</u></b>
<b>Balance, end of year</b>	<b><u>\$ 141,580</u></b>	<b><u>\$ 95,159</u></b>

Town of Arborg  
**ANALYSIS OF TAX LEVY**  
**Year Ended December 31, 2022**

**SCHEDULE 12**

	<b>2022</b>			<b>2021</b>
	<b>Assessment</b>	<b>Mill Rate</b>	<b>Levy</b>	<b>Levy</b>
Debt charges:				
LI.D. General & Utility	60,897,630	2.634	160,404	108,232
Reserves:				
Machinery replacement	50,025,850	0.370	18,510	9,307
Fire	50,025,850	0.185	9,255	-
Building	50,025,850	0.277	13,857	13,936
PCH Building	50,025,850	0.277	13,857	-
Paving	50,025,850	0.000	-	23,243
General municipal	50,025,850	17.589	879,905	926,389
Special levies:				
Cable fees	-	-	565	383
Rounding			-	
<b>Total municipal taxes (Schedule 2)</b>			<b>1,096,353</b>	<b>1,081,490</b>
Education support levy	12,196,090	8.713	106,265	107,128
Special levy:				
Evergreen SD #22	48,162,200	10.855	522,801	525,976
			-	
<b>Total education taxes</b>			<b>629,066</b>	<b>633,104</b>
			<b>\$ 1,725,419</b>	<b>\$ 1,714,594</b>

**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**Year Ended December 31, 2022**

	2022 Actual	2021 Actual
<b>General government services:</b>		
Legislative	\$ 31,536	\$ 28,077
General administrative	267,850	215,545
Other	63,821	33,601
	<u>363,207</u>	<u>277,223</u>
<b>Protective services:</b>		
Police	165,198	149,794
Fire	131,645	104,532
Emergency measures	11,090	7,667
Other protection	52,321	28,935
	<u>360,254</u>	<u>290,928</u>
<b>Transportation services:</b>		
Road transport		
Road and street maintenance	440,371	366,934
Street lighting	25,439	23,391
	<u>465,810</u>	<u>390,325</u>
<b>Environmental health services:</b>		
Waste collection and disposal	130,268	71,696
Other	24,291	238,249
	<u>154,559</u>	<u>309,945</u>
<b>Public health and welfare services:</b>		
Public health	38,867	41,194
Social assistance	4,016	4,016
	<u>42,883</u>	<u>45,210</u>
<b>Regional planning and development</b>		
Planning and zoning	9,520	9,520
Urban renewal	4,139	3,275
Beautification and land rehabilitation	-	4,402
	<u>13,659</u>	<u>17,197</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	3,397	3,077
Drainage of land	207	493
Veterinary services	2,500	2,500
Regional development	25,907	23,855
Other	12,043	9,208
	<u>44,054</u>	<u>39,133</u>
<b>Recreation and cultural services:</b>		
Parks and playgrounds	7,604	30,652
Other recreational facilities	344,193	489,964
Libraries	18,295	16,569
Other cultural facilities	-	-
	<u>370,092</u>	<u>537,185</u>
<b>Total expenses</b>	<u>1,814,518</u>	<u>1,907,146</u>

Town of Arborg  
**RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)**  
**December 31, 2022**

**SCHEDULE 14**

	General	2022 Utility	Total	2021 Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 1,268	\$ 3,881	\$ 5,149	\$ (320,500)
<b>Adjustments for reporting under public sector accounting standards</b>				
Capital :				
Increase revenue - capital grants and other revenue		-	-	-
Increase expense - net book value of assets written off	(12,517)	-	(12,517)	(8,426)
Increase expense - amortization of tangible capital assets	(286,391)	(264,178)	(550,569)	(530,582)
Eliminate expense - acquisitions of tangible capital assets	442,633	9,296	451,929	351,876
Reserve:				
Increase revenue - reserve funds interest	44,338		44,338	7,908
Eliminate expense - transfers to reserves	182,621	125,000	307,621	409,808
Eliminate revenue - transfers from reserves to operating funds	(201,696)	-	(201,696)	(203,271)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas tax	(11,314)		(11,314)	(97,668)
Decrease revenue - increase in deferred revenue - Handi Van	(433)		(433)	(60)
Other:				
Eliminate expense - repayment of principal portion of long term debt	124,863	24,692	149,555	97,345
	283,372	(101,309)	182,063	(293,570)
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	26,696	-	26,696	274,006
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 310,068</b>	<b>\$ (101,309)</b>	<b>\$ 208,759</b>	<b>\$ (19,564)</b>