

Town of Arborg

**Consolidated Financial Statements
Year ended December 31, 2019**

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, 2019 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2019, 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, 2018, 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.

Chambers Fraser

Winnipeg, Canada
August 26, 2020

Chambers Fraser
Chartered Professional Accountants

Town of Arborg

Consolidated Financial Statements

Year ended December 31, 2019

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**Town of Arborg
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,867,062	\$ 1,504,885
Amounts receivable (Note 4)	524,202	695,770
Inventories for sale (Note 5)	<u>119,583</u>	<u>133,676</u>
	<u>\$ 2,510,846</u>	<u>\$ 2,334,331</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 523,739	\$ 728,089
Deferred revenue (Note 7)	241,881	139,368
Landfill closure and post closure liabilities (Note 8)	16,012	19,355
Long-term debt (Note 9)	1,237,329	1,358,542
Obligations under capital lease (Note 10)	<u>62,535</u>	<u>76,773</u>
	<u>2,081,495</u>	<u>2,322,127</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 429,351</u>	<u>\$ 12,204</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 8,843,285	\$ 9,060,260
Prepaid expenses	<u>28,384</u>	<u>15,404</u>
	<u>8,871,668</u>	<u>9,075,664</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 9,301,019</u>	<u>\$ 9,087,868</u>

Approved on behalf of Council:



Peter Dueck - Mayor



Ron Johnston - Deputy Mayor

Town of Arborg
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2019

	2019 Budget (Note 13)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 1,058,923	\$ 1,066,884	\$ 1,069,469
Grants in lieu of taxation	82,100	82,100	80,280
User fees	271,596	269,413	294,843
Permits, licences and fines	3,580	6,159	4,018
Investment income	12,500	46,701	31,257
Other revenue	28,791	47,669	147,391
Water and sewer	485,160	537,402	529,496
Grants - Province of Manitoba	350,602	372,466	549,327
Grants - other	80,213	44,096	2,194
	<u>2,373,465</u>	<u>2,472,890</u>	<u>2,708,275</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	311,785	296,015	293,012
Protective services	323,713	275,428	287,401
Transportation services	409,272	387,646	417,526
Environmental health services	185,706	173,288	153,708
Public health and welfare services	50,670	51,401	49,544
Regional planning and development	22,770	17,627	18,239
Resource conservation and industrial development	48,615	20,173	21,653
Recreation and cultural services	486,347	496,986	456,140
Water and sewer services	596,103	541,175	463,605
	<u>2,434,981</u>	<u>2,259,739</u>	<u>2,160,828</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ (61,516)</u>	213,151	547,447
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>9,087,868</u>	<u>8,540,421</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 9,301,019</u>	<u>\$ 9,087,868</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, 2019

	<u>2019 Budget (Note 13)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
ANNUAL SURPLUS	\$ (61,516)	\$ 213,151	\$ 547,447
Acquisition of tangible capital assets	(679,117)	(392,841)	(546,640)
Amortization of tangible capital assets	609,817	609,817	518,330
Decrease (increase) in prepaid expense	_____	(12,979)	(1,616)
	<u>(69,300)</u>	<u>203,997</u>	<u>(29,926)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (130,816)</u>	417,148	517,521
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>12,204</u>	<u>(505,318)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 429,351</u>	<u>\$ 12,204</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 213,151	\$ 547,447
Changes in non-cash items:		
Amounts receivable	171,569	(297,235)
Inventories	14,093	(14,093)
Prepays	(12,980)	(1,616)
Accounts payable and accrued liabilities	(204,350)	283,128
Deferred revenue	102,512	62,376
Landfill closure and post closure liabilities	(3,343)	(2,302)
Amortization	609,817	518,330
	<u>890,468</u>	<u>1,096,036</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(392,841)</u>	<u>(546,640)</u>
FINANCING TRANSACTIONS		
Debt repayment	(121,213)	(144,316)
Obligation under capital lease	-	79,070
Repayment of obligation under capital lease	<u>(14,238)</u>	<u>(2,297)</u>
	<u>(135,451)</u>	<u>(67,544)</u>
Cash applied to financing transactions	<u>(135,451)</u>	<u>(67,544)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	362,176	481,852
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,504,885</u>	<u>1,023,033</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 1,867,061</u>	<u>\$ 1,504,885</u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	<u>\$ 1,867,062</u>	<u>\$ 1,504,885</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, 2019

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%) (2018 – consolidated 50%)
BAR Waste Authority Co-op Inc. (consolidated 38%) (2018 – consolidated 38%)
Evergreen Public Library (consolidated 10%) (2018 – 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, 2019

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, 2019

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>2019</u>	<u>2018</u>
Cash	\$ 1,867,062	\$ 1,504,885
Temporary Investments	-	-
	<u>\$ 1,867,062</u>	<u>\$ 1,504,885</u>

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

Designated Reserve Funds	<u>\$ 1,658,525</u>	<u>\$ 1,220,649</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 185,836	\$ 136,323
Government grants	26,895	328,184
Utility customers	92,540	93,158
Organizations and individuals	93,348	26,379
Other governments	129,581	115,131
	<u>528,200</u>	<u>699,175</u>
Less allowances for doubtful amounts	<u>(3,998)</u>	<u>(3,405)</u>
	<u>\$ 524,202</u>	<u>\$ 695,770</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

5. Inventories

Inventories for sale:

	<u>2019</u>	<u>2018</u>
Land	\$ 119,583	\$ 133,676
	<u>\$ 119,583</u>	<u>\$ 133,676</u>

6. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 319,163	\$ 563,316
Accrued expenses	55,662	52,171
School levies	39,438	36,955
Other governments	109,476	75,647
	<u>\$ 523,739</u>	<u>\$ 728,089</u>

7. Deferred Revenue:

	<u>2019</u>	<u>2018</u>
Federal Gas Tax Funding	\$ 186,330	\$ 82,009
Handi-Transit Vehicle Replacement Funding	18,390	18,045
	<u>204,720</u>	100,054
Other	37,161	39,314
	<u>\$ 241,881</u>	<u>\$ 139,368</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 31,2018, a discount rate of 2.00% (2017 - 1.125%) was applied to future cash outflows related to the closure and post-closure costs to calculate the liability.

	<u>2019</u>	<u>2018</u>
Total landfill closure and post closure liabilities	<u>\$ 16,012</u>	<u>\$ 19,355</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

9. Long Term Debt

	<u>2019</u>	<u>2018</u>
General Authority:		
Debenture for paving, at 5.38%, \$36,161 annually including interest, maturing December, 2020	\$ 34,315	\$ 66,882
Debenture for paving, at 3.75%, \$72,733 annually including interest, maturing December, 2030	645,858	692,618
	<u>\$ 680,173</u>	<u>\$ 759,500</u>
Utility Funds:		
Debenture for water and sewer, at 2.75%, \$7,501 annually including interest, maturing December, 2021	\$ 14,406	\$ 21,320
Debenture for water and sewer, at 3.75%, \$34,391 annually including interest, maturing December, 2030	305,386	327,496
	<u>\$ 319,792</u>	<u>\$ 348,816</u>
Debenture long term debt	\$ 999,965	\$ 1,108,316
The debentures of the Municipality have been issued with terms ranging from 5 to 20 years to maturity.		
For proportionate consolidated government partnerships:		
Term promissory note with Noventis Credit Union, \$1,178 monthly plus interest at 3.25%, maturing September, 2034.	189,397	196,967
Term promissory note with Noventis Credit Union, \$7,885 annual plus interest at 4.0%, maturing November 2020. During the year addition principle payments were made.	47,967	53,259
	<u>\$ 1,237,329</u>	<u>\$ 1,358,542</u>

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

2020	\$ 141,235
2021	107,954
2022	96,659
2023	100,258
2024	103,741

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>2019</u>	<u>2018</u>
2019	\$ -	\$ 18,156
2020	18,156	18,156
2021	18,156	18,156
2022	18,156	18,156
2023	15,123	15,123
Remainder of lease	<u>-</u>	<u>-</u>
Total minimum lease payments	\$ 69,591	\$ 87,747
Less amount representing future interest at 5.6%	<u>(7,056)</u>	<u>(10,974)</u>
Balance of obligation	<u>\$ 62,535</u>	<u>\$ 76,773</u>

Interest expense includes \$ 3,916 with respect to this obligation.

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

Assets under capital lease includes fire equipment.

	<u>2019</u>	<u>2018</u>
Cost of leased tangible capital asset(s)	\$ 79,070	\$ 79,070
Accumulated amortization of leased tangible capital asset(s)	<u>(17,320)</u>	<u>(2,694)</u>
	<u>\$ 61,750</u>	<u>\$ 76,376</u>

Amortization expense includes **\$14,626** 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 the year by the municipality on behalf of its employees are expected to be **\$18,910** (2018 - \$19,009) and are included in the statement of operations.

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

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

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.

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

14. Accumulated Surplus

	<u>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	173,357	170,437
Utility operating fund - Nominal surplus	70,387	65,129
General capital fund - Capital surplus	2,901,043	2,785,072
Utility capital fund - Capital surplus	4,565,949	4,767,563
Reserve funds	<u>1,658,525</u>	<u>1,220,649</u>
	<u>9,369,261</u>	<u>9,008,850</u>
Deferred revenue - Reserves	<u>(204,720)</u>	<u>(100,054)</u>
Accumulated surplus of municipality unconsolidated	9,164,541	8,908,796
Accumulated surplus (deficit) of consolidated entities	<u>136,478</u>	<u>179,072</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 9,301,019</u></u>	<u><u>\$ 9,087,868</u></u>

15. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2019:

- a) Compensation paid to members of council amounted to \$42,928 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Peter Dueck	\$ 9,846	\$ 1,598	\$ 11,444
Councillor - John Crackle	6,461	600	7,061
Councillor - Ron Johnston	9,461	1,297	10,758
Councillor - Ron Rogowsky	9,505	1,836	11,341
Councillor - Rob Thorsteinson	<u>7,655</u>	<u>1,503</u>	<u>9,158</u>
	<u><u>\$ 42,928</u></u>	<u><u>\$ 6,834</u></u>	<u><u>\$ 49,762</u></u>

- c) The following officers received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lorraine Bardarson	Chief Administrative Officer	\$ 70,997
Bruce Swanson	Public Works Foreman	\$ 76,935
Thomas Chwaliboga	Recreation Director	\$ 54,563
Marcel Sutyla	Public Works Assistant	\$ 59,479

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

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	\$ 2,888,879	\$ -	\$ 108,572	\$ 2,780,307
Sewer services	205,467	-	14,697	190,770
	<u>\$ 3,094,346</u>	<u>\$ -</u>	<u>\$ 123,269</u>	<u>\$ 2,971,077</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.

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

	<u>2019</u>	<u>2018</u>
Financial Position		
Financial assets	\$ 52,663	\$ 66,860
Financial liabilities	<u>357,610</u>	<u>336,454</u>
Net financial assets (liabilities)	<u>(304,947)</u>	<u>(269,594)</u>
Non financial assets	<u>441,425</u>	<u>448,666</u>
Accumulated surplus	<u>\$ 136,478</u>	<u>\$ 179,072</u>
Results of operations		
Revenues	\$ 238,854	\$ 270,560
Expenses	<u>281,448</u>	<u>242,681</u>
Consolidated annual (Deficit) surplus	<u>\$ (42,594)</u>	<u>\$ 27,879</u>

Town of Arborg
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2019

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2019	2018
Cost										
Opening costs	2,983,200	2,037,310	1,096,367	6,134	-	2,321,143	8,974,653	-	17,418,806	16,872,892
Additions during the year	139,365	47,621	155,645	-	-	-	50,211	-	392,841	546,640
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-	-	-	-	-	(726)
Closing costs	<u>3,122,565</u>	<u>2,084,930</u>	<u>1,252,011</u>	<u>6,134</u>	<u>-</u>	<u>2,321,143</u>	<u>9,024,864</u>	<u>-</u>	<u>17,811,647</u>	<u>17,418,806</u>
Accumulated Amortization										
Opening accum'd amortization	1,244,013	1,377,529	731,731	2,753	-	1,144,246	3,858,274	-	8,358,546	7,840,942
Amortization	89,223	89,612	57,384	1,391	-	91,356	280,850	-	609,817	518,330
Disposals and adjustments	-	-	-	-	-	-	-	-	-	(726)
Closing accum'd amortization	<u>1,333,237</u>	<u>1,467,141</u>	<u>789,115</u>	<u>4,144</u>	<u>-</u>	<u>1,235,602</u>	<u>4,139,124</u>	<u>-</u>	<u>8,968,362</u>	<u>8,358,546</u>
Net Book Value of Tangible Capital Assets	<u>1,789,328</u>	<u>617,789</u>	<u>462,896</u>	<u>1,990</u>	<u>-</u>	<u>1,085,540</u>	<u>4,885,740</u>	<u>-</u>	<u>8,843,285</u>	<u>9,060,260</u>

Town of Arborg
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2019

SCHEDULE 2

	<u>2019 Actual</u>	<u>2018 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,063,297	\$ 1,045,692
Taxes added	3,587	23,777
	<u>1,066,884</u>	<u>1,069,469</u>
Grants in lieu of taxation:		
Federal government	1,962	1,899
Federal government enterprises	2,489	2,411
Provincial government	14,459	14,012
Provincial government enterprises	63,190	61,958
	<u>82,100</u>	<u>80,280</u>
User fees		
Sales of service	209,684	234,423
Rentals	59,729	60,420
	<u>269,413</u>	<u>294,843</u>
Permits, licences and fines		
Licences	2,374	2,054
Fines	3,785	1,964
	<u>6,159</u>	<u>4,018</u>
Investment income:		
Cash and temporary investments	46,701	31,257
	<u>46,701</u>	<u>31,257</u>
Other revenue:		
Penalties and interest	20,673	17,216
Miscellaneous (specify):		
Donations	-	12,453
Expense recoveries	-	78,662
Sundry income	26,996	39,060
	<u>47,669</u>	<u>147,391</u>
Water and sewer (Schedule 4)	<u>537,402</u>	<u>529,496</u>
Grants - Province of Manitoba		
General assistance payment	249,260	206,637
Conditional grants	123,206	342,690
	<u>372,466</u>	<u>549,327</u>
Grants - other		
Federal government - gas tax funding	30,185	-
Federal government - other	129	-
Other local governments	13,782	2,194
	<u>44,096</u>	<u>2,194</u>
Total revenue	<u><u>2,472,890</u></u>	<u><u>2,708,275</u></u>

Town of Arborg
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2019

SCHEDULE 3

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
General government services:		
Legislative	24,830	\$ 23,413
General administrative	198,427	206,089
Other	72,758	63,510
	<u>296,015</u>	<u>293,012</u>
Protective services:		
Police	149,794	149,794
Fire	85,919	105,516
Emergency measures	7,347	6,187
Other protection	32,368	25,904
	<u>275,428</u>	<u>287,401</u>
Transportation services:		
Road transport		
Road and street maintenance	363,579	392,608
Street lighting	24,067	24,918
	<u>387,646</u>	<u>417,526</u>
Environmental health services:		
Waste collection and disposal	151,508	131,063
Other	21,780	22,645
	<u>173,288</u>	<u>153,708</u>
Public health and welfare services:		
Public health	47,385	45,528
Social assistance	4,016	4,016
	<u>51,401</u>	<u>49,544</u>
Regional planning and development		
Planning and zoning	12,048	10,200
Urban renewal	5,166	4,625
Beautification and land rehabilitation	413	3,414
	<u>17,627</u>	<u>18,239</u>
Resource conservation and industrial development		
Rural area weed control	2,915	2,629
Drainage of land	683	846
Veterinary services	2,500	2,500
Regional development	11,583	12,209
Other	2,492	3,469
	<u>20,173</u>	<u>21,653</u>
Recreation and cultural services:		
Parks and playgrounds	11,559	6,580
Other recreational facilities	430,244	415,365
Libraries	31,149	34,195
	<u>496,986</u>	<u>456,140</u>
Water and sewer services (Schedule 4)	<u>541,175</u>	<u>463,605</u>
Total expenses	<u><u>2,259,739</u></u>	<u><u>2,160,828</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2019

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$1,024,993	\$1,027,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	82,100	80,280	-	-	-	-	-	-	-	-
User fees	60,848	61,388	3,188	11,822	4,006	2,550	70,566	71,782	-	-
Permits, licences and fines	184	184	3,995	2,134	-	-	-	-	-	-
Investment income	40,060	26,938	1,747	1,345	4,113	2,635	-	-	-	-
Other revenue	33,329	26,874	-	-	-	78,662	2,120	1,930	-	-
Water and sewer										
Prov of MB - Unconditional Grants	249,260	206,637	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	123,206	-	-	-	-	40,940	-	6,316	-	-
Grants - other	41,735	-	-	-	-	-	-	-	-	-
Total revenue	<u>\$1,655,715</u>	<u>\$1,429,878</u>	<u>\$ 8,930</u>	<u>\$ 15,301</u>	<u>\$ 8,119</u>	<u>\$ 124,787</u>	<u>\$ 72,686</u>	<u>\$ 80,028</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 127,514	\$ 126,399	\$ 10,486	\$ 13,107	\$ 107,656	\$ 107,250	\$ 32,469	\$ 28,627	\$ -	\$ -
Contract services	93,688	101,242	155,141	157,785	467	612	50,910	46,333	247	234
Utilities	14,403	14,163	5,321	2,066	31,770	32,432	1,374	1,232	-	-
Maintenance materials and supplies	18,037	15,363	50,422	70,691	53,280	78,267	57,227	45,994	-	-
Grants and contributions	15,985	16,523	2,000	1,000	-	-	21,780	22,645	50,654	49,170
Amortization	2,816	2,899	32,058	22,751	164,904	166,045	9,529	8,877	-	-
Interest on long term debt	-	-	-	-	29,568	32,919	-	-	-	-
Other	23,572	16,422	20,000	20,000	-	-	-	-	500	140
Total expenses	<u>\$ 296,015</u>	<u>\$ 293,011</u>	<u>\$ 275,428</u>	<u>\$ 287,400</u>	<u>\$ 387,645</u>	<u>\$ 417,525</u>	<u>\$ 173,289</u>	<u>\$ 153,708</u>	<u>\$ 51,401</u>	<u>\$ 49,544</u>
Surplus (Deficit)	<u>\$1,359,700</u>	<u>\$1,136,867</u>	<u>\$ (266,498)</u>	<u>\$ (272,099)</u>	<u>\$ (379,526)</u>	<u>\$ (292,738)</u>	<u>\$ (100,603)</u>	<u>\$ (73,680)</u>	<u>\$ (51,401)</u>	<u>\$ (49,544)</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, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,892	\$ 41,892	\$ 1,066,885	\$ 1,069,469
Grants in lieu of taxation	-	-	-	-	-	-	-	-	82,100	80,280
User fees	-	-	-	-	130,804	147,301	-	-	269,412	294,843
Permits, licences and fines	-	-	1,980	1,700	-	-	-	-	6,159	4,018
Investment income	780	339	-	-	-	-	-	-	46,700	31,257
Other revenue	-	-	-	-	12,221	39,925	-	-	47,670	147,391
Water and sewer	-	-	-	-	-	-	537,402	529,496	537,402	529,496
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	249,260	206,637
Prov of MB - Conditional Grants	-	-	-	-	-	28,767	-	266,667	123,206	342,690
Grants - other	-	-	2,232	2,194	129	-	-	-	44,096	2,194
Total revenue	\$ 780	\$ 339	\$ 4,212	\$ 3,894	\$ 143,154	\$ 215,993	\$ 579,294	\$ 838,055	\$ 2,472,890	\$ 2,708,275
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 182,114	\$ 180,909	\$ 149,304	\$ 132,175	\$ 609,543	\$ 588,467
Contract services	1,192	3,414	3,956	2,791	47,405	42,595	29,195	23,803	382,201	378,809
Utilities	-	-	-	-	65,691	63,814	17,017	17,462	135,576	131,169
Maintenance materials and supplies	-	-	1,238	1,902	78,290	80,161	45,835	26,304	304,329	318,682
Grants and contributions	16,436	14,825	12,456	15,594	30,598	1,569	-	-	149,909	121,326
Amortization	-	-	-	-	75,260	74,433	280,850	243,324	565,417	518,329
Interest on long term debt	-	-	-	-	-	-	12,867	13,852	42,435	46,771
Other	-	-	2,524	1,367	17,628	12,658	6,106	6,687	70,330	57,274
Total expenses	\$ 17,628	\$ 18,239	\$ 20,174	\$ 21,654	\$ 496,986	\$ 456,139	\$ 541,174	\$ 463,607	\$ 2,259,740	\$ 2,160,827
Surplus (Deficit)	\$ (16,848)	\$ (17,900)	\$ (15,962)	\$ (17,760)	\$ (353,832)	\$ (240,146)	\$ 38,120	\$ 374,448	\$ 213,150	\$ 547,448

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2019

	Core Government		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018
REVENUE						
Property taxes	\$ 1,066,885	\$ 1,069,469	\$ -	\$ -	\$ 1,066,885	\$ 1,069,469
Grants in lieu of taxation	82,100	80,280	-	-	82,100	80,280
User fees	86,322	94,905	183,090	199,938	269,412	294,843
Permits, licences and fines	6,159	4,018	-	-	6,159	4,018
Investment income	46,700	31,257	-	-	46,700	31,257
Other revenue	33,329	105,536	14,341	41,855	47,670	147,391
Water and sewer	537,402	529,496	-	-	537,402	529,496
Prov of MB - Unconditional Grants	249,260	206,637	-	-	249,260	206,637
Prov of MB - Conditional Grants	93,462	313,923	29,744	28,767	123,206	342,690
Grants - other	32,417	2,194	11,679	-	44,096	2,194
Total revenue	<u>\$ 2,234,036</u>	<u>\$ 2,437,715</u>	<u>\$ 238,854</u>	<u>\$ 270,560</u>	<u>\$ 2,472,890</u>	<u>\$ 2,708,275</u>
EXPENSES						
Personnel services	\$ 434,684	\$ 420,610	\$ 174,859	\$ 167,857	\$ 609,543	\$ 588,467
Contract services	315,165	315,053	67,036	63,756	382,201	378,809
Utilities	72,004	69,588	63,572	61,581	135,576	131,169
Maintenance materials and supplies	219,233	247,534	85,096	71,148	304,329	318,682
Grants and contributions	149,909	121,326	-	-	149,909	121,326
Amortization	532,699	487,090	32,718	31,239	565,417	518,329
Interest on long term debt	42,435	46,771	-	-	42,435	46,771
Other	58,390	50,413	11,940	6,861	70,330	57,274
Total expenses	<u>\$ 1,824,519</u>	<u>\$ 1,758,385</u>	<u>\$ 435,221</u>	<u>\$ 402,442</u>	<u>\$ 2,259,740</u>	<u>\$ 2,160,827</u>
Surplus (Deficit)	<u>\$ 409,517</u>	<u>\$ 679,330</u>	<u>\$ (196,367)</u>	<u>\$ (131,882)</u>	<u>\$ 213,150</u>	<u>\$ 547,448</u>
Reconcile Govt Partnerships to Note 15 and Schedule 14						
As per above			\$ (196,367)	\$ (131,882)		
			153,773	159,761		
			<u>\$ (42,594)</u>	<u>\$ 27,879</u>		

Town of Arborg
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2019

SCHEDULE 6

	2019							
	General	Economic Development	Gas Tax	Building	Critical Infrastructure Needs	Equipment Replacement	Fire	Paving
REVENUE								
Investment income	\$ 4,311	\$ 781	\$ 2,353	\$ 1,444	\$ 160	\$ 3,473	\$ 1,305	\$ 480
Other income	-	-	-	-	-	-	-	-
Total revenue	4,311	781	2,353	1,444	160	3,473	1,305	480
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	4,311	781	2,353	1,444	160	3,473	1,305	480
TRANSFERS								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from general operating	5,000	-	132,153	-	37,000	40,000	10,000	45,000
Transfers to general operating	-	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(30,185)	-	-	(139,100)	-	-
CHANGE IN RESERVE FUND BALANCES	9,311	781	104,321	1,444	37,160	(95,627)	11,305	45,480
FUND SURPLUS, BEGINNING OF YEAR	222,845	40,794	82,009	75,487	-	171,679	63,286	12,812
FUND SURPLUS, END OF YEAR	\$ 232,156	\$ 41,575	\$ 186,330	\$ 76,931	\$ 37,160	\$ 76,052	\$ 74,591	\$ 58,292

Town of Arborg
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2019

SCHEDULE 6

	2019							2018
	Walking	Handi-van	ABFD	PCH Building	PCH Building donations	Utility Replacement	Total	Total
REVENUE								
Investment income	\$ 2	\$ 345	\$ 443	\$ 2,172	\$ -	\$ 8,010	\$ 25,279	\$ 14,691
Other income	-	-	34,037	25	-	-	34,062	13,737
Total revenue	2	345	34,480	2,197	-	8,010	59,341	28,428
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	2	345	34,480	2,197	-	8,010	59,341	28,428
TRANSFERS								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from general operating	-	-	-	-	50,000	-	319,153	262,178
Transfers to general operating	-	-	-	(3,000)	-	-	(3,000)	(13,768)
Transfers from utility operating	-	-	-	-	-	234,475	234,475	141,550
Transfers to utility operating	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(2,808)	-	-	-	(172,093)	-
CHANGE IN RESERVE FUND BALANCES	2	345	31,672	(803)	50,000	242,485	437,876	418,388
FUND SURPLUS, BEGINNING OF YEAR	69	18,045	19,332	20,611	75,000	418,681	1,220,649	802,261
FUND SURPLUS, END OF YEAR	\$ 71	\$ 18,390	\$ 51,004	\$ 19,808	\$ 125,000	\$ 661,166	\$ 1,658,525	\$ 1,220,649

Town of Arborg
SCHEDULE OF TRUST FUNDS
 Year Ended December 31, 2019

SCHEDULE 7

	Total	
	2019	2018
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
REVENUES		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
EXPENDITURES		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Town of Arborg
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 Year Ended December 31, 2019

SCHEDULE 8

	<u>2019</u>	<u>2018</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 92,540	\$ 359,824
Due from other funds	-	-
	<u>\$ 92,540</u>	<u>\$ 359,824</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 18,554	\$ 17,390
Long-term debt (Note 10)	319,791	348,816
Due to other funds	3,599	277,305
	<u>341,944</u>	<u>643,511</u>
NET DEBT	<u>\$ (249,404)</u>	<u>\$ (283,687)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 4,885,740</u>	<u>\$ 5,116,379</u>
FUND SURPLUS	<u><u>\$ 4,636,336</u></u>	<u><u>\$ 4,832,692</u></u>

Town of Arborg
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2019

SCHEDULE 9

	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Water			
Water fees	\$ 308,800	\$ 309,740	\$ 310,313
sub-total- water	<u>308,800</u>	<u>309,740</u>	<u>310,313</u>
Sewer			
Sewer fees	71,375	72,087	72,115
Lagoon tipping fees	45,450	87,449	88,699
sub-total- sewer	<u>116,825</u>	<u>159,536</u>	<u>160,814</u>
Property taxes	<u>41,893</u>	<u>41,892</u>	<u>41,892</u>
Government transfers			
Government transfers - capital	1	-	266,667
sub-total- government transfers	<u>1</u>	<u>-</u>	<u>266,667</u>
Other			
Hydrant rentals	20,000	20,000	20,000
Connection charges	-	3,358	395
Penalties	1,860	1,760	1,882
Other income	37,675	43,008	36,092
sub-total- other	<u>59,535</u>	<u>68,126</u>	<u>58,369</u>
 Total revenue	 <u>527,054</u>	 <u>579,294</u>	 <u>838,055</u>
EXPENSES			
General			
Administration	134,245	105,485	84,049
Training costs	2,500	1,985	1,098
Billing and collection	3,535	2,907	3,075
sub-total- general	<u>140,280</u>	<u>110,377</u>	<u>88,222</u>
Water			
Purification and treatment	28,300	25,519	28,176
Transmission and distribution	21,083	21,372	8,108
Service and other supply costs	54,770	50,513	49,599
Connection costs	7,500	4,045	-
sub-total- water general	<u>111,653</u>	<u>101,449</u>	<u>85,883</u>
Water Amortization & Interest			
Amortization	243,015	243,015	204,294
sub-total- water amortization & interest	<u>243,015</u>	<u>243,015</u>	<u>204,294</u>
Sewer			
Collection system costs	42,618	29,713	27,545
Treatment and disposal cost	1,800	969	715
Lift Station costs	6,035	4,950	4,064
sub-total- sewer general	<u>50,453</u>	<u>35,632</u>	<u>32,324</u>
Sewer Amortization & Interest			
Amortization	37,835	37,835	39,030
Interest on long term debt	12,867	12,867	13,852
sub-total- sewer amortization & interest	<u>50,702</u>	<u>50,702</u>	<u>52,882</u>
 Total expenses	 <u>596,103</u>	 <u>541,175</u>	 <u>463,605</u>
 NET REVENUES	 (69,049)	 38,119	 374,450
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	(154,475)	(234,475)	(141,550)
 CHANGE IN UTILITY FUND BALANCE	 <u>\$ (223,524)</u>	 (196,356)	 232,900
 FUND SURPLUS, BEGINNING OF YEAR		 <u>4,832,692</u>	 <u>4,599,792</u>
 FUND SURPLUS, END OF YEAR		 <u>\$ 4,636,336</u>	 <u>\$ 4,832,692</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2019

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,058,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,058,923
Grants in lieu of taxation	82,100	-	-	-	-	-	-	82,100
User fees	88,506	-	-	-	-	-	183,090	271,596
Permits, licences and fines	3,580	-	-	-	-	-	-	3,580
Investment income	12,500	-	-	-	-	-	-	12,500
Other revenue	14,450	-	-	-	-	-	14,341	28,791
Water and sewer		485,160	-	-	-	-	-	485,160
Grants - Province of Manitoba	320,858	-	-	-	-	-	29,744	350,602
Grants - other	68,534	-	-	-	-	-	11,679	80,213
Transfers from General		41,893	-	-	(41,893)	-	-	-
Transfers from reserves	334,650	-	-	-	(334,650)	-	-	-
Total revenue	\$ 1,984,101	\$ 527,053	\$ -	\$ -	\$ (376,543)	\$ -	\$ 238,854	\$ 2,373,465
EXPENSES								
General government services	\$ 294,205	\$ -	\$ 2,816	\$ 12,000	\$ 2,764	\$ -	\$ -	\$ 311,785
Protective services	291,655	-	32,058	-	-	-	-	323,713
Transportation services	214,800	-	164,904	29,568	-	-	-	409,272
Environmental health services	123,083	-	-	-	-	-	62,623	185,706
Public health and welfare services	50,670	-	-	-	-	-	-	50,670
Regional planning and development	22,770	-	-	-	-	-	-	22,770
Resource cons and industrial dev	48,615	-	-	-	-	-	-	48,615
Recreation and cultural services	215,451	-	52,071	-	-	-	218,825	486,347
Water and sewer services		302,386	280,850	12,867	-	-	-	596,103
Fiscal services:								
Transfer to capital	344,000	28,300	(372,300)	-	-	-	-	-
Debt charges	108,894	41,893	-	(150,787)	-	-	-	-
Short term interest	12,000	-	-	(12,000)	-	-	-	-
Transfer to Utility	41,892	-	-	-	(41,892)	-	-	-
Transfer to reserves	213,302	154,475	-	-	(367,777)	-	-	-
Allowance for tax assets	2,764	-	-	-	(2,764)	-	-	-
Total expenses	\$ 1,984,101	\$ 527,054	\$ 160,399	\$ (108,352)	\$ (409,669)	\$ -	\$ 281,448	\$ 2,434,981
Surplus (Deficit)	\$ -	\$ (1)	\$ (160,399)	\$ 108,352	\$ 33,126	\$ -	\$ (42,594)	\$ (61,516)

Town of Arborg
 ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2019

SCHEDULE 11

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 136,323	\$ 104,696
Add:		
Tax levy (Schedule 12)	1,680,696	1,653,034
Taxes added	3,587	23,777
Penalties or interest	20,673	17,216
Other accounts added	7,483	7,650
Sub-total	<u>1,712,439</u>	<u>1,701,677</u>
Deduct:		
Cash collections	1,454,614	1,443,428
Writeoffs	3,171	8,078
M.P.T.C. - cash advance	205,141	218,544
Sub-total	<u>1,662,926</u>	<u>1,670,050</u>
Balance, end of year	<u>\$ 185,836</u>	<u>\$ 136,323</u>

Town of Arborg
ANALYSIS OF TAX LEVY
Year Ended December 31, 2019

SCHEDULE 12

	2019			2018
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	56,622,110	2.510	142,121	142,121
Reserves:				
Machinery replacement	47,734,220	0.400	19,094	18,795
Fire	47,734,220	0.200	9,547	9,397
Building	47,734,220	0.980	46,780	46,987
General	47,734,220	0.100	4,773	18,795
Paving	47,734,220	0.490	23,390	-
General municipal	47,734,220	17.120	817,210	809,165
Special levies:				
Cable fees	-	-	383	433
Rounding			-	
Total municipal taxes (Schedule 2)			1,063,298	1,045,693
Education support levy	11,629,240	9.770	113,618	113,044
Special levy:				
Evergreen SD #22	45,590,930	11.050	503,780	494,297
Adjustments of school levy to municipal taxes			-	
Total education taxes			617,398	607,341
			\$ 1,680,696	\$ 1,653,034

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 24,830	\$ 23,413
General administrative	198,427	206,089
Other	72,752	63,508
	<u>296,009</u>	<u>293,010</u>
Protective services:		
Police	149,794	149,794
Fire	85,919	105,516
Emergency measures	7,347	6,187
Other protection	32,368	25,904
	<u>275,428</u>	<u>287,401</u>
Transportation services:		
Road transport		
Road and street maintenance	363,579	392,608
Street lighting	24,067	24,918
	<u>387,646</u>	<u>417,526</u>
Environmental health services:		
Waste collection and disposal	88,885	96,218
Other	21,780	22,645
	<u>110,665</u>	<u>118,863</u>
Public health and welfare services:		
Public health	47,385	45,528
Social assistance	4,016	4,016
	<u>51,401</u>	<u>49,544</u>
Regional planning and development		
Planning and zoning	12,048	10,200
Urban renewal	5,166	4,625
Beautification and land rehabilitation	413	3,414
	<u>17,627</u>	<u>18,239</u>
Resource conservation and industrial development		
Rural area weed control	2,915	2,629
Drainage of land	683	846
Veterinary services	2,500	2,500
Regional development	11,583	12,209
Other	2,492	3,469
	<u>20,173</u>	<u>21,653</u>
Recreation and cultural services:		
Parks and playgrounds	11,559	6,580
Other recreational facilities	222,483	219,547
Libraries	20,085	22,177
Other cultural facilities	-	-
	<u>278,161</u>	<u>248,304</u>
Total expenses	<u>1,437,110</u>	<u>1,454,540</u>

Town of Arborg
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2019

SCHEDULE 14

	General	2019 Utility	Total	2018 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 2,923	\$ 5,258	\$ 8,181	\$ 5,329
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - amortization of tangible capital assets	(251,849)	(280,850)	(532,699)	(487,090)
Eliminate expense - acquisitions of tangible capital assets	274,256	50,211	324,467	462,493
Reserve:				
Increase revenue - reserve funds interest	25,278		25,278	14,953
Eliminate expense - transfers to reserves	353,215	234,475	587,690	405,643
Eliminate revenue - transfers from reserves to operating funds	(175,093)	-	(175,093)	(1,446)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas tax	(104,322)		(104,322)	(65,981)
Decrease revenue - increase in deferred revenue - Handi Van	(346)		(346)	1,194
Other:				
Eliminate expense - repayment of principal portion of long term debt	93,564	29,025	122,589	106,312
Increase expense - expense net of revenue from shared fire reserve	-		-	(501)
Increase revenue - write off municipal capital fund holdback payable	-		-	78,662
	217,626	38,119	255,745	519,568
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(42,594)	-	(42,594)	27,879
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 175,032	\$ 38,119	\$ 213,151	\$ 547,447