

Town of Arborg

**Consolidated Financial Statements
Year ended December 31, 2020**

STATEMENT OF RESPONSIBILITY

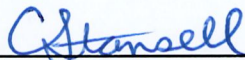
The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Arborg and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by Public Sector Accounting Board of The Chartered Professional 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, 2020 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2020, 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
June 20, 2022

Chambers Fraser
Chartered Professional Accountants

Town of Arborg

Consolidated Financial Statements

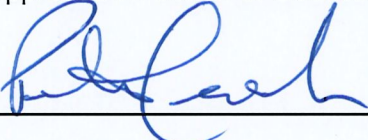
Year ended December 31, 2020

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Town of Arborg
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 2,195,318	\$ 1,867,062
Amounts receivable (Note 4)	485,769	524,202
Inventories for sale (Note 5)	<u>119,583</u>	<u>119,583</u>
	<u>\$ 2,800,669</u>	<u>\$ 2,510,846</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 342,371	\$ 523,739
Deferred revenue (Note 7)	262,551	241,881
Landfill closure and post closure liabilities (Note 8)	24,364	16,012
Long-term debt (Note 9)	1,104,690	1,237,329
Obligations under capital lease (Note 10)	<u>47,483</u>	<u>62,535</u>
	<u>1,781,459</u>	<u>2,081,495</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 1,019,211</u>	<u>\$ 429,351</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 8,529,881	\$ 8,843,285
Prepaid expenses	<u>55,123</u>	<u>28,384</u>
	<u>8,585,004</u>	<u>8,871,668</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 9,604,215</u>	<u>\$ 9,301,019</u>

Approved on behalf of Council:



Peter Dueck - Mayor



Ron Johnston - Deputy Mayor

Town of Arborg
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2020

	<u>2020 Budget (Note 13)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Property taxes	\$ 1,041,892	\$ 1,062,700	\$ 1,066,884
Grants in lieu of taxation	79,195	79,195	82,100
User fees	224,520	219,332	269,413
Permits, licences and fines	5,980	8,829	6,159
Investment income	15,000	13,039	26,897
Other revenue	71,310	148,134	47,669
Water and sewer	487,025	539,552	537,402
Grants - Province of Manitoba	473,412	406,739	372,466
Grants - other	84,456	125,006	44,096
	<u>2,482,790</u>	<u>2,602,526</u>	<u>2,453,086</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	304,415	266,697	276,211
Protective services	320,102	301,688	275,428
Transportation services	434,165	395,045	387,646
Environmental health services	180,955	168,690	173,288
Public health and welfare services	50,905	49,716	51,401
Regional planning and development	18,180	15,871	17,627
Resource conservation and industrial development	37,655	53,553	20,173
Recreation and cultural services	557,520	511,583	496,986
Water and sewer services	647,392	536,487	541,175
	<u>2,551,289</u>	<u>2,299,330</u>	<u>2,239,935</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ (68,499)</u>	303,196	213,151
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>9,301,019</u>	<u>9,087,868</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 9,604,215</u>	<u>\$ 9,301,019</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, 2020

	<u>2020 Budget (Note 13)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
ANNUAL SURPLUS	\$ (68,499)	\$ 303,196	\$ 213,151
Acquisition of tangible capital assets	(379,500)	(269,140)	(348,441)
Amortization of tangible capital assets	578,044	578,044	565,417
Loss (Gain) on sale of tangible capital assets		(10,499)	-
Proceeds on sale of tangible capital assets		14,999	-
Decrease (increase) in prepaid expense		(26,740)	(12,980)
	<u>198,544</u>	<u>286,664</u>	<u>203,996</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 130,045</u>	589,860	417,147
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>429,351</u>	<u>12,204</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 1,019,211</u>	<u>\$ 429,351</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 303,196	\$ 213,151
Changes in non-cash items:		
Amounts receivable	38,433	171,569
Inventories	-	14,093
Prepays	(26,740)	(12,980)
Accounts payable and accrued liabilities	(181,368)	(204,350)
Deferred revenue	20,670	102,512
Landfill closure and post closure liabilities	8,352	(3,343)
Amortization	578,044	565,417
Cash provided by operating transactions	<u>730,088</u>	<u>846,069</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	14,999	-
Cash used to acquire tangible capital assets	<u>(269,140)</u>	<u>(348,441)</u>
FINANCING TRANSACTIONS		
Debt repayment	(132,639)	(121,213)
Obligation under capital lease	-	79,070
Repayment of obligation under capital lease	<u>(15,052)</u>	<u>(93,308)</u>
Cash applied to financing transactions	<u>(147,691)</u>	<u>(135,451)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	328,256	362,177
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,867,062</u>	<u>1,504,885</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 2,195,318</u></u>	<u><u>\$ 1,867,062</u></u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	<u><u>\$ 2,195,318</u></u>	<u><u>\$ 1,867,062</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, 2020

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

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

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition per acceptance by Town. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize interest charges as part of the cost of its tangible capital assets.

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

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 40 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 to 40 years
Underground networks	40 to 50 years
Machinery and equipment	5 to 10 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

h) Leases

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

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

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>2020</u>	<u>2019</u>
Cash	\$ 2,195,318	\$ 1,867,062
Temporary Investments	-	-
	<u>\$ 2,195,318</u>	<u>\$ 1,867,062</u>

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

Designated Reserve Funds	<u>\$ 2,157,416</u>	<u>\$ 1,658,525</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 136,151	\$ 185,836
Government grants	21,779	26,895
Utility customers	90,845	92,540
Organizations and individuals	107,447	93,348
Other governments	137,279	129,581
	<u>493,501</u>	<u>528,200</u>
Less allowances for doubtful amounts	<u>(7,732)</u>	<u>(3,998)</u>
	<u>\$ 485,769</u>	<u>\$ 524,202</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

5. Inventories

Inventories for sale:

	<u>2020</u>	<u>2019</u>
Land	<u>\$ 119,583</u>	<u>\$ 119,583</u>
	<u>\$ 119,583</u>	<u>\$ 119,583</u>

6. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 150,432	\$ 352,992
Accrued expenses	50,999	55,662
School levies	31,464	39,438
Other governments	<u>109,476</u>	<u>75,647</u>
	<u>\$ 342,371</u>	<u>\$ 523,739</u>

7. Deferred Revenue:

	<u>2020</u>	<u>2019</u>
Federal Gas Tax Funding	\$ 201,682	\$ 186,330
Handi-Transit Vehicle Replacement Funding	<u>18,528</u>	<u>18,390</u>
	<u>220,210</u>	<u>204,720</u>
Other	<u>42,341</u>	<u>37,161</u>
	<u>\$ 262,551</u>	<u>\$ 241,881</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 31,2020, a discount rate of .7% (2019 - 2.2%) was applied to future cash outflows related to the closure and post-closure costs to calculate the liability.

	<u>2020</u>	<u>2019</u>
Total landfill closure and post closure liabilities	<u>\$ 24,364</u>	<u>\$ 16,012</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

9. Long Term Debt

	<u>2020</u>	<u>2019</u>
General Authority:		
Debenture for paving, at 5.38%, \$36,161 annually including interest, maturing December, 2020	\$ -	\$ 34,315
Debenture for paving, at 3.75%, \$72,733 annually including interest, maturing December, 2030	597,345	645,858
	<u>\$ 597,345</u>	<u>\$ 680,173</u>
Utility Funds:		
Debenture for water and sewer, at 2.75%, \$7,501 annually including interest, maturing December, 2021	\$ 7,300	\$ 14,406
Debenture for water and sewer, at 3.75%, \$34,391 annually including interest, maturing December, 2030	282,446	305,386
	<u>\$ 289,746</u>	<u>\$ 319,792</u>
Debenture long term debt	\$ 887,091	\$ 999,965
The debentures of the Municipality have been issued with terms ranging from 5 to 20 years to maturity.		
For proportionate consolidated government partnerships:		
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at prime per annum, repayable in monthly blended payments of \$2,355, secured by general security agreement and letter of comfort from the Town of Arborg and the Rural Municipality of Bifrost-Riverton, maturing September 2034	152,890	161,975
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at prime per annum, repayable in monthly blended payments of \$32,500, secured by general security agreement and letter of comfort from the Town of Arborg and the Rural Municipality of Bifrost-Riverton, maturing February 2026. No payments were required by the lender during the current year.	22,550	27,422
Bar Waste Authority Co-op loan bearing interest at prime plus 1% per annum, repayable in annual blended payments of \$20,750, maturing November 2026.	<u>42,159</u>	<u>47,967</u>
	<u>\$ 1,104,690</u>	<u>\$ 1,237,329</u>

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

2021	\$	113,680
2022		99,853
2023		97,065
2024		100,450
2025		104,151

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

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>2020</u>	<u>2019</u>
2020	\$ -	\$ 18,156
2021	18,156	18,156
2022	18,156	18,156
2023	15,123	15,123
2024	-	-
Remainder of lease	-	-
	<u> </u>	<u> </u>
Total minimum lease payments	\$ 51,435	\$ 69,591
Less amount representing future interest at 5.6%	<u>(3,952)</u>	<u>(7,056)</u>
Balance of obligation	<u>\$ 47,483</u>	<u>\$ 62,535</u>

Interest expense of **\$ 3,103** included in fire expenses with respect to this obligation.

Assets under capital lease includes fire equipment.

	<u>2020</u>	<u>2019</u>
Cost of leased tangible capital asset(s)	\$ 79,070	\$ 79,070
Accumulated amortization of leased tangible capital asset(s)	<u>(35,005)</u>	<u>(17,320)</u>
	<u>\$ 44,065</u>	<u>\$ 61,750</u>

Amortization expense includes **\$17,685** 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 2019 by the municipality on behalf of its employees are expected to be **\$21,623** (2019 - \$18,910) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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, 2020

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>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	228,953	173,359
Utility operating fund - Nominal surplus	75,170	70,387
General capital fund - Capital surplus	2,910,998	2,901,043
Utility capital fund - Capital surplus	4,346,777	4,565,949
Reserve funds	<u>2,157,416</u>	<u>1,658,523</u>
	9,719,314	9,369,261
Deferred revenue - Reserves	<u>(220,211)</u>	<u>(204,720)</u>
Accumulated surplus of municipality unconsolidated	9,499,103	9,164,541
Accumulated surplus (deficit) of consolidated entities	<u>105,112</u>	<u>136,478</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 9,604,215</u>	<u>\$ 9,301,019</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, 2020:

- a) Compensation paid to members of council amounted to \$35,787 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	\$ 8,652	\$ 1,200	\$ 9,852
Councillor - John Crackle	6,655	1,312	7,967
Councillor - Ron Johnston	6,709	1,312	8,021
Councillor - Ron Rogowsky	7,004	1,367	8,371
Councillor - Rob Thorsteinson	<u>6,767</u>	<u>1,245</u>	<u>8,012</u>
	<u>\$ 35,787</u>	<u>\$ 6,436</u>	<u>\$ 42,223</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

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, 2020:

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

Name	Position	Amount
Bruce Swanson	Public Works Foreman	\$ 76,935

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	\$ 2,780,307	\$ -	\$ 108,572	\$ 2,671,735
Sewer services	190,770	-	14,697	176,073
	<u>\$ 2,971,077</u>	<u>\$ -</u>	<u>\$ 123,269</u>	<u>\$ 2,847,808</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, 2020

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>2020</u>	<u>2019</u>
Financial Position		
Financial assets	\$ 12,817	\$ 52,663
Financial liabilities	<u>315,053</u>	<u>357,610</u>
Net financial assets (liabilities)	<u>(302,236)</u>	<u>(304,947)</u>
Non financial assets	<u>407,348</u>	<u>441,425</u>
Accumulated surplus	<u>\$ 105,112</u>	<u>\$ 136,478</u>
Results of operations		
Revenues	\$ 233,082	\$ 238,854
Expenses	<u>264,325</u>	<u>281,448</u>
Consolidated annual (Deficit) surplus	<u>\$ (31,243)</u>	<u>\$ (42,594)</u>

19. Subsequent Events

Subsequent to the year-end, The Rural Municipality of Bifrost-Riverton has decided to change its funding and participation in the Arborg Bifrost Parks & Recreation Commission. In 2023 they will no longer be involved in the management of the organization and will only provide annual funding.

Town of Arborg
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2020

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	2020	2019
Cost										
Opening costs	3,122,565	2,040,530	1,252,011	6,134	-	2,321,143	9,024,864	-	17,767,247	17,418,806
Additions during the year	68,983	100,598	7,451	9,970	50,215	-	31,923	-	269,140	348,441
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and adjustments	-	-	(45,000)	-	-	-	-	-	(45,000)	-
Closing costs	<u>3,191,548</u>	<u>2,141,128</u>	<u>1,214,462</u>	<u>16,104</u>	<u>50,215</u>	<u>2,321,143</u>	<u>9,056,787</u>	<u>-</u>	<u>17,991,387</u>	<u>17,767,247</u>
Accumulated Amortization										
Opening accum'd amortization	1,333,236	1,422,741	789,115	4,144	-	1,235,602	4,139,124	-	8,923,962	8,358,545
Amortization	94,542	47,090	62,333	1,584	-	91,356	281,139	-	578,044	565,417
Disposals and adjustments	-	-	(40,500)	-	-	-	-	-	(40,500)	-
Closing accum'd amortization	<u>1,427,778</u>	<u>1,469,831</u>	<u>810,948</u>	<u>5,728</u>	<u>-</u>	<u>1,326,958</u>	<u>4,420,263</u>	<u>-</u>	<u>9,461,506</u>	<u>8,923,962</u>
Net Book Value of Tangible Capital Assets	<u>1,763,770</u>	<u>671,297</u>	<u>403,514</u>	<u>10,376</u>	<u>50,215</u>	<u>994,185</u>	<u>4,636,524</u>	<u>-</u>	<u>8,529,881</u>	<u>8,843,285</u>

Town of Arborg
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2020

SCHEDULE 2

	<u>2020 Actual</u>	<u>2019 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,040,493	\$ 1,063,297
Taxes added	<u>22,207</u>	<u>3,587</u>
	<u>1,062,700</u>	<u>1,066,884</u>
Grants in lieu of taxation:		
Federal government	1,857	1,962
Federal government enterprises	2,254	2,489
Provincial government	14,458	14,459
Provincial government enterprises	<u>60,626</u>	<u>63,190</u>
	<u>79,195</u>	<u>82,100</u>
User fees		
Sales of service	161,375	209,684
Rentals	<u>57,957</u>	<u>59,729</u>
	<u>219,332</u>	<u>269,413</u>
Permits, licences and fines		
Licences	4,801	2,374
Fines	<u>4,028</u>	<u>3,785</u>
	<u>8,829</u>	<u>6,159</u>
Investment income:		
Cash and temporary investments	<u>13,039</u>	<u>26,897</u>
	<u>13,039</u>	<u>26,897</u>
Other revenue:		
Gain on sale of tangible capital assets	10,499	-
Contributed assets	79,000	-
Penalties and interest	20,107	20,673
Miscellaneous (specify):		
Donations	26,156	-
Sundry income	<u>12,372</u>	<u>26,996</u>
	<u>148,134</u>	<u>47,669</u>
Water and sewer (Schedule 4)	<u>539,552</u>	<u>537,402</u>
Grants - Province of Manitoba		
General assistance payment	323,019	249,260
Conditional grants	<u>83,720</u>	<u>123,206</u>
	<u>406,739</u>	<u>372,466</u>
Grants - other		
Federal government - gas tax funding	52,500	30,185
Federal government - other	808	129
Other local governments	<u>71,698</u>	<u>13,782</u>
	<u>125,006</u>	<u>44,096</u>
Total revenue	<u><u>2,602,526</u></u>	<u><u>2,453,086</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2020

	2020 Actual	2019 Actual
General government services:		
Legislative	27,515	\$ 24,830
General administrative	208,782	198,427
Other	30,400	52,954
	<u>266,697</u>	<u>276,211</u>
Protective services:		
Police	149,794	149,794
Fire	113,648	85,919
Emergency measures	8,085	7,347
Other protection	30,161	32,368
	<u>301,688</u>	<u>275,428</u>
Transportation services:		
Road transport		
Road and street maintenance	371,876	363,579
Street lighting	23,169	24,067
	<u>395,045</u>	<u>387,646</u>
Environmental health services:		
Waste collection and disposal	148,075	151,508
Other	20,615	21,780
	<u>168,690</u>	<u>173,288</u>
Public health and welfare services:		
Public health	45,700	47,385
Social assistance	4,016	4,016
	<u>49,716</u>	<u>51,401</u>
Regional planning and development		
Planning and zoning	10,179	12,048
Urban renewal	3,022	5,166
Beautification and land rehabilitation	2,670	413
	<u>15,871</u>	<u>17,627</u>
Resource conservation and industrial development		
Rural area weed control	3,068	2,915
Drainage of land	193	683
Veterinary services	2,500	2,500
Regional development	29,274	11,583
Other	18,518	2,492
	<u>53,553</u>	<u>20,173</u>
Recreation and cultural services:		
Parks and playgrounds	23,016	11,559
Other recreational facilities	460,850	430,244
Libraries	27,717	31,149
	<u>511,583</u>	<u>496,986</u>
Water and sewer services (Schedule 4)	<u>536,487</u>	<u>541,175</u>
Total expenses	<u><u>2,299,330</u></u>	<u><u>2,239,935</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 1,020,808	\$ 1,024,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	79,195	82,100	-	-	-	-	-	-	-	-
User fees	61,151	60,848	1,176	3,188	3,800	4,006	73,791	70,566	-	-
Permits, licences and fines	121	184	4,283	3,995	-	-	-	-	-	-
Investment income	10,166	20,256	1,189	1,747	1,372	4,113	-	-	-	-
Other revenue	112,125	33,329	-	-	-	-	2,352	2,120	-	-
Water and sewer										
Prov of MB - Unconditional Grants	323,019	249,260	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	83,447	123,206	-	-	-	-	-	-	-	-
Grants - other	67,501	41,735	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 1,757,533</u>	<u>\$ 1,635,911</u>	<u>\$ 6,648</u>	<u>\$ 8,930</u>	<u>\$ 5,172</u>	<u>\$ 8,119</u>	<u>\$ 76,143</u>	<u>\$ 72,686</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 143,690	\$ 127,514	\$ 10,327	\$ 10,486	\$ 114,642	\$ 107,656	\$ 36,543	\$ 32,469	\$ -	\$ -
Contract services	72,935	93,688	155,879	155,141	480	467	56,557	50,910	-	247
Utilities	13,885	14,403	5,329	5,321	30,875	31,770	1,208	1,374	-	-
Maintenance materials and supplies	16,555	18,037	79,611	50,422	48,858	53,280	43,709	57,227	-	-
Grants and contributions	13,085	15,985	2,000	2,000	-	-	20,615	21,780	49,716	50,654
Amortization	2,816	2,816	28,542	32,058	174,126	164,904	10,059	9,529	-	-
Interest on long term debt	-	-	-	-	26,064	29,568	-	-	-	-
Other	3,731	3,767	20,000	20,000	-	-	-	-	-	500
Total expenses	<u>\$ 266,697</u>	<u>\$ 276,210</u>	<u>\$ 301,688</u>	<u>\$ 275,428</u>	<u>\$ 395,045</u>	<u>\$ 387,645</u>	<u>\$ 168,691</u>	<u>\$ 173,289</u>	<u>\$ 49,716</u>	<u>\$ 51,401</u>
Surplus (Deficit)	<u>\$ 1,490,836</u>	<u>\$ 1,359,701</u>	<u>\$ (295,040)</u>	<u>\$ (266,498)</u>	<u>\$ (389,873)</u>	<u>\$ (379,526)</u>	<u>\$ (92,548)</u>	<u>\$ (100,603)</u>	<u>\$ (49,716)</u>	<u>\$ (51,401)</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, 2020

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,892	\$ 41,892	\$ 1,062,700	\$ 1,066,885
Grants in lieu of taxation	-	-	-	-	-	-	-	-	79,195	82,100
User fees	-	-	-	-	79,413	130,804	-	-	219,331	269,412
Permits, licences and fines	-	-	4,425	1,980	-	-	-	-	8,829	6,159
Investment income	312	780	-	-	-	-	-	-	13,039	26,896
Other revenue	-	-	-	-	33,658	12,221	-	-	148,135	47,670
Water and sewer	-	-	-	-	-	-	539,552	537,402	539,552	537,402
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	323,019	249,260
Prov of MB - Conditional Grants	-	-	-	-	-	-	273	-	83,720	123,206
Grants - other	-	-	56,697	2,232	808	129	-	-	125,006	44,096
Total revenue	\$ 312	\$ 780	\$ 61,122	\$ 4,212	\$ 113,879	\$ 143,154	\$ 581,717	\$ 579,294	\$ 2,602,526	\$ 2,453,086
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 178,444	\$ 182,114	\$ 164,705	\$ 149,304	\$ 648,351	\$ 609,543
Contract services	2,670	1,192	2,788	3,956	71,962	47,405	29,830	29,195	393,101	382,201
Utilities	-	-	-	-	57,367	65,691	17,557	17,017	126,221	135,576
Maintenance materials and supplies	-	-	16,164	1,238	74,967	78,290	24,211	45,835	304,075	304,329
Grants and contributions	13,201	16,436	31,553	12,456	22,018	30,598	-	-	152,188	149,909
Amortization	-	-	-	-	81,362	75,260	281,139	280,850	578,044	565,417
Interest on long term debt	-	-	-	-	-	-	11,848	12,867	37,912	42,435
Other	-	-	3,048	2,524	25,462	17,628	7,197	6,106	59,438	50,525
Total expenses	\$ 15,871	\$ 17,628	\$ 53,553	\$ 20,174	\$ 511,582	\$ 496,986	\$ 536,487	\$ 541,174	\$ 2,299,330	\$ 2,239,935
Surplus (Deficit)	\$ (15,559)	\$ (16,848)	\$ 7,569	\$ (15,962)	\$ (397,703)	\$ (353,832)	\$ 45,230	\$ 38,120	\$ 303,196	\$ 213,151

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2020

	Core Government		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019
REVENUE						
Property taxes	\$ 1,062,700	\$ 1,066,885	\$ -	\$ -	\$ 1,062,700	\$ 1,066,885
Grants in lieu of taxation	79,195	82,100	-	-	79,195	82,100
User fees	82,242	86,322	137,089	183,090	219,331	269,412
Permits, licences and fines	8,829	6,159	-	-	8,829	6,159
Investment income	13,039	26,896	-	-	13,039	26,896
Other revenue	112,125	33,329	36,010	14,341	148,135	47,670
Water and sewer	539,552	537,402	-	-	539,552	537,402
Prov of MB - Unconditional Grants	323,019	249,260	-	-	323,019	249,260
Prov of MB - Conditional Grants	39,546	93,462	44,174	29,744	83,720	123,206
Grants - other	109,197	32,417	15,809	11,679	125,006	44,096
Total revenue	<u>\$ 2,369,444</u>	<u>\$ 2,214,232</u>	<u>\$ 233,082</u>	<u>\$ 238,854</u>	<u>\$ 2,602,526</u>	<u>\$ 2,453,086</u>
EXPENSES						
Personnel services	\$ 478,879	\$ 434,684	\$ 169,472	\$ 174,859	\$ 648,351	\$ 609,543
Contract services	326,498	315,165	66,603	67,036	393,101	382,201
Utilities	70,746	72,004	55,475	63,572	126,221	135,576
Maintenance materials and supplies	238,576	219,233	65,499	85,096	304,075	304,329
Grants and contributions	152,188	149,909	-	-	152,188	149,909
Amortization	544,052	532,699	33,992	32,718	578,044	565,417
Interest on long term debt	37,912	42,435	-	-	37,912	42,435
Other	39,340	38,585	20,098	11,940	59,438	50,525
Total expenses	<u>\$ 1,888,191</u>	<u>\$ 1,804,714</u>	<u>\$ 411,139</u>	<u>\$ 435,221</u>	<u>\$ 2,299,330</u>	<u>\$ 2,239,935</u>
Surplus (Deficit)	<u>\$ 481,253</u>	<u>\$ 409,518</u>	<u>\$ (178,057)</u>	<u>\$ (196,367)</u>	<u>\$ 303,196</u>	<u>\$ 213,151</u>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2020**

	2020					
	<u>General</u>	<u>Economic Development</u>	<u>Gas Tax</u>	<u>Building</u>	<u>Critical Infrastructure Needs</u>	<u>Equipment Replacement</u>
REVENUE						
Investment income	\$ 1,740	\$ 312	\$ 1,550	\$ 576	\$ 279	\$ 608
Other income	-	-	-	-	-	-
Total revenue	<u>1,740</u>	<u>312</u>	<u>1,550</u>	<u>576</u>	<u>279</u>	<u>608</u>
TRANSFERS						
Transfers from general operating	-	40,000	66,302	20,000	-	40,000
Transfers to general operating	-	(20,000)	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(52,500)	-	-	(3,070)
CHANGE IN RESERVE FUND BALANCES	1,740	20,312	15,352	20,576	279	37,538
FUND SURPLUS, BEGINNING OF YEAR	<u>232,155</u>	<u>41,574</u>	<u>186,330</u>	<u>76,931</u>	<u>37,160</u>	<u>76,052</u>
FUND SURPLUS, END OF YEAR	<u>\$ 233,895</u>	<u>\$ 61,886</u>	<u>\$ 201,682</u>	<u>\$ 97,507</u>	<u>\$ 37,439</u>	<u>\$ 113,590</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2020

	2020						
	<u>Fire</u>	<u>Paving</u>	<u>Walking</u>	<u>Handi-van</u>	<u>ABFD</u>	<u>PCH Building</u>	<u>PCH Building donations</u>
REVENUE							
Investment income	\$ 578	\$ 485	\$ 1	\$ 138	\$ 610	\$ 1,168	\$ -
Other income	-	-	-	-	926	-	200
Total revenue	<u>578</u>	<u>485</u>	<u>1</u>	<u>138</u>	<u>1,536</u>	<u>1,168</u>	<u>200</u>
TRANSFERS							
Transfers from general operating	30,000	45,000	-	-	25,107	25,000	-
Transfers to general operating	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(50,000)	-	-	-	(10,693)	-	-
CHANGE IN RESERVE FUND BALANCES	<u>(19,422)</u>	<u>45,485</u>	<u>1</u>	<u>138</u>	<u>15,950</u>	<u>26,168</u>	<u>200</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>74,591</u>	<u>58,292</u>	<u>71</u>	<u>18,390</u>	<u>51,004</u>	<u>125,000</u>	<u>19,808</u>
FUND SURPLUS, END OF YEAR	<u>\$ 55,169</u>	<u>\$ 103,777</u>	<u>\$ 72</u>	<u>\$ 18,528</u>	<u>\$ 66,954</u>	<u>\$ 151,168</u>	<u>\$ 20,008</u>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2020**

	<u>2020</u>			<u>2019</u>
	<u>Utility Replacement</u>	<u>COVID-19 Restart</u>	<u>Total</u>	<u>Total</u>
REVENUE				
Investment income	\$ 4,955	\$ -	\$ 13,000	\$ 25,279
Other income	-	-	1,126	34,062
Total revenue	<u>4,955</u>	<u>-</u>	<u>14,126</u>	<u>59,341</u>
TRANSFERS				
Transfers from general operating	259,620	70,000	621,029	319,153
Transfers to general operating	-	-	(20,000)	(3,000)
Transfers from utility operating	-	-	-	234,475
Transfers between reserves	-	-	-	-
Acquisition of tangible capital assets	-	-	(116,263)	(172,093)
CHANGE IN RESERVE FUND BALANCES	<u>264,575</u>	<u>70,000</u>	<u>498,892</u>	<u>437,876</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>661,166</u>	<u>-</u>	<u>1,658,524</u>	<u>1,220,649</u>
FUND SURPLUS, END OF YEAR	<u>\$ 925,741</u>	<u>\$ 70,000</u>	<u>\$ 2,157,416</u>	<u>\$ 1,658,525</u>

Town of Arborg
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2020

SCHEDULE 7

	Total	
	2020	2019
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
REVENUES		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
EXPENDITURES		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 90,844	\$ 92,540
Due from other funds	<u>1,325</u>	<u>-</u>
	<u>\$ 92,169</u>	<u>\$ 92,540</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,000	\$ 18,554
Long-term debt (Note 10)	289,747	319,791
Due to other funds	<u>-</u>	<u>3,599</u>
	<u>306,747</u>	<u>341,944</u>
NET DEBT	<u>\$ (214,578)</u>	<u>\$ (249,404)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 4,636,524</u>	<u>\$ 4,885,740</u>
FUND SURPLUS	<u>\$ 4,421,946</u>	<u>\$ 4,636,336</u>

Town of Arborg
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2020

SCHEDULE 9

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Water			
Water fees	\$ 305,300	\$ 314,358	\$ 309,740
sub-total- water	<u>305,300</u>	<u>314,358</u>	<u>309,740</u>
Sewer			
Sewer fees	72,000	73,085	72,087
Lagoon tipping fees	45,450	87,449	87,449
sub-total- sewer	<u>117,450</u>	<u>160,534</u>	<u>159,536</u>
Property taxes	<u>41,893</u>	<u>41,892</u>	<u>41,892</u>
Government transfers			
Government transfers - capital	30,000	273	-
sub-total- government transfers	<u>30,000</u>	<u>273</u>	<u>-</u>
Other			
Hydrant rentals	20,000	20,000	20,000
Connection charges	3,100	3,498	3,358
Penalties	1,500	1,590	1,760
Other income	39,675	39,572	43,008
sub-total- other	<u>64,275</u>	<u>64,660</u>	<u>68,126</u>
 Total revenue	 <u>558,918</u>	 <u>581,717</u>	 <u>579,294</u>
EXPENSES			
General			
Administration	142,660	115,809	105,485
Training costs	3,000	2,621	1,985
Billing and collection	3,085	2,798	2,907
sub-total- general	<u>148,745</u>	<u>121,228</u>	<u>110,377</u>
Water			
Purification and treatment	27,100	26,701	25,519
Transmission and distribution	47,583	6,115	21,372
Service and other supply costs	51,000	54,192	50,513
Connection costs	-	-	4,045
sub-total- water general	<u>125,683</u>	<u>87,008</u>	<u>101,449</u>
Water Amortization & Interest			
Amortization	243,215	243,215	243,015
sub-total- water amortization & interest	<u>243,215</u>	<u>243,215</u>	<u>243,015</u>
Sewer			
Collection system costs	73,718	30,245	29,713
Treatment and disposal cost	1,200	1,047	969
Lift Station costs	5,060	3,972	4,950
sub-total- sewer general	<u>79,978</u>	<u>35,264</u>	<u>35,632</u>
Sewer Amortization & Interest			
Amortization	37,924	37,924	37,835
Interest on long term debt	11,848	11,848	12,867
sub-total- sewer amortization & interest	<u>49,772</u>	<u>49,772</u>	<u>50,702</u>
 Total expenses	 <u>647,393</u>	 <u>536,487</u>	 <u>541,175</u>
 NET REVENUES	 <u>(88,475)</u>	 <u>45,230</u>	 <u>38,119</u>
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	(159,620)	(259,620)	(234,475)
 CHANGE IN UTILITY FUND BALANCE	 <u>\$ (248,095)</u>	 <u>(214,390)</u>	 <u>(196,356)</u>
 FUND SURPLUS, BEGINNING OF YEAR		 <u>4,636,336</u>	 <u>4,832,692</u>
 FUND SURPLUS, END OF YEAR		 <u>\$ 4,421,946</u>	 <u>\$ 4,636,336</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,041,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,041,892
Grants in lieu of taxation	79,195	-	-	-	-	-	-	79,195
User fees	87,431	-	-	-	-	-	137,089	224,520
Permits, licences and fines	5,980	-	-	-	-	-	-	5,980
Investment income	15,000	-	-	-	-	-	-	15,000
Other revenue	35,300	-	-	-	-	-	36,010	71,310
Water and sewer		487,025	-	-	-	-	-	487,025
Grants - Province of Manitoba	399,238	30,000	-	-	-	-	44,174	473,412
Grants - other	68,647	-	-	-	-	-	15,809	84,456
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from General		41,893			(41,893)			
Transfers from reserves	291,500	-	-	-	(291,500)	-	-	-
Total revenue	\$ 2,024,183	\$ 558,918	\$ -	\$ -	\$ (333,393)	\$ -	\$ 233,082	\$ 2,482,790
EXPENSES								
General government services	\$ 283,865	\$ -	\$ 2,816	\$ 14,000	\$ 3,734	\$ -	\$ -	\$ 304,415
Protective services	291,560	-	28,542	-	-	-	-	320,102
Transportation services	233,975	-	174,126	26,064	-	-	-	434,165
Environmental health services	116,218	-	-	-	-	-	64,737	180,955
Public health and welfare services	50,905	-	-	-	-	-	-	50,905
Regional planning and development	18,180	-	-	-	-	-	-	18,180
Resource cons and industrial dev	37,655	-	-	-	-	-	-	37,655
Recreation and cultural services	300,503	-	57,429	-	-	-	199,588	557,520
Water and sewer services		354,405	281,139	11,848	-	-	-	647,392
Fiscal services:								
Transfer to capital	376,500	3,000	(379,500)	-	-	-	-	-
Debt charges	108,894	41,893	-	(150,787)	-	-	-	-
Short term interest	14,000	-	-	(14,000)	-	-	-	-
Transfer to Utility	41,892	-	-	-	(41,892)	-	-	-
Transfer to reserves	146,302	159,620	-	-	(305,922)	-	-	-
Allowance for tax assets	3,734	-	-	-	(3,734)	-	-	-
Total expenses	\$ 2,024,183	\$ 558,918	\$ 164,552	\$ (112,875)	\$ (347,814)	\$ -	\$ 264,325	\$ 2,551,289
Surplus (Deficit)	\$ -	\$ -	\$ (164,552)	\$ 112,875	\$ 14,421	\$ -	\$ (31,243)	\$ (68,499)

Town of Arborg
 ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2020

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 185,836	\$ 136,323
Add:		
Tax levy (Schedule 12)	1,669,473	1,680,696
Taxes added	22,207	3,587
Penalties or interest	20,107	20,673
Other accounts added	6,723	7,483
Sub-total	<u>1,718,510</u>	<u>1,712,439</u>
Deduct:		
Cash collections	1,564,103	1,454,614
Writeoffs	-	3,171
M.P.T.C. - cash advance	204,092	205,141
Sub-total	<u>1,768,195</u>	<u>1,662,926</u>
Balance, end of year	<u><u>\$ 136,151</u></u>	<u><u>\$ 185,836</u></u>

Town of Arborg
ANALYSIS OF TAX LEVY
Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D. General & Utility	59,672,690	2.390	142,618	142,121
Reserves:				
Machinery replacement	48,981,760	0.390	19,103	19,094
Fire	48,981,760	0.200	9,796	9,547
Building	48,981,760	0.480	23,511	46,780
General	48,981,760	0.000	-	4,773
Paving	48,981,760	0.480	23,511	23,390
General municipal	48,981,760	16.773	821,571	817,210
Special levies:				
Cable fees	-	-	383	383
Rounding			-	
Total municipal taxes (Schedule 2)			1,040,493	1,063,298
Education support levy	12,008,440	8.828	106,011	113,618
Special levy:				
Evergreen SD #22	46,957,810	11.137	522,969	503,780
Adjustments of school levy to municipal taxes			-	
Total education taxes			628,980	617,398
			\$ 1,669,473	\$ 1,680,696

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2020

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 27,515	\$ 24,830
General administrative	208,782	198,427
Other	30,400	52,948
	<u>266,697</u>	<u>276,205</u>
Protective services:		
Police	149,794	149,794
Fire	113,648	85,919
Emergency measures	8,085	7,347
Other protection	30,161	32,368
	<u>301,688</u>	<u>275,428</u>
Transportation services:		
Road transport		
Road and street maintenance	371,876	363,579
Street lighting	23,169	24,067
	<u>395,045</u>	<u>387,646</u>
Environmental health services:		
Waste collection and disposal	83,338	88,885
Other	20,615	21,780
	<u>103,953</u>	<u>110,665</u>
Public health and welfare services:		
Public health	45,700	47,385
Social assistance	4,016	4,016
	<u>49,716</u>	<u>51,401</u>
Regional planning and development		
Planning and zoning	10,179	12,048
Urban renewal	3,022	5,166
Beautification and land rehabilitation	2,670	413
	<u>15,871</u>	<u>17,627</u>
Resource conservation and industrial development		
Rural area weed control	3,068	2,915
Drainage of land	193	683
Veterinary services	2,500	2,500
Regional development	29,274	11,583
Other	18,518	2,492
	<u>53,553</u>	<u>20,173</u>
Recreation and cultural services:		
Parks and playgrounds	23,016	11,559
Other recreational facilities	272,464	222,483
Libraries	16,392	20,085
Other cultural facilities	-	-
	<u>311,872</u>	<u>278,161</u>
Total expenses	<u><u>1,498,395</u></u>	<u><u>1,417,306</u></u>

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

SCHEDULE 14

	General	2020 Utility	Total	2019 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 55,592	\$ 4,783	\$ 60,375	\$ 8,181
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase revenue - capital grants and other revenue		-	-	-
Increase expense - net book value of assets written off	(4,500)	-	(4,500)	-
Increase expense - amortization of tangible capital assets	(262,913)	(281,139)	(544,052)	(532,699)
Eliminate expense - acquisitions of tangible capital assets	179,486	31,923	211,409	324,467
Reserve:				
Increase revenue - reserve funds interest	13,003		13,003	25,278
Eliminate expense - transfers to reserves	362,535	259,620	622,155	587,690
Eliminate revenue - transfers from reserves to operating funds	(136,263)	-	(136,263)	(175,093)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas tax	(15,352)		(15,352)	(104,322)
Decrease revenue - increase in deferred revenue - Handi Van	(138)		(138)	(346)
Other:				
Eliminate expense - repayment of principal portion of long term debt	97,882	30,043	127,925	122,589
	289,332	45,230	334,562	255,745
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(31,366)	-	(31,366)	(42,594)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 257,966	\$ 45,230	\$ 303,196	\$ 213,151