

CITY OF STEINBACH
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

City of Steinbach
225 Reimer Ave
Steinbach, Manitoba
R5G 2J1

STATEMENT OF RESPONSIBILITY

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

Reid & Miller Chartered Professional Accountants Inc. as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' 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.



Troy Warkentin, CPA, CMA,
CMMA
City Manager

Independent Auditors' Report

To the Mayor and members of Council of the
City of Steinbach

Opinion

We have audited the accompanying consolidated financial statements of City of Steinbach, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Steinbach as at December 31, 2021, and the results of its operations and its consolidated 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 Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Steinbach'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 City of Steinbach's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause City of Steinbach to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 7, 2022
Winnipeg, Manitoba

Reid & Miller

Chartered Professional Accountants Inc.

CITY OF STEINBACH
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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CITY OF STEINBACH**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2021

	2021 Actual \$	2020 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	31,459,861	20,588,159
Accounts receivable (note 3)	4,268,428	4,677,218
Portfolio investments (note 4)	18,615,071	13,761,086
	<u>54,343,360</u>	<u>39,026,463</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	4,889,746	5,013,297
Deferred revenue (note 7)	9,709,613	442,049
Landfill closure and post closure liabilities (note 8)	7,943,608	7,305,362
Long-term debt (note 9)	6,118,833	6,710,122
Other liabilities (note 10)	13,215	8,887
	<u>28,675,015</u>	<u>19,479,717</u>
NET FINANCIAL ASSETS	<u>25,668,345</u>	<u>19,546,746</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	199,686,158	196,684,187
Prepaid expenses	150,649	135,570
	<u>199,836,807</u>	<u>196,819,757</u>
ACCUMULATED SURPLUS (note 17)	<u>225,505,152</u>	<u>216,366,503</u>

Approved on Behalf of the Council

Mayor_____
Councillor

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH**CONSOLIDATED STATEMENT OF OPERATIONS****For the Year Ended December 31, 2021**

	2021 Budget \$ (Unaudited)	2021 Actual \$	2020 Actual \$
REVENUE			
Property taxes	16,356,116	16,449,122	15,977,107
Grants in lieu of taxation	191,743	191,743	185,331
User fees	5,665,603	6,881,250	5,547,248
Grants - Province of Manitoba	3,127,590	3,557,329	4,208,013
Grants - Other	855,863	1,756,447	870,970
Permits, licences and fees	493,750	1,029,379	729,364
Investment revenue	147,000	670,064	664,252
Other revenue	630,279	2,724,726	9,879,700
Water and sewer	4,066,122	7,274,048	9,989,897
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>31,534,066</u>	<u>40,534,108</u>	<u>48,051,882</u>
EXPENSES			
General government services	4,228,896	3,847,436	3,834,234
Protective services	5,155,902	4,612,616	4,407,473
Transportation services	7,887,099	7,894,493	7,319,754
Environmental health services	2,999,410	3,714,604	3,448,994
Public health and welfare services	161,870	161,258	149,371
Regional planning and development	519,875	522,540	446,150
Resource conservation and industrial development	90,600	178,707	114,429
Recreation and cultural services	5,347,501	4,641,994	4,463,426
Water and sewer	6,123,060	5,821,811	5,316,942
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>32,514,213</u>	<u>31,395,459</u>	<u>29,500,773</u>
TRANSFERS			
Transfer to reserves	-	(300,000)	-
Transfer from reserves	-	300,000	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS	(980,147)	9,138,649	18,551,109
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>216,366,503</u>	<u>216,366,503</u>	<u>197,815,394</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>215,386,356</u></u>	<u><u>225,505,152</u></u>	<u><u>216,366,503</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS****For the Year Ended December 31, 2021**

	2021	2021	2020
	Budget	Actual	Actual
	\$	\$	\$
ANNUAL SURPLUS	<u>(980,147)</u>	<u>9,138,649</u>	<u>18,551,109</u>
Acquisition of tangible capital assets	(19,588,000)	(8,212,113)	(6,989,583)
Contributed infrastructure assets revenue	-	(8,418,440)	(14,695,040)
Proceeds on disposal of tangible capital assets	-	627,291	420,638
Amortization of tangible capital assets	9,176,800	9,186,457	8,745,302
Loss (gain) on sale of tangible capital assets	-	3,814,834	(213,037)
Increase in prepaid expense	-	(15,079)	(12,389)
CHANGE IN NET FINANCIAL ASSETS	<u>(11,391,347)</u>	<u>6,121,599</u>	<u>5,807,000</u>
NET FINANCIAL ASSETS BEGINNING OF YEAR	<u>19,546,746</u>	<u>19,546,746</u>	<u>13,739,746</u>
NET FINANCIAL ASSETS END OF YEAR	<u><u>8,155,399</u></u>	<u><u>25,668,345</u></u>	<u><u>19,546,746</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021	2020
	Actual	Actual
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	9,138,649	18,551,109
Changes in non-cash items:		
Amortization	9,186,457	8,745,302
Loss (Gain) on disposal of tangible capital assets	3,814,834	(213,037)
Contributed infrastructure assets revenue	<u>(8,418,440)</u>	<u>(14,695,040)</u>
	13,721,500	12,388,334
Net changes in non-cash working capital affecting operations <i>(note 20)</i>	<u>10,175,970</u>	<u>1,161,907</u>
	23,897,470	13,550,241
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	627,291	420,638
Cash used to acquire tangible capital assets	<u>(8,212,113)</u>	<u>(6,989,583)</u>
	(7,584,822)	(6,568,945)
INVESTING		
Purchase of portfolio investments	<u>(4,853,985)</u>	<u>(5,288,818)</u>
FINANCING		
Long-term debt issued	-	1,770,000
Reduction in long-term debt	(591,289)	(2,035,630)
Purchase of other liabilities	4,328	-
Change in other liabilities	<u>-</u>	<u>(2,672)</u>
	(586,961)	(268,302)
INCREASE IN CASH AND TEMPORARY INVESTMENTS	10,871,702	1,424,176
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>20,588,159</u>	<u>19,163,983</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>31,459,861</u>	<u>20,588,159</u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	28,621,273	17,765,138
Internally restricted cash	<u>2,838,588</u>	<u>2,823,021</u>
	31,459,861	20,588,159

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

1. STATUS OF THE CITY OF STEINBACH

The incorporated City of Steinbach is a municipal government that was first created as a Town on January 1, 1947 pursuant to The Manitoba Municipal Act. The Municipality continued as a City as of January 1, 1997. The City provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

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 City. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the City.

The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Jake Epp Library
Steinbach Community Development Corporation

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

Trust funds and their related operations administered by the City are not consolidated in 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.

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

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) REAL ESTATE PROPERTIES HELD FOR SALE

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

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

f) 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.

g) NON-FINANCIAL ASSETS

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

Real estate properties held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The City does not capitalize internal finance 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 and land improvements	Indefinite
Buildings and leasehold improvements	25 to 40 years
Vehicles and equipment	
Vehicles	5 years
Machinery and equipment	10 to 15 years

Infrastructure Assets

Roads, Streets, and Bridges	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 Years
Traffic lights and equipment	10 to 30 years
Land	Indefinite
Land improvements	30 to 50 years
Underground networks	30 to 100 years
Machinery & equipment	10 to 50 years
Dams and other surface water structures	40 to 60 years

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

i) 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.

j) REVENUE RECOGNITION

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Unearned revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

k) MEASUREMENT UNCERTAINTY

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

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

CITY OF STEINBACH**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2021****3. ACCOUNTS RECEIVABLE**

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u>
	\$	\$
Tax assets (<i>schedule 10</i>)	2,020,801	2,453,358
Government grants and receivables	296,584	492,073
Utility customers	1,157,201	1,093,993
Accrued interest	204,450	163,121
Organizations and individuals	710,760	613,513
	<u>4,389,796</u>	<u>4,816,058</u>
Allowance for doubtful accounts	<u>(121,368)</u>	<u>(138,840)</u>
	<u><u>4,268,428</u></u>	<u><u>4,677,218</u></u>

4. PORTFOLIO INVESTMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Marketable securities		
Other securities	18,570,054	13,708,481
Patronage allocations	45,017	52,605
	<u>18,615,071</u>	<u>13,761,086</u>

The aggregate market value of the marketable securities at December 31, 2021 is \$18,629,354 (2020 - \$13,732,585). Portfolio investments earned \$190,196 in investment income during the year (2020 - \$153,265).

5. BANK INDEBTEDNESS

The Municipality has an authorized line of credit of a maximum of \$2,000,000 bearing interest at a rate of 2.20%. As at December 31, 2021 the balance owing was \$ Nil (2020 - \$ Nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade payables	987,029	1,789,629
Government payables	987,122	861,820
Accrued expenses	839,636	738,586
School levies	1,171,356	1,040,242
Deposits	797,889	488,714
Property tax overpayments	106,714	94,306
	<u>4,889,746</u>	<u>5,013,297</u>

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

7. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
	\$	\$
Capital development	9,287,202	-
Land dedication	342,854	337,238
Other	79,557	104,811
	<u>9,709,613</u>	<u>442,049</u>

Land dedication fees have been deferred due to section 136(1) and 140(2) of The Planning Act of Manitoba.

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

8. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

Operating Landfill Sites

The City currently has a permit, issued in 2011 by the Province of Manitoba, to operate a Class 1 landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

Closed Landfill Sites

Legislation requires the City to monitor its closed landfill sites. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

Estimated closure and post closure costs are calculated as follows:

	Landfill East Cell		Landfill West Cell		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Estimated closure and post closure costs	20,721,585	20,721,585	11,444,102	11,444,102	32,165,687	32,165,687
Discount rate applied	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Discounted costs	8,611,982	8,241,107	5,235,441	5,009,991	13,847,423	13,251,098
Expected year landfill capacity to be reached	2037	2037	2,011	2,011		
Capacity (tonnes):						
Used to date	350,000	310,000	670,000	670,000	1,020,000	980,000
Remaining	763,000	803,000	-	-	763,000	803,000
Total	1,113,000	1,113,000	670,000	670,000	1,783,000	1,783,000
Percent utilized	31.4465 %	27.8527 %	100.0000 %	100.0000 %	57.2070 %	54.9635 %
Total	2,708,167	2,295,371	5,235,441	5,009,991	7,943,608	7,305,362

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

9. LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
	\$	\$
General Authority		
Municipal debenture for Kroeker Avenue, interest at 1.53%, payable at \$161,140 annually including interest, maturing December 2025.	620,641	770,000
Municipal debenture for Barkman Avenue renewal, interest at 2.33%, payable at \$124,244 annually including interest, maturing December 2021.	-	121,392
Municipal debenture for Elmdale Street surface renewal, interest at 2.78%, payable at \$151,889 annually including interest, maturing December 2024.	431,460	567,571
Municipal debenture for McKenzie Avenue Surface Renewal, interest at 3.29%, payable at \$66,050 annually including interest, maturing December 2023.	125,855	186,096
Municipal debenture for the purchase of a fire department rescue truck, interest at 2.78%, payable at \$173,586 annually including interest, maturing December 2024.	493,097	648,368
Municipal debenture for Clearspring Greens Pathway, interest at 2.42%, payable at \$29,389 annually including interest, maturing December 2026.	136,850	-
	<u>1,807,903</u>	<u>2,293,427</u>
Utility Funds		
Municipal debenture for Kroeker Avenue watermain, interest at 1.53%, payable at \$94,173 annually including interest, maturing December 2025.	362,712	450,000
Municipal debenture for Kroeker Avenue sewermain, interest at 1.53%, payable at \$115,110 annually including interest, maturing December 2025.	443,315	550,000
Municipal debenture for Barkman Avenue watermain, interest at 2.33%, payable at \$40,701 annually including interest, maturing December 2021.	-	39,765
Municipal debenture for Barkman Avenue sewermain, interest at 2.33%, payable at \$49,269 annually including interest, maturing December 2021.	-	48,139
Municipal debenture for Supplementary Water Supply, interest at 3.29%, payable at \$1,183,391 annually including interest, maturing December 2023.	2,254,903	3,328,791
Municipal debenture for Brandt Street Water & Sewer, interest at 2.42%, payable at \$268,439 annually including interest, maturing December 2026.	1,250,000	-
	<u>4,310,930</u>	<u>4,416,695</u>
	<u>6,118,833</u>	<u>6,710,122</u>

Estimated principal repayments for the next five years are as follows:

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

9. LONG-TERM DEBT (continued)

2022	2,111,000
2023	2,165,000
2024	970,000
2025	660,000
2026	214,000

Schedule of Debenture Pending

<u>Authority</u>	<u>Purpose</u>	<u>Amount Authorized</u>
By-law 2161	Acres Drive Street Construction & Servicing	3,100,000
By-law 2187	Loewen Blvd/Pth 12N Intersection Renewal	3,500,000
By-law 2186	Event Centre Construction	7,500,000

10. OTHER LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Deferred grants	<u>13,215</u>	<u>8,887</u>

11. DEBT CHARGES - AT LARGE

<u>Purpose and By-law</u>	<u>Assessment</u>	<u>2021 Mill Rate</u>	<u>Levy</u>	<u>2020 Levy</u>
			\$	\$
Water District	1,042,544,880	1.300	1,355,308	1,293,983
Waste Water District	1,148,798,330	0.127	145,897	90,872
			<u>1,501,205</u>	<u>1,384,855</u>

12. SPECIAL LEVIES

<u>Purpose and By-law</u>	<u>Assessment</u>	<u>2021 Mill Rate</u>	<u>Levy</u>	<u>2020 Levy</u>
			\$	\$
Waste Collection & Disposal			733,845	698,937
Section 312 M.A	1,183,771,750	4.000	4,735,087	4,627,528
			<u>5,468,932</u>	<u>5,326,465</u>

13. RETIREMENT BENEFITS

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during 2021 by the City on behalf of its employees amounted to \$480,666 (2020 - \$458,629) 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.

14. FINANCIAL INSTRUMENTS

The City as part of its operations carries a number of financial instruments. It is management's opinion the City 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.

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

15. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City 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 9 - Reconciliation of the Financial Plan to the Budget*.

The budget numbers are unaudited and, accordingly, we express no assurance in respect to the budget.

16. SEGMENTED INFORMATION

The City of Steinbach 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.

17. ACCUMULATED SURPLUS

	<u>2021</u>	<u>2020</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Deficit, excluding Tangible Capital Assets	(4,758,451)	(612,712)
Utility Operating Funds - Nominal Surplus, excluding Tangible Capital Assets	1,307,419	1,156,084
General Operating Tangible Capital Assets, net of related borrowings	118,229,485	119,053,348
Tangible Capital Assets, net of related borrowings	73,867,817	70,030,111
Deferred Revenue - Reserves	-	(4,179,768)
Reserve Funds	34,100,596	28,483,662
Accumulated surplus of municipality unconsolidated	<u>222,746,866</u>	<u>213,930,725</u>
Accumulated surpluses of consolidated controlled entities	<u>2,758,286</u>	<u>2,435,778</u>
Accumulated Surplus per Statement of Financial Position	<u><u>225,505,152</u></u>	<u><u>216,366,503</u></u>

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

18. 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 in exceeding \$75,000 annually to any member of council, officer or employee of the city. For the year ended December 31, 2021:

- (a) Compensation paid to members of council amounted to \$193,993 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$75,000 individually, except as noted below. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Funk, Earl	53,651	6,936	60,587
Hiebert, Jacob	23,649	3,337	26,986
Hiebert, Wilhelm	22,946	2,880	25,826
Penner, Damian	22,961	1,671	24,632
Penner, Susan	22,598	2,383	24,981
Siemens, Waldo	22,829	3,228	26,057
Zwaagstra, Michael	25,359	2,814	28,173
	193,993	23,249	217,242

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

Name	Position	Amount
Dyck, Russ	Manager, Parks & Recreation	88,765
Gaudet, Lacey	City Planner	80,786
Heppner, Mike	Manager, Waterworks	104,637
Hrehirchuk, Brian	Senior Manager, Finance	110,507
Lange, Lisa	Senior Manager, Human Resources & Payroll	105,373
Loewen, Jordan	Building Inspector	75,375
Mehling, Russell	Engineering Technologist	82,893
Penner, Paul	Senior Manager, Operations	123,179
Rach, Aaron	Municipal Engineer	98,121
Reimer, Randy	Manager, Public Works	93,718
Shymko, Kyle	City Engineer	94,907
Thiessen, Adam	Senior Manager, Corporate Services	89,433
Toews, Kelvin	Fire Chief	97,772
Warkentin, Troy	City Manager	202,225

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2021

19. PUBLIC UTILITY 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 City has deferred the capital grants and revenue from contributed infrastructure assets it has received since 2005 for its utility and amortized them over the useful life of the related tangible capital assets. Management of the City has determined it not to be reasonably cost effective to estimate this revenue prior to 2005.

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

Water Services:	Unamortized			Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Grants	7,574,629	-	232,191	7,342,438
Contributed Assets	9,938,107	1,610,617	492,843	11,055,881
	<u>17,512,736</u>	<u>1,610,617</u>	<u>725,034</u>	<u>18,398,319</u>

Sewer Services:	Unamortized			Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Grants	6,339,426	-	188,350	6,151,076
Contributed Assets	13,477,774	1,549,391	290,600	14,736,565
	<u>19,817,200</u>	<u>1,549,391</u>	<u>478,950</u>	<u>20,887,641</u>

20. CHANGES IN WORKING CAPITAL

	<u>2021</u>	<u>2020</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	408,790	495,407
Prepaid expenses	(15,079)	(12,389)
Accounts payable and accrued liabilities	(123,551)	150,319
Deferred revenue	9,267,564	-
Landfill closure and post closure liabilities	638,246	528,570
	<u>10,175,970</u>	<u>1,161,907</u>

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2021

	General Capital Assets					Infrastructure			2021	2020
	Land and Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets under Construction	Actual	Actual
Cost										
Balance, beginning of year	9,178,052	43,582,772	13,821,445	10,946	2,317,662	145,511,155	116,611,644	408,675	331,442,351	310,188,782
Asset purchases	483,616	2,030,960	1,192,276	7,229	543,985	6,873,441	6,971,866	56,017	18,159,390	21,684,624
Disposals and write downs	64,071	338,542	1,006,697	-	1,684,408	14,299,176	740,962	400,205	18,534,061	431,055
Balance, end of year	9,597,597	45,275,190	14,007,024	18,175	1,177,239	138,085,420	122,842,548	64,487	331,067,680	331,442,351
Accumulated Amortization										
Balance, beginning of year	187,292	15,969,287	8,329,875	1,564	-	67,696,634	42,573,512	-	134,758,164	126,236,315
Amortization	800	1,258,694	745,908	(1,564)	-	4,374,842	2,807,777	-	9,186,457	8,745,302
Disposals and write downs	-	62,138	827,654	-	-	10,914,540	758,767	-	12,563,099	223,453
Balance, end of year	188,092	17,165,843	8,248,129	-	-	61,156,936	44,622,522	-	131,381,522	134,758,164
Net book value	9,409,505	28,109,347	5,758,895	18,175	1,177,239	76,928,484	78,220,026	64,487	199,686,158	196,684,187

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 11</i>)	15,521,387	15,521,390	15,169,147
Taxes added	650,000	743,003	624,573
Business tax	184,729	184,729	183,387
	<u>16,356,116</u>	<u>16,449,122</u>	<u>15,977,107</u>
GRANTS IN LIEU OF TAXATION			
Federal government	191,743	191,743	185,331
USER FEES			
Parking meters	8,000	8,335	10,761
Sales of service	5,577,963	6,788,072	5,454,195
Sales of goods	51,640	53,694	52,325
Rentals	28,000	31,149	29,967
	<u>5,665,603</u>	<u>6,881,250</u>	<u>5,547,248</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	2,950,000	2,970,927	2,970,927
Conditional grants	177,590	586,402	1,237,086
	<u>3,127,590</u>	<u>3,557,329</u>	<u>4,208,013</u>
GRANTS - OTHER			
Federal government - gas tax funding	851,863	1,742,447	851,863
Federal government - other	-	10,000	13,192
Other grant	4,000	4,000	5,915
	<u>855,863</u>	<u>1,756,447</u>	<u>870,970</u>
PERMITS, LICENCES AND FEES			
Permits	365,500	875,266	567,818
Licences	32,750	37,620	35,160
Fines	95,500	116,493	126,386
	<u>493,750</u>	<u>1,029,379</u>	<u>729,364</u>
INVESTMENT REVENUE			
Interest	147,000	670,064	664,252
OTHER REVENUE			
Gain (loss) on sale of tangible capital assets	-	(3,439,354)	213,037
Miscellaneous	67,579	360,118	117,007
Contributed assets	-	5,128,871	8,888,253
Penalties and interest	200,000	211,091	259,370
Donations	-	78,161	7,608
Other	362,700	385,839	394,425
	<u>630,279</u>	<u>2,724,726</u>	<u>9,879,700</u>
WATER AND SEWER			
Municipal utility (<i>schedule 8</i>)	4,066,122	7,274,048	9,989,897
TOTAL REVENUE	<u><u>31,534,066</u></u>	<u><u>40,534,108</u></u>	<u><u>48,051,882</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	289,552	226,909	211,849
General administrative	3,939,344	3,620,527	3,622,385
	<u>4,228,896</u>	<u>3,847,436</u>	<u>3,834,234</u>
PROTECTIVE SERVICES			
Police	3,119,300	2,736,913	2,566,472
Fire	1,124,990	1,073,176	1,065,533
Emergency measures	29,712	24,246	25,354
Other protective services	881,900	778,281	750,114
	<u>5,155,902</u>	<u>4,612,616</u>	<u>4,407,473</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	472,430	435,094	440,553
Road and street maintenance	6,901,874	6,905,544	6,326,119
Sidewalk and boulevard maintenance	52,788	23,710	39,847
Street lighting	343,075	445,430	439,131
Air transport	34,904	38,550	28,646
Public transit	82,028	46,165	45,458
	<u>7,887,099</u>	<u>7,894,493</u>	<u>7,319,754</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	1,710,160	2,410,842	2,212,471
Recycling	854,750	869,257	819,272
Other	434,500	434,505	417,251
	<u>2,999,410</u>	<u>3,714,604</u>	<u>3,448,994</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	141,870	141,493	129,606
Social assistance	20,000	19,765	19,765
	<u>161,870</u>	<u>161,258</u>	<u>149,371</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	180,300	150,655	127,589
Beautification and land rehabilitation	223,875	227,640	179,747
Urban area weed control	68,700	81,723	80,990
Other	47,000	62,522	57,824
	<u>519,875</u>	<u>522,540</u>	<u>446,150</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Water resources and conservation	15,000	15,000	15,000
Regional development	10,600	34,590	42,735
Tourism	65,000	129,117	56,694
	<u>90,600</u>	<u>178,707</u>	<u>114,429</u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
RECREATION AND CULTURAL SERVICES			
Administration	422,658	395,065	416,370
Swimming pools and beaches	1,924,575	1,358,780	1,180,835
Skating and curling rinks	548,135	433,031	477,454
Parks and playgrounds	1,062,160	1,106,320	1,051,605
Other recreational facilities	883,150	863,203	854,844
Libraries	475,376	456,320	454,769
Other cultural facilities	31,447	29,275	27,549
	<u>5,347,501</u>	<u>4,641,994</u>	<u>4,463,426</u>
WATER AND SEWER			
Municipal utility (<i>schedule 8</i>)	<u>6,123,060</u>	<u>5,821,811</u>	<u>5,316,942</u>
TOTAL EXPENSES	<u><u>32,514,213</u></u>	<u><u>31,395,459</u></u>	<u><u>29,500,773</u></u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	16,449,122	15,977,107	-	-	-	-	-	-	-	-
Grants in lieu of taxation	191,743	185,331	-	-	-	-	-	-	-	-
User fees	21,287	17,283	240,209	253,113	62,703	46,223	3,630,737	3,177,648	235,473	234,573
Prov of MB - unconditional grants	2,970,927	2,970,927	-	-	-	-	-	-	-	-
Prov of MB - conditional grants	132,212	1,089,236	228,715	-	-	-	-	-	-	-
Grants - Other	1,742,447	851,863	-	-	-	-	-	-	-	-
Permits, licences and fees	912,886	602,978	116,493	126,386	-	-	-	-	-	-
Investment revenue	654,892	646,508	-	-	-	-	-	-	-	-
Other revenue	2,456,111	9,491,873	-	-	-	-	-	-	-	-
Water and sewer	(1,479,804)	(1,362,436)	-	-	-	-	-	-	-	-
Total revenue	<u>24,051,823</u>	<u>30,470,670</u>	<u>585,417</u>	<u>379,499</u>	<u>62,703</u>	<u>46,223</u>	<u>3,630,737</u>	<u>3,177,648</u>	<u>235,473</u>	<u>234,573</u>
EXPENSES										
Personnel services	2,186,359	2,159,490	1,022,432	1,006,385	1,480,780	1,497,552	827,871	745,327	77,761	79,289
Contract services	65,816	59,773	2,451,220	2,287,937	610	610	-	-	-	-
Utilities	82,288	86,055	73,270	72,319	450,031	415,211	36,451	36,433	-	-
Maintenance materials & supplies	501,349	526,699	844,704	821,625	1,218,840	925,132	1,777,531	1,721,413	65,626	52,211
Grants & contributions	711,740	600,506	-	-	-	-	-	-	-	-
Amortization	108,701	122,243	220,990	219,207	4,744,232	4,481,249	434,505	417,251	17,871	17,871
Interest on long term debt	54,772	61,557	-	-	-	-	-	-	-	-
Bad debts expense	48,487	84,287	-	-	-	-	-	-	-	-
Other operating expense	87,924	133,624	-	-	-	-	638,246	528,570	-	-
Total expenses	<u>3,847,436</u>	<u>3,834,234</u>	<u>4,612,616</u>	<u>4,407,473</u>	<u>7,894,493</u>	<u>7,319,754</u>	<u>3,714,604</u>	<u>3,448,994</u>	<u>161,258</u>	<u>149,371</u>
SURPLUS (DEFICIT)	<u>20,204,387</u>	<u>26,636,436</u>	<u>(4,027,199)</u>	<u>(4,027,974)</u>	<u>(7,831,790)</u>	<u>(7,273,531)</u>	<u>(83,867)</u>	<u>(271,346)</u>	<u>74,215</u>	<u>85,202</u>

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

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2021

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	16,449,122	15,977,107
Grants in lieu of taxation	-	-	-	-	-	-	-	-	191,743	185,331
User fees	1,810,019	1,167,977	-	-	880,822	650,431	-	-	6,881,250	5,547,248
Prov of MB - unconditional grants	-	-	-	-	-	-	-	-	2,970,927	2,970,927
Prov of MB - conditional grants	-	-	-	-	225,475	147,850	-	-	586,402	1,237,086
Grants - Other	-	-	-	-	14,000	19,107	-	-	1,756,447	870,970
Permits, licences and fees	-	-	-	-	-	-	-	-	1,029,379	729,364
Investment revenue	13,940	16,021	-	-	1,232	1,723	-	-	670,064	664,252
Other revenue	257,690	369,367	-	-	10,925	18,460	-	-	2,724,726	9,879,700
Water and sewer	-	-	-	-	-	-	8,753,852	11,352,333	7,274,048	9,989,897
Total revenue	<u>2,081,649</u>	<u>1,553,365</u>	<u>-</u>	<u>-</u>	<u>1,132,454</u>	<u>837,571</u>	<u>8,753,852</u>	<u>11,352,333</u>	<u>40,534,108</u>	<u>48,051,882</u>
EXPENSES										
Personnel services	147,851	107,640	-	-	2,357,545	2,144,450	1,149,260	1,088,246	9,249,859	8,828,379
Contract services	-	-	22,120	29,881	16,190	31,868	1,325,487	1,009,385	3,881,443	3,419,454
Utilities	11,268	6,534	-	-	288,573	313,060	385,686	376,012	1,327,567	1,305,624
Maintenance materials & supplies	363,421	331,976	156,587	84,548	1,120,907	1,133,310	4,946	3,479	6,053,911	5,600,393
Grants & contributions	-	-	-	-	(2,772)	(1,400)	2,167	3,099	711,135	602,205
Amortization	-	-	-	-	852,381	830,368	2,807,777	2,657,113	9,186,457	8,745,302
Interest on long term debt	-	-	-	-	-	2,316	124,037	147,036	178,809	210,909
Bad debts expense	-	-	-	-	-	-	-	-	48,487	84,287
Other operating expense	-	-	-	-	9,170	9,454	22,451	32,572	757,791	704,220
Total expenses	<u>522,540</u>	<u>446,150</u>	<u>178,707</u>	<u>114,429</u>	<u>4,641,994</u>	<u>4,463,426</u>	<u>5,821,811</u>	<u>5,316,942</u>	<u>31,395,459</u>	<u>29,500,773</u>
SURPLUS (DEFICIT)	<u>1,559,109</u>	<u>1,107,215</u>	<u>(178,707)</u>	<u>(114,429)</u>	<u>(3,509,540)</u>	<u>(3,625,855)</u>	<u>2,932,041</u>	<u>6,035,391</u>	<u>9,138,649</u>	<u>18,551,109</u>

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

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2021

	Core Government		Controlled Entities		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
REVENUE						
Property taxes	16,449,122	15,977,107	-	-	16,449,122	15,977,107
Grants in lieu of taxation	191,743	185,331	-	-	191,743	185,331
User fees	6,800,294	5,467,910	80,956	79,338	6,881,250	5,547,248
Prov of MB - unconditional grants	2,970,927	2,970,927	-	-	2,970,927	2,970,927
Prov of MB - conditional grants	400,927	1,089,236	185,475	147,850	586,402	1,237,086
Grants - Other	1,742,447	851,863	14,000	19,107	1,756,447	870,970
Permits, licences and fees	1,029,379	729,364	-	-	1,029,379	729,364
Investment revenue	654,892	646,508	15,172	17,744	670,064	664,252
Other revenue	2,596,111	9,631,873	128,615	247,827	2,724,726	9,879,700
Water and sewer	7,274,048	9,989,897	-	-	7,274,048	9,989,897
Total revenue	<u>40,109,890</u>	<u>47,540,016</u>	<u>424,218</u>	<u>511,866</u>	<u>40,534,108</u>	<u>48,051,882</u>
EXPENSES						
Personnel services	8,968,988	8,571,321	280,871	257,058	9,249,859	8,828,379
Contract services	3,845,883	3,362,355	35,560	57,099	3,881,443	3,419,454
Utilities	1,320,281	1,297,723	7,286	7,901	1,327,567	1,305,624
Maintenance materials & supplies	5,956,918	5,516,118	96,993	84,275	6,053,911	5,600,393
Grants & contributions	1,050,587	940,285	(339,452)	(338,080)	711,135	602,205
Amortization	9,175,176	8,734,107	11,281	11,195	9,186,457	8,745,302
Interest on long term debt	178,809	210,909	-	-	178,809	210,909
Bad debts expense	48,487	84,287	-	-	48,487	84,287
Other operating expense	748,621	694,766	9,170	9,454	757,791	704,220
Total expenses	<u>31,293,750</u>	<u>29,411,871</u>	<u>101,709</u>	<u>88,902</u>	<u>31,395,459</u>	<u>29,500,773</u>
SURPLUS (DEFICIT)	<u>8,816,140</u>	<u>18,128,145</u>	<u>322,509</u>	<u>422,964</u>	<u>9,138,649</u>	<u>18,551,109</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2021

	General Reserve \$	Machinery Replacement Reserve \$	Land & Facility Reserve \$	Capital Development Reserve \$	Environmenta l Reserve \$	Aquatic Centre Reserve \$	Perpetual Care Reserve \$
FINANCIAL ASSETS							
Cash and temporary investments	520,280	-	-	479,863	49,485	-	425,120
Accounts receivable	243	-	19,230	61,647	35,346	5,564	199
Portfolio investments	-	-	1,516,875	5,392,501	3,443,313	750,000	-
Due from other funds	473,532	427,511	1,200,311	2,839,618	1,766,087	165,046	322,721
	<u>994,055</u>	<u>427,511</u>	<u>2,736,416</u>	<u>8,773,629</u>	<u>5,294,231</u>	<u>920,610</u>	<u>748,040</u>
REVENUE							
Investment revenue	<u>6,391</u>	<u>3,193</u>	<u>28,051</u>	<u>140,681</u>	<u>99,446</u>	<u>10,071</u>	<u>4,391</u>
TRANSFERS							
Transfer to reserves	-	-	1,122,508	2,128,600	1,726,643	-	47,279
Transfer from reserves	-	-	(114,071)	(310,000)	(390,652)	-	-
	<u>-</u>	<u>-</u>	<u>1,008,437</u>	<u>1,818,600</u>	<u>1,335,991</u>	<u>-</u>	<u>47,279</u>
CHANGE IN FUND BALANCES	<u>6,391</u>	<u>3,193</u>	<u>1,036,488</u>	<u>1,959,281</u>	<u>1,435,437</u>	<u>10,071</u>	<u>51,670</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>987,664</u>	<u>424,318</u>	<u>1,699,928</u>	<u>6,814,348</u>	<u>3,858,794</u>	<u>910,539</u>	<u>696,370</u>
FUND SURPLUS, END OF YEAR	<u><u>994,055</u></u>	<u><u>427,511</u></u>	<u><u>2,736,416</u></u>	<u><u>8,773,629</u></u>	<u><u>5,294,231</u></u>	<u><u>920,610</u></u>	<u><u>748,040</u></u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2021

	Committed Expenditures Reserve \$	Land Dedication Reserve \$	Recreations Reserve \$	Gas Tax Reserve \$	Utility Replacement Reserve \$	2021 Actual \$	2020 Actual \$
FINANCIAL ASSETS							
Cash and temporary investments	146,715	237,233	-	-	979,892	2,838,588	2,823,021
Accounts receivable	26,129	111	24,084	18,511	458	191,522	154,481
Portfolio investments	2,394,644	-	3,411,825	1,530,000	-	18,439,158	13,568,207
Due from other funds	692,631	105,510	826,946	2,137,403	1,674,012	12,631,328	11,937,953
	<u>3,260,119</u>	<u>342,854</u>	<u>4,262,855</u>	<u>3,685,914</u>	<u>2,654,362</u>	<u>34,100,596</u>	<u>28,483,662</u>
REVENUE							
Investment revenue	<u>51,352</u>	<u>2,090</u>	<u>99,417</u>	<u>38,806</u>	<u>27,827</u>	<u>511,716</u>	<u>517,324</u>
TRANSFERS							
Transfer to reserves	1,098,674	-	1,288,640	1,742,447	600,000	9,754,791	8,250,858
Transfer from reserves	(538,689)	-	(1,024,161)	(615,000)	(1,657,000)	(4,649,573)	(3,393,331)
	<u>559,985</u>	<u>-</u>	<u>264,479</u>	<u>1,127,447</u>	<u>(1,057,000)</u>	<u>5,105,218</u>	<u>4,857,527</u>
CHANGE IN FUND BALANCES	611,337	2,090	363,896	1,166,253	(1,029,173)	5,616,934	5,374,851
FUND SURPLUS, BEGINNING OF YEAR	<u>2,648,782</u>	<u>340,764</u>	<u>3,898,959</u>	<u>2,519,661</u>	<u>3,683,535</u>	<u>28,483,662</u>	<u>23,108,811</u>
FUND SURPLUS, END OF YEAR	<u><u>3,260,119</u></u>	<u><u>342,854</u></u>	<u><u>4,262,855</u></u>	<u><u>3,685,914</u></u>	<u><u>2,654,362</u></u>	<u><u>34,100,596</u></u>	<u><u>28,483,662</u></u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2021

	2021 Actual \$	2020 Actual \$
FINANCIAL ASSETS		
Accounts receivable <i>(note 3)</i>	1,157,201	1,093,993
Due from other funds	<u>8,992,425</u>	<u>10,742,226</u>
	<u>10,149,626</u>	<u>11,836,219</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 6)</i>	121,964	103,012
Long-term debt <i>(note 9)</i>	4,310,930	4,416,695
Due to other funds	<u>8,854,228</u>	<u>10,603,745</u>
	<u>13,287,122</u>	<u>15,123,452</u>
NET DEBT	<u>(3,137,496)</u>	<u>(3,287,233)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	78,284,513	74,446,807
Prepaid expenses	<u>28,219</u>	<u>26,621</u>
	<u>78,312,732</u>	<u>74,473,428</u>
FUND SURPLUS	<u>75,175,236</u>	<u>71,186,195</u>

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
REVENUE			
WATER			
Water fees	2,315,600	2,474,331	2,333,237
SEWER			
Sewer fees	1,560,000	1,616,831	1,550,614
PROPERTY TAXES			
	1,479,804	1,479,804	1,362,436
OTHER REVENUE			
Hydrant rentals	95,555	96,715	90,480
Connection charges	-	-	56,300
Installation service	65,000	122,880	100,348
Penalties	10,000	20,828	21,106
Contributed tangible capital assets	-	3,289,569	5,806,787
Loss on sale of tangible capital assets	-	(375,480)	-
Other income	19,967	28,374	31,025
	190,522	3,182,886	6,106,046
TOTAL REVENUE	5,545,926	8,753,852	11,352,333
EXPENSES			
GENERAL			
Administration	374,470	374,469	363,228
Billing and collection	25,158	24,500	17,481
Utilities (telephone, electricity, etc.)	5,321	4,946	3,479
Other administration expense	2,535	2,167	3,099
Interest on short-term debt	30,000	22,451	32,572
	437,484	428,533	419,859
WATER			
Purification and treatment	228,028	237,954	271,449
Transmission and distribution	1,021,222	961,151	847,121
Service and other supply costs	315,009	236,292	242,561
	1,564,259	1,435,397	1,361,131
WATER AMORTIZATION AND INTEREST			
Amortization	1,571,900	1,571,888	1,489,401
Interest on long-term debt	116,029	116,029	143,874
	1,687,929	1,687,917	1,633,275
SEWER			
Collection system costs	577,279	536,837	453,569
Treatment and disposal costs	464,076	364,336	162,264
Lift station costs	148,025	124,894	115,970
	1,189,380	1,026,067	731,803

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
SEWER AMORTIZATION AND INTEREST			
Amortization	1,236,000	1,235,889	1,167,712
Interest on long-term debt	8,008	8,008	3,162
	<u>1,244,008</u>	<u>1,243,897</u>	<u>1,170,874</u>
TOTAL EXPENSES	<u>6,123,060</u>	<u>5,821,811</u>	<u>5,316,942</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(577,134)	2,932,041	6,035,391
TRANSFERS			
Transfer to reserves	-	(320,000)	(942,400)
Transfer from reserves	-	1,377,000	150,000
	<u>-</u>	<u>1,057,000</u>	<u>(792,400)</u>
CHANGE IN UTILITY FUND BALANCE	(577,134)	3,989,041	5,242,991
FUND SURPLUS, BEGINNING OF YEAR	<u>71,186,195</u>	<u>71,186,195</u>	<u>65,943,204</u>
FUND SURPLUS, END OF YEAR	<u><u>70,609,061</u></u>	<u><u>75,175,236</u></u>	<u><u>71,186,195</u></u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2021

	Financial Plan General \$	Financial Plan Utility \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Consolidated Entities \$	PSAB Budget \$
REVENUE								
Property taxes	16,356,116	-	-	-	-	-	-	16,356,116
Grants in lieu of taxation	191,743	-	-	-	-	-	-	191,743
User fees	5,585,963	-	-	-	-	-	79,640	5,665,603
Grants - Province of Manitoba	2,982,400	-	-	-	-	-	145,190	3,127,590
Grants - Other	851,863	-	-	-	-	-	4,000	855,863
Permits, licences and fees	493,750	-	-	-	-	-	-	493,750
Investment revenue	125,000	-	-	-	-	-	22,000	147,000
Other revenue	752,979	-	-	-	-	-	(122,700)	630,279
Transfers	(1,511,000)	2,920,000	-	-	(1,409,000)	-	-	-
Water and sewer	(1,479,804)	5,545,926	-	-	-	-	-	4,066,122
	<u>24,349,010</u>	<u>8,465,926</u>	<u>-</u>	<u>-</u>	<u>(1,409,000)</u>	<u>-</u>	<u>128,130</u>	<u>31,534,066</u>
EXPENSES								
General government services	4,119,896	-	109,000	-	-	-	-	4,228,896
Protective services	4,934,902	-	221,000	-	-	-	-	5,155,902
Transportation services	3,142,599	-	4,744,500	-	-	-	-	7,887,099
Environmental health services	2,564,910	-	434,500	-	-	-	-	2,999,410
Public health and welfare services	143,970	-	17,900	-	-	-	-	161,870
Regional planning and development	519,875	-	-	-	-	-	-	519,875
Resource conservation and industrial development	80,000	-	-	-	-	-	10,600	90,600
Recreation and cultural services	4,432,371	-	842,000	-	-	-	73,130	5,347,501
Fiscal services	948,132	-	-	-	(948,132)	-	-	-
Transfers	3,462,355	3,795,000	-	-	(7,257,355)	-	-	-
Water and sewer	-	4,670,926	2,807,900	124,037	(1,479,803)	-	-	6,123,060
	<u>24,349,010</u>	<u>8,465,926</u>	<u>9,176,800</u>	<u>124,037</u>	<u>(9,685,290)</u>	<u>-</u>	<u>83,730</u>	<u>32,514,213</u>
SURPLUS (DEFICIT)	<u>-</u>	<u>-</u>	<u>(9,176,800)</u>	<u>(124,037)</u>	<u>8,276,290</u>	<u>-</u>	<u>44,400</u>	<u>(980,147)</u>

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2021

	2021 Actual \$	2020 Actual \$
BALANCE, BEGINNING OF YEAR	<u>2,453,358</u>	<u>2,545,557</u>
Add:		
Tax Levy (<i>schedule 11</i>)	32,411,383	32,088,724
Taxes added	743,003	624,573
Business tax	184,729	183,387
Penalties and interest	211,091	259,370
Other accounts added	<u>310,613</u>	<u>309,920</u>
Sub-total	<u>36,314,177</u>	<u>36,011,531</u>
Deduct:		
Cash collections - current	30,539,675	29,526,622
Cash collections - arrears	1,878,417	1,513,697
Cancellations	64,193	128,206
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,811,091</u>	<u>2,389,648</u>
Sub-total	<u>34,293,376</u>	<u>33,558,173</u>
BALANCE, END OF YEAR	<u><u>2,020,801</u></u>	<u><u>2,453,358</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2021

	Assessment	2021 Mill Rate	Levy	2020 Levy
Debt Charges:				
Frontage			-	-
L.I.D.	169,485,350	0.315	368,388	748,340
L.I.D.	183,771,750	0.268	317,251	153,866
At large (<i>note 11</i>)			1,501,205	1,384,855
			<u>2,186,844</u>	<u>2,287,061</u>
Reserves:				
Recreation	022,836,210	1.241	1,269,340	1,240,445
Other municipal levies:				
General municipal	022,836,210	6.449	6,596,274	6,315,176
Special levy (<i>note 12</i>)			5,468,932	5,326,465
			<u>12,065,206</u>	<u>11,641,641</u>
Total municipal taxes (<i>schedule 2</i>)			<u>15,521,390</u>	<u>15,169,147</u>
Education Support Levy	334,531,980	8.809	2,946,892	2,934,605
Special levy:				
Hanover School Division	978,462,670	14.250	13,943,101	13,984,972
Total education taxes			<u>16,889,993</u>	<u>16,919,577</u>
Total tax levy (<i>schedule 10</i>)			<u>32,411,383</u>	<u>32,088,724</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	289,552	226,909	211,849
General administrative	3,939,344	3,620,527	3,622,385
	<u>4,228,896</u>	<u>3,847,436</u>	<u>3,834,234</u>
PROTECTIVE SERVICES			
Police	3,119,300	2,736,913	2,566,472
Fire	1,124,990	1,073,176	1,065,533
Emergency measures	29,712	24,246	25,354
Other protective services	881,900	778,281	750,114
	<u>5,155,902</u>	<u>4,612,616</u>	<u>4,407,473</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	472,430	435,094	440,553
Road and street maintenance	6,901,874	6,905,544	6,326,119
Sidewalk and boulevard maintenance	52,788	23,710	39,847
Street lighting	343,075	445,430	439,131
Air transport	34,904	38,550	28,646
Public transit	82,028	46,165	45,458
	<u>7,887,099</u>	<u>7,894,493</u>	<u>7,319,754</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	1,710,160	2,410,842	2,212,471
Recycling	854,750	869,257	819,272
Other	434,500	434,505	417,251
	<u>2,999,410</u>	<u>3,714,604</u>	<u>3,448,994</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	141,870	141,493	129,606
Social assistance	20,000	19,765	19,765
	<u>161,870</u>	<u>161,258</u>	<u>149,371</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	180,300	150,655	127,589
Beautification and land rehabilitation	223,875	227,640	179,747
Urban area weed control	68,700	81,723	80,990
Other	47,000	62,522	57,824
	<u>519,875</u>	<u>522,540</u>	<u>446,150</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Water resources and conservation	15,000	15,000	15,000
Tourism	65,000	129,117	56,694
	<u>80,000</u>	<u>144,117</u>	<u>71,694</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
RECREATION AND CULTURAL SERVICES			
Administration	422,658	395,065	416,370
Swimming pools and beaches	1,924,575	1,358,780	1,180,835
Skating and curling rinks	548,135	433,031	477,454
Parks and playgrounds	1,062,160	1,106,320	1,051,605
Other recreational facilities	883,150	863,203	854,844
Libraries	402,246	389,201	408,602
Other cultural facilities	31,447	29,275	27,549
	<u>5,274,371</u>	<u>4,574,875</u>	<u>4,417,259</u>
TOTAL EXPENSES	<u><u>26,307,423</u></u>	<u><u>25,471,939</u></u>	<u><u>24,094,929</u></u>

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2021

	General \$	Utility \$	2021 Total \$	2020 Total \$
CONSOLIDATED ANNUAL SURPLUS				
<i>(statement 2)</i>	6,206,608	2,932,041	9,138,649	18,551,109
Elimination of appropriations from reserves	3,292,573	1,377,000	4,669,573	3,393,331
Elimination of appropriations to reserves	(9,454,791)	(320,000)	(9,774,791)	(8,250,858)
Consolidation of reserve operations	(511,716)	-	(511,716)	(517,324)
Elimination of controlled entity operations	(322,509)	-	(322,509)	(422,964)
Amortization of tangible capital assets	6,367,399	2,807,777	9,175,176	8,734,107
Principal portion of long term debt	(622,375)	(1,355,766)	(1,978,141)	(2,035,632)
Contributed capital assets	(5,128,871)	(3,289,569)	(8,418,440)	(14,695,040)
Proceeds on disposal of assets	362,291	-	362,291	26,548
(Gain)/Loss on sale of Tangible Capital Assets	3,696,534	375,480	4,072,014	-
Change in landfill liability	638,246	-	638,246	528,570
Acquisitions of capital assets from operating funds	(4,020,750)	(2,488,314)	(6,509,064)	(5,215,007)
ESTIMATED EXCESS OF REVENUES AND TRANSFERS OVER EXPEDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	502,639	38,649	541,288	96,840

*** Please note that this is an estimate based on the adjustments presented above since it is possible that not every required adjustment for PSAB purposes that is different from and affects the results based on the municipal budget has necessarily been reflected.

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC