

**CITY OF STEINBACH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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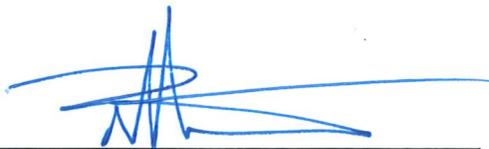
City of Steinbach  
225 Reimer Avenue  
Steinbach, MB  
R5G 2J1

## 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 City'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 City in accordance with Canadian public sector accounting standards.



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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, 2022, 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, 2022, 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 19, 2023  
Winnipeg, Manitoba



Chartered Professional Accountants Inc.

**CITY OF STEINBACH**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

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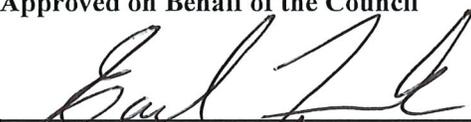
**CITY OF STEINBACH**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at December 31, 2022**

	2022 Actual \$	2021 Actual \$
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	27,628,615	31,459,861
Accounts receivable (note 3)	4,449,265	4,268,428
Portfolio investments (note 4)	26,096,153	18,615,071
	<u>58,174,033</u>	<u>54,343,360</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	9,145,042	4,889,746
Deferred revenue (note 7)	9,019,702	9,709,613
Landfill closure and post closure liabilities (note 8)	8,440,107	7,943,608
Long-term debt (note 9)	4,035,094	6,118,833
Other liabilities (note 10)	10,972	13,215
	<u>30,650,917</u>	<u>28,675,015</u>
<b>NET FINANCIAL ASSETS</b>	<u>27,523,116</u>	<u>25,668,345</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	204,904,594	199,686,158
Prepaid expenses	151,326	150,649
	<u>205,055,920</u>	<u>199,836,807</u>
<b>ACCUMULATED SURPLUS (note 17)</b>	<u>232,579,036</u>	<u>225,505,152</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, 2022**

	2022 Budget \$ (Unaudited)	2022 Actual \$	2021 Actual \$
<b>REVENUE</b>			
Property taxes	17,086,700	17,557,970	16,449,122
Grants in lieu of taxation	200,619	200,619	191,743
User fees	5,940,021	8,066,791	6,881,250
Grants - Province of Manitoba	3,150,225	3,660,121	3,557,329
Grants - Other	894,584	894,584	1,756,447
Permits, licences and fees	600,569	876,462	1,029,379
Investment revenue	156,000	1,255,499	582,140
Other revenue	599,979	3,522,921	2,724,726
Water and sewer	4,209,309	5,314,900	7,274,048
Total revenue ( <i>schedules 2, 4 and 5</i> )	<u>32,838,006</u>	<u>41,349,867</u>	<u>40,446,184</u>
<b>EXPENSES</b>			
General government services	4,543,164	4,210,221	3,759,512
Protective services	5,335,810	4,983,377	4,612,616
Transportation services	8,223,080	8,251,610	7,894,493
Environmental health services	3,151,616	3,766,884	3,714,604
Public health and welfare services	169,555	154,552	161,258
Regional planning and development	609,010	454,613	522,540
Resource conservation and industrial development	90,600	349,637	178,707
Recreation and cultural services	5,729,604	5,795,425	4,641,994
Water and sewer	6,385,747	6,309,664	5,821,811
Total expenses ( <i>schedules 3, 4 and 5</i> )	<u>34,238,186</u>	<u>34,275,983</u>	<u>31,307,535</u>
<b>ANNUAL SURPLUS</b>	<b>(1,400,180)</b>	<b>7,073,884</b>	<b>9,138,649</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>225,505,152</u>	<u>225,505,152</u>	<u>216,366,503</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>224,104,972</u>	<u>232,579,036</u>	<u>225,505,152</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, 2022**

	<b>2022</b> <b>Budget</b> \$	<b>2022</b> <b>Actual</b> \$	2021 Actual \$
<b>ANNUAL SURPLUS</b>	<b>(1,400,180)</b>	<b>7,073,884</b>	9,138,649
Acquisition of tangible capital assets	(10,350,000)	(12,355,710)	(8,212,113)
Contributed infrastructure assets revenue	-	(3,272,931)	(8,418,440)
Proceeds on disposal of tangible capital assets	-	1,124,089	627,291
Amortization of tangible capital assets	9,834,500	9,844,708	9,186,457
Loss (gain) on sale of tangible capital assets	-	(558,592)	3,814,834
Increase in prepaid expense	-	(677)	(15,079)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>(1,915,680)</b>	<b>1,854,771</b>	6,121,599
<b>NET FINANCIAL ASSETS BEGINNING OF YEAR</b>	<b>25,668,345</b>	<b>25,668,345</b>	19,546,746
<b>NET FINANCIAL ASSETS END OF YEAR</b>	<b>23,752,665</b>	<b>27,523,116</b>	25,668,345

**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, 2022**

	2022 Actual \$	2021 Actual \$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	7,073,884	9,138,649
Changes in non-cash items:		
Amortization	9,844,708	9,186,457
Loss (Gain) on disposal of tangible capital assets	(558,592)	3,814,834
Contributed infrastructure assets revenue	(3,272,931)	(8,418,440)
	<u>13,087,069</u>	<u>13,721,500</u>
Net changes in non-cash working capital affecting operations <i>(note 20)</i>	<u>3,880,370</u>	<u>10,175,970</u>
	<u>16,967,439</u>	<u>23,897,470</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds from sale of tangible capital assets	1,124,089	627,291
Cash used to acquire tangible capital assets	(12,355,710)	(8,212,113)
	<u>(11,231,621)</u>	<u>(7,584,822)</u>
<b>INVESTING</b>		
Purchase of portfolio investments	<u>(7,481,082)</u>	<u>(4,853,985)</u>
<b>FINANCING</b>		
Reduction in long-term debt	(2,083,739)	(591,289)
Purchase of other liabilities	-	4,328
Change in other liabilities	(2,243)	-
	<u>(2,085,982)</u>	<u>(586,961)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(3,831,246)</b>	<b>10,871,702</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>31,459,861</b>	<b>20,588,159</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>27,628,615</u></b>	<b><u>31,459,861</u></b>
<b>CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:</b>		
Cash and temporary investments	24,735,453	28,621,273
Internally restricted cash	<u>2,893,162</u>	<u>2,838,588</u>
	<u>27,628,615</u>	<u>31,459,861</u>

The accompanying notes are an integral part of these financial statements

# CITY OF STEINBACH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2022

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### 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, 2022**

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**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.

# CITY OF STEINBACH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2022

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**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, 2022****3. ACCOUNTS RECEIVABLE**

Amounts receivable are valued at their net realizable value.

	<u>2022</u>	<u>2021</u>
	\$	\$
Tax assets ( <i>schedule 10</i> )	1,773,618	2,020,801
Government grants and receivables	439,130	296,584
Utility customers	1,168,059	1,157,201
Accrued interest	431,531	204,450
Organizations and individuals	708,439	710,760
Other governments	39,969	-
	<u>4,560,746</u>	<u>4,389,796</u>
Allowance for doubtful accounts	<u>(111,481)</u>	<u>(121,368)</u>
	<u><u>4,449,265</u></u>	<u><u>4,268,428</u></u>

**4. PORTFOLIO INVESTMENTS**

	<u>2022</u>	<u>2021</u>
	\$	\$
Marketable securities		
Other securities	26,049,490	18,570,054
Patronage allocations	46,663	45,017
	<u>26,096,153</u>	<u>18,615,071</u>

The aggregate market value of the marketable securities at December 31, 2022 is \$26,221,380 (2021 - \$18,629,354). Portfolio investments earned \$318,898 in investment income during the year (2021 - \$190,196).

**5. BANK INDEBTEDNESS**

The Municipality has an authorized line of credit of a maximum of \$8,000,000 bearing interest at a rate of 6.70%. As at December 31, 2022 the balance owing was \$ Nil (2021 - \$ Nil).

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade payables	5,183,683	987,029
Government payables	1,042,419	987,122
Accrued expenses	870,420	839,636
School levies	1,110,285	1,171,356
Deposits	830,888	797,889
Property tax overpayments	107,347	106,714
	<u>9,145,042</u>	<u>4,889,746</u>

**CITY OF STEINBACH**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**As at December 31, 2022**

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**7. DEFERRED REVENUE**

	<u>2022</u>	<u>2021</u>
	\$	\$
Capital development	<b>9,019,702</b>	9,287,202
Land dedication	-	342,854
Other	-	79,557
	<u><b>9,019,702</b></u>	<u>9,709,613</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, 2022**

**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	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Estimated closure and post closure costs	<b>20,721,585</b>	20,721,585	<b>11,444,102</b>	11,444,102	<b>32,165,687</b>	32,165,687
Discount rate applied	<b>4.50 %</b>	4.50 %	<b>4.50 %</b>	4.50 %	<b>4.50 %</b>	4.50 %
Discounted costs	<b>9,739,535</b>	8,611,970	<b>5,707,427</b>	5,235,441	<b>15,446,962</b>	13,847,423
Expected year landfill capacity to be reached	<b>2047</b>	2037	<b>2,011</b>	2,011		
Capacity (tonnes):						
Used to date	<b>390,000</b>	350,000	<b>670,000</b>	670,000	<b>1,060,000</b>	1,020,000
Remaining	<b>1,000,000</b>	763,000	<b>-</b>	-	<b>1,000,000</b>	763,000
Total	<b>1,390,000</b>	1,113,000	<b>670,000</b>	670,000	<b>2,060,000</b>	1,783,000
Percent utilized	<b>28.0576 %</b>	31.4465 %	<b>100.0000 %</b>	100.0000 %	<b>51.4563 %</b>	57.2070 %
Total	<b>2,732,680</b>	2,708,163	<b>5,707,427</b>	5,235,441	<b>8,440,107</b>	7,943,608

**CITY OF STEINBACH**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**As at December 31, 2022**

**9. LONG-TERM DEBT**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>General Authority</b>		
Municipal debenture for Kroeker Avenue, interest at 1.53%, payable at \$161,140 annually including interest, maturing December 2025.	<b>468,997</b>	620,641
Municipal debenture for Elmdale Street surface renewal, interest at 2.78%, payable at \$151,889 annually including interest, maturing December 2024.	<b>291,565</b>	431,460
Municipal debenture for McKenzie Avenue Surface Renewal, interest at 3.29%, payable at \$66,050 annually including interest, maturing December 2023.	<b>63,946</b>	125,855
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.	<b>333,217</b>	493,097
Municipal debenture for Clearspring Greens Pathway, interest at 2.42%, payable at \$29,389 annually including interest, maturing December 2026.	<b>110,773</b>	136,850
	<u><b>1,268,498</b></u>	<u>1,807,903</u>
<b>Utility Funds</b>		
Municipal debenture for Kroeker Avenue watermain, interest at 1.53%, payable at \$94,173 annually including interest, maturing December 2025.	<b>274,089</b>	362,712
Municipal debenture for Kroeker Avenue sewermain, interest at 1.53%, payable at \$115,110 annually including interest, maturing December 2025.	<b>334,998</b>	443,315
Municipal debenture for Supplementary Water Supply, interest at 3.29%, payable at \$1,183,391 annually including interest, maturing December 2023.	<b>1,145,698</b>	2,254,903
Municipal debenture for Brandt Street Water & Sewer, interest at 2.42%, payable at \$268,439 annually including interest, maturing December 2026.	<b>1,011,811</b>	1,250,000
	<u><b>2,766,596</b></u>	<u>4,310,930</u>
	<u><b>4,035,094</b></u>	<u>6,118,833</u>

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

2023	2,165,000
2024	970,000
2025	660,000
2026	240,000

**CITY OF STEINBACH**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**As at December 31, 2022**

**9. LONG-TERM DEBT (continued)**

**Schedule of Debenture Pending**

<b>Authority</b>	<b>Purpose</b>	<b>Amount Authorized</b>
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**

	<b>2022</b>	<b>2021</b>
	\$	\$
Deferred grants	<b>10,972</b>	13,215

**11. DEBT CHARGES - AT LARGE**

<b>Purpose and By-law</b>	<b>Assessment</b>	<b>2022 Mill Rate</b>	<b>2022 Levy</b>	<b>2021 Levy</b>
			\$	\$
Water District	<b>1,070,866,360</b>	<b>1.361</b>	<b>1,457,449</b>	1,355,308
Waste Water District	<b>1,178,470,010</b>	<b>0.171</b>	<b>201,518</b>	145,897
			<b>1,658,967</b>	1,501,205

**12. SPECIAL LEVIES**

<b>Purpose and By-law</b>	<b>Assessment</b>	<b>2022 Mill Rate</b>	<b>2022 Levy</b>	<b>2021 Levy</b>
			\$	\$
Waste Collection & Disposal			<b>759,990</b>	733,845
Section 312 M.A	<b>1,214,064,190</b>	<b>4.000</b>	<b>4,858,397</b>	4,735,087
			<b>5,618,387</b>	5,468,932

**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 2022 by the City on behalf of its employees amounted to \$523,978 (2021 - \$480,666) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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

**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, 2022

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### 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>2022</u>	<u>2021</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	<b>478,990</b>	4,465,637
Utility Operating Funds - Nominal Surplus, excluding Tangible Capital Assets	<b>1,172,478</b>	1,201,653
General Operating Tangible Capital Assets, net of related borrowings	<b>124,616,530</b>	118,715,009
Tangible Capital Assets, net of related borrowings	<b>75,393,239</b>	73,973,583
Deferred Revenue	<b>(9,019,702)</b>	(9,709,613)
Reserve Funds	<b>38,729,787</b>	34,100,596
Accumulated surplus of municipality unconsolidated	<b><u>231,371,322</u></b>	<u>222,746,865</u>
Accumulated surpluses of consolidated controlled entities	<b><u>1,207,714</u></b>	<u>2,758,287</u>
Accumulated Surplus per Statement of Financial Position	<b><u><u>232,579,036</u></u></b>	<u><u>225,505,152</u></u>

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**CITY OF STEINBACH**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**As at December 31, 2022**

**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, 2022:

- (a) Compensation paid to members of council amounted to \$202,698 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	56,584	5,117	61,701
Hiebert, Jacob	24,799	5,065	29,864
Hiebert, Wilhelm	24,555	5,255	29,810
Penner, Damian	22,727	853	23,580
Penner, Susan	22,487	1,639	24,126
Siemens, Waldo	24,191	5,034	29,225
Zwaagstra, Michael	27,355	4,054	31,409
	202,698	27,017	229,715

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

Name	Position	Amount
Adrian, Edwin		75,777
Bergen, Cody		84,840
Dyck, Russ	Manager, Parks & Recreation	95,691
Friesen, Jerry		76,630
Froese, Andrew		81,287
Gaudet, Lacey	City Planner	92,504
Heppner, Mike	Manager, Waterworks	109,014
Hrehirchuk, Brian	Senior Manager, Finance	112,380
Lange, Lisa	Senior Manager, Human Resources & Payroll	113,464
Loewen, David		79,594
Mehling, Russell	Engineering Technologist	87,457
Penner, David		78,181
Penner, Paul	Senior Manager, Operations	134,142
Rach, Aaron	City Engineer	108,932
Reimer, Randy	Manager, Public Works	80,096
Roukema, Paul		87,269

**CITY OF STEINBACH**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**As at December 31, 2022**

Sterk, Allen		79,326
Thiessen, Adam	Manager, Corporate Services	100,962
Towes, Kelvin F	Fire Chief	104,784
Trauer, Kirby		88,528
Wallman, Eldon		80,074
Warkentin, Troy	City Manager	207,326

**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		7,342,438	-	232,190	7,110,248
Contributed Assets		11,055,881	680,658	557,267	11,179,272
		<u>18,398,319</u>	<u>680,658</u>	<u>789,457</u>	<u>18,289,520</u>

Sewer Services:		Unamortized			Unamortized
Description of Utility		Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Grants		6,151,076	-	188,350	5,962,726
Contributed Assets		14,736,565	520,001	339,246	14,917,320
		<u>20,887,641</u>	<u>520,001</u>	<u>527,596</u>	<u>20,880,046</u>

**20. CHANGES IN WORKING CAPITAL**

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	<b>(180,837)</b>	408,790
Prepaid expenses	<b>(677)</b>	(15,079)
Accounts payable and accrued liabilities	<b>4,255,296</b>	(123,551)
Deferred revenue	<b>(689,911)</b>	9,267,564
Landfill closure and post closure liabilities	<b>496,499</b>	638,246
	<u><b>3,880,370</b></u>	<u>10,175,970</u>

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2022

	General Capital Assets					Infrastructure			2022	2021
	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
<b>Cost</b>										
Balance, beginning 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
Asset purchases	76,548	147,876	1,341,322	2,816	6,333,288	4,621,608	3,033,352	102,641	15,659,451	18,167,210
Disposals and write downs	87,453	346,025	147,348	-	-	107,512	394,416	42,982	1,125,736	18,541,881
Balance, end of year	9,586,692	45,077,041	15,200,998	20,991	7,510,527	142,599,516	125,481,484	124,146	345,601,395	331,067,680
<b>Accumulated Amortization</b>										
Balance, beginning of year	188,092	17,165,843	8,248,129	-	-	61,156,936	44,622,522	-	131,381,522	134,758,164
Amortization	800	1,328,968	829,257	6,145	-	4,662,838	3,016,700	-	9,844,708	9,186,457
Disposals and write downs	-	93,331	144,643	-	-	98,028	193,427	-	529,429	12,563,099
Balance, end of year	188,892	18,401,480	8,932,743	6,145	-	65,721,746	47,445,795	-	140,696,801	131,381,522
Net book value	9,397,800	26,675,561	6,268,255	14,846	7,510,527	76,877,770	78,035,689	124,146	204,904,594	199,686,158

## CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>PROPERTY TAXES</b>			
Municipal taxes levied ( <i>schedule 11</i> )	16,401,139	16,401,139	15,521,390
Taxes added	500,000	971,270	743,003
Business tax	185,561	185,561	184,729
	<u>17,086,700</u>	<u>17,557,970</u>	<u>16,449,122</u>
<b>GRANTS IN LIEU OF TAXATION</b>			
Federal government	<u>200,619</u>	<u>200,619</u>	<u>191,743</u>
<b>USER FEES</b>			
Parking meters	8,200	7,440	8,335
Sales of service	5,835,121	7,948,065	6,788,072
Sales of goods	68,700	80,016	53,694
Rentals	28,000	31,270	31,149
	<u>5,940,021</u>	<u>8,066,791</u>	<u>6,881,250</u>
<b>GRANTS - PROVINCE OF MANITOBA</b>			
General assistance payment	2,950,000	3,041,490	2,970,927
Conditional grants	200,225	618,631	586,402
	<u>3,150,225</u>	<u>3,660,121</u>	<u>3,557,329</u>
<b>GRANTS - OTHER</b>			
Federal government - gas tax funding	890,584	890,584	1,742,447
Federal government - other	-	-	10,000
Other grant	4,000	4,000	4,000
	<u>894,584</u>	<u>894,584</u>	<u>1,756,447</u>
<b>PERMITS, LICENCES AND FEES</b>			
Permits	461,000	764,608	875,266
Licences	33,569	35,680	37,620
Fines	106,000	76,174	116,493
	<u>600,569</u>	<u>876,462</u>	<u>1,029,379</u>
<b>INVESTMENT REVENUE</b>			
Interest	<u>156,000</u>	<u>1,255,499</u>	<u>582,140</u>
<b>OTHER REVENUE</b>			
Gain (loss) on sale of tangible capital assets	-	694,249	(3,439,354)
Miscellaneous	50,674	118,571	360,118
Contributed assets	-	2,005,493	5,128,871
Penalties and interest	205,000	203,939	211,091
Donations	-	154,150	78,161
Other	344,305	346,519	385,839
	<u>599,979</u>	<u>3,522,921</u>	<u>2,724,726</u>
<b>WATER AND SEWER</b>			
Municipal utility ( <i>schedule 8</i> )	<u>4,209,309</u>	<u>5,314,900</u>	<u>7,274,048</u>
<b>TOTAL REVENUE</b>	<u><u>32,838,006</u></u>	<u><u>41,349,867</u></u>	<u><u>40,446,184</u></u>

## CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>GENERAL GOVERNMENT SERVICES</b>			
Legislative	296,637	260,495	226,909
General administrative	4,246,527	3,949,726	3,532,603
	<u>4,543,164</u>	<u>4,210,221</u>	<u>3,759,512</u>
<b>PROTECTIVE SERVICES</b>			
Police	3,296,314	2,924,598	2,736,913
Fire	1,166,376	1,203,583	1,073,176
Emergency measures	28,727	23,136	24,246
Other protective services	844,393	832,060	778,281
	<u>5,335,810</u>	<u>4,983,377</u>	<u>4,612,616</u>
<b>TRANSPORTATION SERVICES</b>			
Road transport			
Administration and engineering	491,400	396,127	435,094
Road and street maintenance	7,283,545	7,414,595	6,905,544
Sidewalk and boulevard maintenance	54,108	28,258	23,710
Street lighting	353,152	360,556	445,430
Air transport	40,875	45,557	38,550
Public transit	-	6,517	46,165
	<u>8,223,080</u>	<u>8,251,610</u>	<u>7,894,493</u>
<b>ENVIRONMENTAL HEALTH SERVICES</b>			
Waste collection and disposal	1,826,497	2,427,741	2,410,842
Recycling	895,119	910,077	869,257
Other	430,000	429,066	434,505
	<u>3,151,616</u>	<u>3,766,884</u>	<u>3,714,604</u>
<b>PUBLIC HEALTH AND WELFARE SERVICES</b>			
Public health	149,555	134,787	141,493
Social assistance	20,000	19,765	19,765
	<u>169,555</u>	<u>154,552</u>	<u>161,258</u>
<b>REGIONAL PLANNING AND DEVELOPMENT</b>			
Planning and zoning	266,525	166,072	150,655
Beautification and land rehabilitation	223,885	222,446	227,640
Urban area weed control	69,600	34,038	81,723
Other	49,000	32,057	62,522
	<u>609,010</u>	<u>454,613</u>	<u>522,540</u>
<b>RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT</b>			
Water resources and conservation	15,000	15,000	15,000
Regional development	10,600	49,134	34,590
Tourism	65,000	285,503	129,117
	<u>90,600</u>	<u>349,637</u>	<u>178,707</u>

## CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>RECREATION AND CULTURAL SERVICES</b>			
Administration	439,460	447,608	395,065
Swimming pools and beaches	2,049,864	1,934,197	1,358,780
Skating and curling rinks	582,595	574,809	433,031
Parks and playgrounds	1,124,409	1,259,574	1,106,320
Other recreational facilities	987,450	979,448	863,203
Libraries	513,592	568,356	456,320
Other cultural facilities	32,234	31,433	29,275
	<u>5,729,604</u>	<u>5,795,425</u>	<u>4,641,994</u>
<b>WATER AND SEWER</b>			
Municipal utility ( <i>schedule 8</i> )	<u>6,385,747</u>	<u>6,309,664</u>	<u>5,821,811</u>
<b>TOTAL EXPENSES</b>	<u><u>34,238,186</u></u>	<u><u>34,275,983</u></u>	<u><u>31,307,535</u></u>

## CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>										
Property taxes	17,557,970	16,449,122	-	-	-	-	-	-	-	-
Grants in lieu of taxation	200,619	191,743	-	-	-	-	-	-	-	-
User fees	16,448	21,287	197,224	240,209	40,171	62,703	3,704,017	3,630,737	261,411	235,473
Prov of MB - unconditional grants	3,041,490	2,970,927	-	-	-	-	-	-	-	-
Prov of MB - conditional grants	378,575	132,212	-	228,715	-	-	-	-	-	-
Grants - Other	890,584	1,742,447	-	-	-	-	-	-	-	-
Permits, licences and fees	800,288	912,886	76,174	116,493	-	-	-	-	-	-
Investment revenue	1,225,473	566,968	-	-	-	-	-	-	-	-
Other revenue	3,130,938	2,456,111	-	-	-	-	-	-	-	-
Water and sewer	(1,658,273)	(1,479,804)	-	-	-	-	-	-	-	-
Total revenue	<u>25,584,112</u>	<u>23,963,899</u>	<u>273,398</u>	<u>585,417</u>	<u>40,171</u>	<u>62,703</u>	<u>3,704,017</u>	<u>3,630,737</u>	<u>261,411</u>	<u>235,473</u>
<b>EXPENSES</b>										
Personnel services	2,272,686	2,186,359	1,116,702	1,022,432	1,575,785	1,480,780	912,949	827,871	71,642	77,761
Contract services	150,968	65,816	2,643,256	2,451,220	-	610	-	-	-	-
Utilities	94,092	82,288	70,873	73,270	466,918	450,031	44,656	36,451	-	-
Maintenance materials & supplies	556,480	501,349	897,083	844,704	1,131,504	1,218,840	1,883,714	1,777,531	65,669	65,626
Grants & contributions	930,509	711,740	-	-	-	-	-	-	-	-
Amortization	93,850	108,701	255,463	220,990	5,077,403	4,744,232	429,066	434,505	17,241	17,871
Interest on long term debt	42,493	54,772	-	-	-	-	-	-	-	-
Bad debts expense	69,143	48,487	-	-	-	-	-	-	-	-
Other operating expense	-	-	-	-	-	-	496,499	638,246	-	-
Total expenses	<u>4,210,221</u>	<u>3,759,512</u>	<u>4,983,377</u>	<u>4,612,616</u>	<u>8,251,610</u>	<u>7,894,493</u>	<u>3,766,884</u>	<u>3,714,604</u>	<u>154,552</u>	<u>161,258</u>
<b>SURPLUS (DEFICIT)</b>	<u>21,373,891</u>	<u>20,204,387</u>	<u>(4,709,979)</u>	<u>(4,027,199)</u>	<u>(8,211,439)</u>	<u>(7,831,790)</u>	<u>(62,867)</u>	<u>(83,867)</u>	<u>106,859</u>	<u>74,215</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, 2022

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>										
Property taxes	-	-	-	-	-	-	-	-	17,557,970	16,449,122
Grants in lieu of taxation	-	-	-	-	-	-	-	-	200,619	191,743
User fees	2,177,868	1,810,019	-	-	1,669,652	880,822	-	-	8,066,791	6,881,250
Prov of MB - unconditional grants	-	-	-	-	-	-	-	-	3,041,490	2,970,927
Prov of MB - conditional grants	-	-	-	-	240,056	225,475	-	-	618,631	586,402
Grants - Other	-	-	-	-	4,000	14,000	-	-	894,584	1,756,447
Permits, licences and fees	-	-	-	-	-	-	-	-	876,462	1,029,379
Investment revenue	25,105	13,940	-	-	4,921	1,232	-	-	1,255,499	582,140
Other revenue	386,000	257,690	-	-	5,983	10,925	-	-	3,522,921	2,724,726
Water and sewer	-	-	-	-	-	-	7,315,144	8,753,852	5,314,900	7,274,048
Total revenue	<u>2,588,973</u>	<u>2,081,649</u>	<u>-</u>	<u>-</u>	<u>1,924,612</u>	<u>1,132,454</u>	<u>7,315,144</u>	<u>8,753,852</u>	<u>41,349,867</u>	<u>40,446,184</u>
<b>EXPENSES</b>										
Personnel services	130,869	147,851	-	-	2,997,144	2,357,545	1,107,046	1,149,260	10,184,823	9,249,859
Contract services	-	-	40,031	22,120	18,345	16,190	1,497,996	1,325,487	4,350,596	3,881,443
Utilities	10,166	11,268	-	-	405,439	288,573	547,440	385,686	1,639,584	1,327,567
Maintenance materials & supplies	313,578	363,421	309,606	156,587	1,413,231	1,120,907	2,951	4,946	6,573,816	6,053,911
Grants & contributions	-	-	-	-	(2,868)	(2,772)	1,718	2,167	929,359	711,135
Amortization	-	-	-	-	954,985	852,381	3,016,700	2,807,777	9,844,708	9,186,457
Interest on long term debt	-	-	-	-	-	-	113,939	124,037	156,432	178,809
Bad debts expense	-	-	-	-	-	-	-	-	69,143	48,487
Other operating expense	-	-	-	-	9,149	9,170	21,874	22,451	527,522	669,867
Total expenses	<u>454,613</u>	<u>522,540</u>	<u>349,637</u>	<u>178,707</u>	<u>5,795,425</u>	<u>4,641,994</u>	<u>6,309,664</u>	<u>5,821,811</u>	<u>34,275,983</u>	<u>31,307,535</u>
<b>SURPLUS (DEFICIT)</b>	<u>2,134,360</u>	<u>1,559,109</u>	<u>(349,637)</u>	<u>(178,707)</u>	<u>(3,870,813)</u>	<u>(3,509,540)</u>	<u>1,005,480</u>	<u>2,932,041</u>	<u>7,073,884</u>	<u>9,138,649</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, 2022

	Core Government		Controlled Entities		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Property taxes	17,557,970	16,449,122	-	-	17,557,970	16,449,122
Grants in lieu of taxation	200,619	191,743	-	-	200,619	191,743
User fees	7,957,547	6,800,294	109,244	80,956	8,066,791	6,881,250
Prov of MB - unconditional grants	3,041,490	2,970,927	-	-	3,041,490	2,970,927
Prov of MB - conditional grants	448,575	400,927	170,056	185,475	618,631	586,402
Grants - Other	890,584	1,742,447	4,000	14,000	894,584	1,756,447
Permits, licences and fees	876,462	1,029,379	-	-	876,462	1,029,379
Investment revenue	1,225,473	566,968	30,026	15,172	1,255,499	582,140
Other revenue	4,822,111	2,596,111	(1,299,190)	128,615	3,522,921	2,724,726
Water and sewer	5,656,871	7,274,048	(341,971)	-	5,314,900	7,274,048
Total revenue	<u>42,677,702</u>	<u>40,021,966</u>	<u>(1,327,835)</u>	<u>424,218</u>	<u>41,349,867</u>	<u>40,446,184</u>
<b>EXPENSES</b>						
Personnel services	9,806,549	8,968,988	378,274	280,871	10,184,823	9,249,859
Contract services	4,295,370	3,845,883	55,226	35,560	4,350,596	3,881,443
Utilities	1,634,165	1,320,281	5,419	7,286	1,639,584	1,327,567
Maintenance materials & supplies	6,472,172	5,956,918	101,644	96,993	6,573,816	6,053,911
Grants & contributions	1,268,907	1,050,587	(339,548)	(339,452)	929,359	711,135
Amortization	9,832,136	9,175,176	12,572	11,281	9,844,708	9,186,457
Interest on long term debt	156,432	178,809	-	-	156,432	178,809
Bad debts expense	69,143	48,487	-	-	69,143	48,487
Other operating expense	518,373	660,697	9,149	9,170	527,522	669,867
Total expenses	<u>34,053,247</u>	<u>31,205,826</u>	<u>222,736</u>	<u>101,709</u>	<u>34,275,983</u>	<u>31,307,535</u>
<b>SURPLUS (DEFICIT)</b>	<u>8,624,455</u>	<u>8,816,140</u>	<u>(1,550,571)</u>	<u>322,509</u>	<u>7,073,884</u>	<u>9,138,649</u>

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2022

	General Reserve \$	Machinery Replacement Reserve \$	Land & Facility Reserve \$	Capital Development Reserve \$	Environmenta l Reserve \$	Aquatic Centre Reserve \$	Perpetual Care Reserve \$
<b>FINANCIAL ASSETS</b>							
Cash and temporary investments	530,283	-	-	489,090	50,436	-	433,293
Accounts receivable	1,998	-	15,382	112,753	66,483	1,764	1,633
Portfolio investments	-	-	1,555,774	7,020,152	5,048,787	766,358	-
Due from other funds	478,588	642,075	3,619,360	2,723,588	-	166,808	375,126
	<u>1,010,869</u>	<u>642,075</u>	<u>5,190,516</u>	<u>10,345,583</u>	<u>5,165,706</u>	<u>934,930</u>	<u>810,052</u>
<b>LIABILITIES</b>							
Due to other funds	-	-	-	-	916,483	-	-
<b>REVENUE</b>							
Investment revenue	16,814	4,564	47,866	207,014	145,132	14,320	13,053
<b>TRANSFERS</b>							
Transfer to reserves	-	210,000	2,706,234	1,734,940	1,665,340	-	48,959
Transfer from reserves	-	-	(300,000)	(370,000)	(2,855,480)	-	-
	-	210,000	2,406,234	1,364,940	(1,190,140)	-	48,959
<b>CHANGE IN FUND BALANCES</b>	16,814	214,564	2,454,100	1,571,954	(1,045,008)	14,320	62,012
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	994,055	427,511	2,736,416	8,773,629	5,294,231	920,610	748,040
<b>FUND SURPLUS, END OF YEAR</b>	<u>1,010,869</u>	<u>642,075</u>	<u>5,190,516</u>	<u>10,345,583</u>	<u>4,249,223</u>	<u>934,930</u>	<u>810,052</u>

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2022

	Committed Expenditures Reserve \$	Land Dedication Reserve \$	Recreations Reserve \$	Canada Community- Building Fund Reserve \$	Utility Replacement Reserve \$	2022 Actual \$	2021 Actual \$
<b>FINANCIAL ASSETS</b>							
Cash and temporary investments	149,535	241,794	-	-	998,731	2,893,162	2,838,588
Accounts receivable	27,234	911	73,939	44,176	3,764	350,037	191,522
Portfolio investments	2,447,992	-	5,482,098	3,581,319	-	25,902,480	18,439,158
Due from other funds	358,791	106,637	-	818,019	1,310,886	10,599,878	12,631,328
	<u>2,983,552</u>	<u>349,342</u>	<u>5,556,037</u>	<u>4,443,514</u>	<u>2,313,381</u>	<u>39,745,557</u>	<u>34,100,596</u>
<b>LIABILITIES</b>							
Due to other funds	-	-	99,288	-	-	1,015,771	-
<b>REVENUE</b>							
Investment revenue	64,673	6,488	128,079	92,016	44,019	784,038	511,715
<b>TRANSFERS</b>							
Transfer to reserves	140,642	-	1,065,815	890,584	750,000	9,212,514	9,754,792
Transfer from reserves	(481,882)	-	-	(225,000)	(1,135,000)	(5,367,362)	(4,649,573)
	<u>(341,240)</u>	<u>-</u>	<u>1,065,815</u>	<u>665,584</u>	<u>(385,000)</u>	<u>3,845,152</u>	<u>5,105,219</u>
<b>CHANGE IN FUND BALANCES</b>	<b>(276,567)</b>	<b>6,488</b>	<b>1,193,894</b>	<b>757,600</b>	<b>(340,981)</b>	<b>4,629,190</b>	<b>5,616,934</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>3,260,119</b>	<b>342,854</b>	<b>4,262,855</b>	<b>3,685,914</b>	<b>2,654,362</b>	<b>34,100,596</b>	<b>28,483,662</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>2,983,552</b>	<b>349,342</b>	<b>5,456,749</b>	<b>4,443,514</b>	<b>2,313,381</b>	<b>38,729,786</b>	<b>34,100,596</b>

## SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2022

	2022 Actual \$	2021 Actual \$
<b>FINANCIAL ASSETS</b>		
Accounts receivable <i>(note 3)</i>	1,168,059	1,157,201
Due from other funds	<u>7,744,344</u>	<u>8,992,425</u>
	<u><b>8,912,403</b></u>	<u>10,149,626</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(note 6)</i>	1,775,744	121,964
Long-term debt <i>(note 9)</i>	2,766,596	4,310,930
Due to other funds	<u>5,993,592</u>	<u>8,854,228</u>
	<u><b>10,535,932</b></u>	<u>13,287,122</u>
<b>NET DEBT</b>	<u><b>(1,623,529)</b></u>	<u>(3,137,496)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(schedule 1)</i>	78,159,835	78,284,513
Prepaid expenses	<u>29,410</u>	<u>28,219</u>
	<u><b>78,189,245</b></u>	<u>78,312,732</u>
<b>FUND SURPLUS</b>	<u><u><b>76,565,716</b></u></u>	<u><u>75,175,236</u></u>

## SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>REVENUE</b>			
<b>WATER</b>			
Water fees	2,405,778	2,327,702	2,474,331
<b>SEWER</b>			
Sewer fees	1,591,750	1,511,897	1,616,831
<b>PROPERTY TAXES</b>			
	1,658,273	1,658,273	1,479,804
<b>OTHER REVENUE</b>			
Hydrant rentals	101,065	101,855	96,715
Connection charges	-	76,250	-
Installation service	80,000	111,235	122,880
Penalties	10,250	20,780	20,828
Contributed tangible capital assets	-	1,267,438	3,289,569
Loss on sale of tangible capital assets	-	(135,657)	(375,480)
Other income	20,466	375,371	28,374
	211,781	1,817,272	3,182,886
<b>TOTAL REVENUE</b>	<b>5,867,582</b>	<b>7,315,144</b>	<b>8,753,852</b>
<b>EXPENSES</b>			
<b>GENERAL</b>			
Administration	401,080	401,072	374,469
Billing and collection	25,920	27,433	24,500
Utilities (telephone, electricity, etc.)	5,454	2,951	4,946
Other administration expense	2,598	1,718	2,167
Interest on short-term debt	30,750	21,874	22,451
	465,802	455,048	428,533
<b>WATER</b>			
Purification and treatment	255,358	248,402	237,954
Transmission and distribution	1,221,062	1,178,431	961,151
Service and other supply costs	355,658	329,296	236,292
	1,832,078	1,756,129	1,435,397
<b>WATER AMORTIZATION AND INTEREST</b>			
Amortization	1,746,500	1,746,244	1,571,888
Interest on long-term debt	96,289	96,289	116,029
	1,842,789	1,842,533	1,687,917
<b>SEWER</b>			
Collection system costs	466,507	457,572	536,837
Treatment and disposal costs	296,800	319,565	364,336
Lift station costs	193,121	190,711	124,894
	956,428	967,848	1,026,067

## SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>SEWER AMORTIZATION AND INTEREST</b>			
Amortization	1,271,000	1,270,456	1,235,889
Interest on long-term debt	17,650	17,650	8,008
	<u>1,288,650</u>	<u>1,288,106</u>	<u>1,243,897</u>
<b>TOTAL EXPENSES</b>	<u>6,385,747</u>	<u>6,309,664</u>	<u>5,821,811</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(518,165)	1,005,480	2,932,041
<b>TRANSFERS</b>			
Transfer to reserves	-	(750,000)	(320,000)
Transfer from reserves	-	1,135,000	1,377,000
	<u>-</u>	<u>385,000</u>	<u>1,057,000</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	(518,165)	1,390,480	3,989,041
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>75,175,236</u>	<u>75,175,236</u>	<u>71,186,195</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u><u>74,657,071</u></u>	<u><u>76,565,716</u></u>	<u><u>75,175,236</u></u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2022

	Financial Plan General \$	Financial Plan Utility \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Consolidated Entities \$	PSAB Budget \$
<b>REVENUE</b>								
Property taxes	17,086,700	-	-	-	-	-	-	17,086,700
Grants in lieu of taxation	200,619	-	-	-	-	-	-	200,619
User fees	5,843,321	-	-	-	-	-	96,700	5,940,021
Grants - Province of Manitoba	2,982,400	-	-	-	-	-	167,825	3,150,225
Grants - Other	890,584	-	-	-	-	-	4,000	894,584
Permits, licences and fees	600,569	-	-	-	-	-	-	600,569
Investment revenue	135,000	-	-	-	-	-	21,000	156,000
Other revenue	731,779	-	-	-	-	-	(131,800)	599,979
Transfers	(1,460,000)	4,465,000	-	-	(3,005,000)	-	-	-
Water and sewer	(1,658,273)	5,867,582	-	-	-	-	-	4,209,309
	<u>25,352,699</u>	<u>10,332,582</u>	<u>-</u>	<u>-</u>	<u>(3,005,000)</u>	<u>-</u>	<u>157,725</u>	<u>32,838,006</u>
<b>EXPENSES</b>								
General government services	4,347,985	-	94,000	101,179	-	-	-	4,543,164
Protective services	5,080,310	-	255,500	-	-	-	-	5,335,810
Transportation services	3,146,080	-	5,077,000	-	-	-	-	8,223,080
Environmental health services	2,721,616	-	430,000	-	-	-	-	3,151,616
Public health and welfare services	152,055	-	17,500	-	-	-	-	169,555
Regional planning and development	609,010	-	-	-	-	-	-	609,010
Resource conservation and industrial development	80,000	-	-	-	-	-	10,600	90,600
Recreation and cultural services	4,676,879	-	943,000	-	-	-	109,725	5,729,604
Fiscal services	762,622	-	-	-	(762,622)	-	-	-
Transfers	3,776,142	5,420,000	-	-	(9,196,142)	-	-	-
Water and sewer	-	4,912,582	3,017,500	113,939	(1,658,274)	-	-	6,385,747
	<u>25,352,699</u>	<u>10,332,582</u>	<u>9,834,500</u>	<u>215,118</u>	<u>(11,617,038)</u>	<u>-</u>	<u>120,325</u>	<u>34,238,186</u>
<b>SURPLUS (DEFICIT)</b>	<u>-</u>	<u>-</u>	<u>(9,834,500)</u>	<u>(215,118)</u>	<u>8,612,038</u>	<u>-</u>	<u>37,400</u>	<u>(1,400,180)</u>

## ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2022

	2022 Actual \$	2021 Actual \$
<b>BALANCE, BEGINNING OF YEAR</b>	<u>2,020,801</u>	<u>2,453,358</u>
<b>Add:</b>		
Tax Levy ( <i>schedule 11</i> )	33,214,187	32,411,383
Taxes added	971,270	743,003
Business tax	185,561	184,729
Penalties and interest	203,939	211,091
Other accounts added	<u>321,858</u>	<u>310,613</u>
<b>Sub-total</b>	<u>36,917,616</u>	<u>36,314,177</u>
<b>Deduct:</b>		
Cash collections - current	32,230,651	30,539,675
Cash collections - arrears	1,316,311	1,878,417
Cancellations	80,011	64,193
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,517,025</u>	<u>1,811,091</u>
<b>Sub-total</b>	<u>35,143,998</u>	<u>34,293,376</u>
<b>BALANCE, END OF YEAR</b>	<u><u>1,773,618</u></u>	<u><u>2,020,801</u></u>

## ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2022

	Assessment	2022 Mill Rate	Levy	2021 Levy
<b>Debt Charges:</b>				
Frontage			29,389	-
L.I.D.	1,199,657,980	0.200	240,039	368,388
L.I.D.	1,214,064,190	0.258	313,367	317,251
At large <i>(note 11)</i>			1,658,967	1,501,205
			<u>2,241,762</u>	<u>2,186,844</u>
<b>Reserves:</b>				
Recreation	1,052,608,130	1.241	1,306,287	1,269,340
<b>Other municipal levies:</b>				
General municipal	1,052,608,130	6.869	7,234,703	6,596,274
Special levy <i>(note 12)</i>			5,618,387	5,468,932
			<u>12,853,090</u>	<u>12,065,206</u>
<b>Total municipal taxes <i>(schedule 2)</i></b>			<u>16,401,139</u>	<u>15,521,390</u>
Education Support Levy	341,991,010	8.713	2,979,768	2,946,892
<b>Special levy:</b>				
Hanover School Division	1,008,410,820	13.730	13,833,280	13,943,101
<b>Total education taxes</b>			<u>16,813,048</u>	<u>16,889,993</u>
<b>Total tax levy <i>(schedule 10)</i></b>			<u>33,214,187</u>	<u>32,411,383</u>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>GENERAL GOVERNMENT SERVICES</b>			
Legislative	296,637	260,495	226,909
General administrative	4,246,527	3,949,726	3,532,603
	<u>4,543,164</u>	<u>4,210,221</u>	<u>3,759,512</u>
<b>PROTECTIVE SERVICES</b>			
Police	3,296,314	2,924,598	2,736,913
Fire	1,166,376	1,203,583	1,073,176
Emergency measures	28,727	23,136	24,246
Other protective services	844,393	832,060	778,281
	<u>5,335,810</u>	<u>4,983,377</u>	<u>4,612,616</u>
<b>TRANSPORTATION SERVICES</b>			
Road transport			
Administration and engineering	491,400	396,127	435,094
Road and street maintenance	7,283,545	7,414,595	6,905,544
Sidewalk and boulevard maintenance	54,108	28,258	23,710
Street lighting	353,152	360,556	445,430
Air transport	40,875	45,557	38,550
Public transit	-	6,517	46,165
	<u>8,223,080</u>	<u>8,251,610</u>	<u>7,894,493</u>
<b>ENVIRONMENTAL HEALTH SERVICES</b>			
Waste collection and disposal	1,826,497	2,427,741	2,410,842
Recycling	895,119	910,077	869,257
Other	430,000	429,066	434,505
	<u>3,151,616</u>	<u>3,766,884</u>	<u>3,714,604</u>
<b>PUBLIC HEALTH AND WELFARE SERVICES</b>			
Public health	149,555	134,787	141,493
Social assistance	20,000	19,765	19,765
	<u>169,555</u>	<u>154,552</u>	<u>161,258</u>
<b>REGIONAL PLANNING AND DEVELOPMENT</b>			
Planning and zoning	266,525	166,072	150,655
Beautification and land rehabilitation	223,885	222,446	227,640
Urban area weed control	69,600	34,038	81,723
Other	49,000	32,057	62,522
	<u>609,010</u>	<u>454,613</u>	<u>522,540</u>
<b>RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT</b>			
Water resources and conservation	15,000	15,000	15,000
Tourism	65,000	285,503	129,117
	<u>80,000</u>	<u>300,503</u>	<u>144,117</u>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2022

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>RECREATION AND CULTURAL SERVICES</b>			
Administration	439,460	447,608	395,065
Swimming pools and beaches	2,049,864	1,934,197	1,358,780
Skating and curling rinks	582,595	574,809	433,031
Parks and playgrounds	1,124,409	1,259,574	1,106,320
Other recreational facilities	987,450	979,448	863,203
Libraries	403,867	394,754	389,201
Other cultural facilities	32,234	31,433	29,275
	<u>5,619,879</u>	<u>5,621,823</u>	<u>4,574,875</u>
<b>TOTAL EXPENSES</b>	<u>27,732,114</u>	<u>27,743,583</u>	<u>25,384,015</u>

## ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2022

	General \$	Utility \$	2022 Total \$	2021 Total \$
<b>CONSOLIDATED ANNUAL SURPLUS</b>				
<i>(statement 2)</i>	6,068,404	1,005,480	7,073,884	9,138,649
Elimination of appropriations from reserves	4,492,362	1,135,000	5,627,362	4,669,573
Elimination of appropriations to reserves	(8,722,514)	(750,000)	(9,472,514)	(9,774,791)
Consolidation of reserve operations	(784,038)	-	(784,038)	(511,716)
Elimination of controlled entity operations	1,550,571	-	1,550,571	(322,509)
Amortization of tangible capital assets	6,815,436	3,016,700	9,832,136	9,175,176
Principal portion of long term debt	(539,405)	(1,544,334)	(2,083,739)	(1,978,141)
Contributed capital assets	(2,005,493)	(1,267,438)	(3,272,931)	(8,418,440)
Proceeds on disposal of assets	650,770	77,505	728,275	362,291
(Gain)/Loss on sale of Tangible Capital Assets	(308,249)	136,467	(171,782)	4,072,014
Change in deferred revenue	(342,854)	-	(342,854)	-
Change in landfill liability	496,499	-	496,499	638,246
Acquisitions of capital assets from operating funds	(7,160,980)	(1,763,268)	(8,924,248)	(6,509,064)
<b>ESTIMATED EXCESS OF REVENUES AND TRANSFERS OVER EXPEDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***</b>	<b>210,509</b>	<b>46,112</b>	<b>256,621</b>	<b>541,288</b>

\*\*\* 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