

CITY OF STEINBACH
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

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 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, 2023, 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, 2023, 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 24, 2024
Winnipeg, Manitoba



Chartered Professional Accountants Inc.

CITY OF STEINBACH

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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CITY OF STEINBACH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023	2022
	Actual	Actual
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	23,764,119	27,628,615
Accounts receivable <i>(note 3)</i>	9,405,096	4,449,265
Portfolio investments <i>(note 4)</i>	24,548,638	26,096,153
	<u>57,717,853</u>	<u>58,174,033</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 6)</i>	15,690,416	9,145,042
Deferred revenue <i>(note 7)</i>	2,993,716	9,019,702
Landfill closure and post closure liabilities <i>(note 8)</i>	8,671,550	8,440,107
Long-term debt <i>(note 9)</i>	1,892,761	4,035,094
Other liabilities <i>(note 10)</i>	34,752	10,972
	<u>29,283,195</u>	<u>30,650,917</u>
NET FINANCIAL ASSETS	<u>28,434,658</u>	<u>27,523,116</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	259,493,412	204,904,594
Prepaid expenses	163,729	151,326
	<u>259,657,141</u>	<u>205,055,920</u>
ACCUMULATED SURPLUS <i>(note 17)</i>	<u>288,091,799</u>	<u>232,579,036</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, 2023**

	2023 Budget \$ (Unaudited)	2023 Actual \$	2022 Actual \$
REVENUE			
Property taxes	18,320,137	19,288,570	17,557,970
Grants in lieu of taxation	206,350	206,350	200,619
User fees	6,254,205	7,535,505	8,066,791
Grants - Province of Manitoba	3,240,225	5,033,575	3,660,121
Grants - Other	894,584	11,853,633	894,584
Permits, licences and fees	710,836	1,426,200	876,462
Investment revenue	224,000	1,886,904	1,255,499
Other revenue	621,992	29,452,272	3,522,921
Water and sewer	4,250,052	14,357,029	5,314,900
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>34,722,381</u>	<u>91,040,038</u>	<u>41,349,867</u>
EXPENSES			
General government services	4,297,807	4,053,024	4,210,221
Protective services	5,484,422	6,335,257	4,983,377
Transportation services	8,384,976	8,306,379	8,251,610
Environmental health services	3,426,954	3,707,005	3,766,884
Public health and welfare services	173,250	190,871	154,552
Regional planning and development	599,850	528,674	454,613
Resource conservation and industrial development	25,600	68,820	349,637
Recreation and cultural services	5,995,929	6,244,402	5,795,425
Water and sewer	6,481,720	6,092,843	6,309,664
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>34,870,508</u>	<u>35,527,275</u>	<u>34,275,983</u>
ANNUAL SURPLUS	(148,127)	55,512,763	7,073,884
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>232,579,036</u>	<u>232,579,036</u>	<u>225,505,152</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>232,430,909</u>	<u>288,091,799</u>	<u>232,579,036</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, 2023**

	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
ANNUAL SURPLUS	<u>(148,127)</u>	<u>55,512,763</u>	<u>7,073,884</u>
Acquisition of tangible capital assets	-	(35,812,918)	(12,355,710)
Contributed infrastructure assets revenue	-	(29,388,591)	(3,272,931)
Proceeds on disposal of tangible capital assets	-	641,197	1,124,089
Amortization of tangible capital assets	9,951,000	9,963,901	9,844,708
Loss (gain) on sale of tangible capital assets	-	7,593	(558,592)
Increase in prepaid expense	-	(12,403)	(677)
CHANGE IN NET FINANCIAL ASSETS	9,802,873	911,542	1,854,771
NET FINANCIAL ASSETS BEGINNING OF YEAR	<u>27,523,116</u>	<u>27,523,116</u>	<u>25,668,345</u>
NET FINANCIAL ASSETS END OF YEAR	<u><u>37,325,989</u></u>	<u><u>28,434,658</u></u>	<u><u>27,523,116</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, 2023

	2023 Actual \$	2022 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	55,512,763	7,073,884
Changes in non-cash items:		
Amortization	9,963,901	9,844,708
Loss (Gain) on disposal of tangible capital assets	7,593	(558,592)
Contributed infrastructure assets revenue	<u>(29,388,591)</u>	<u>(3,272,931)</u>
	36,095,666	13,087,069
Net changes in non-cash working capital affecting operations <i>(note 20)</i>	<u>(4,217,403)</u>	<u>3,880,370</u>
	<u>31,878,263</u>	<u>16,967,439</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	641,197	1,124,089
Cash used to acquire tangible capital assets	<u>(35,812,918)</u>	<u>(12,355,710)</u>
	<u>(35,171,721)</u>	<u>(11,231,621)</u>
INVESTING		
Purchase of portfolio investments	-	(7,481,082)
Proceeds on sale of portfolio investments	<u>1,547,515</u>	<u>-</u>
	<u>1,547,515</u>	<u>(7,481,082)</u>
FINANCING		
Reduction in long-term debt	(2,142,333)	(2,083,739)
Purchase of other liabilities	23,780	-
Change in other liabilities	<u>-</u>	<u>(2,243)</u>
	<u>(2,118,553)</u>	<u>(2,085,982)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(3,864,496)	(3,831,246)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,628,615	31,459,861
CASH AND CASH EQUIVALENTS, END OF YEAR	23,764,119	27,628,615
CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash	20,582,803	24,735,453
Cash equivalents	141,088	-
Internally restricted cash	<u>3,040,228</u>	<u>2,893,162</u>
	<u>23,764,119</u>	<u>27,628,615</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, 2023

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, 2023

c) FINANCIAL INSTRUMENTS

The City classifies its financial instruments as either fair value, cost or amortized cost. The municipal organization's accounting policy for each category is as follows:

Fair value:

This category includes derivatives and equity instruments quoted in an active market. The municipal organization has not designated any of its portfolio investments or borrowings at fair value that would otherwise to classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Statement of Remeasurement Gains and Losses until they are realized. When realized they are transferred to the Statement of Operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the Statement of Operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

d) CASH AND CASH EQUIVALENTS

Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

e) PORTFOLIO INVESTMENTS

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

f) 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.

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

g) 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.

h) 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 (debt) 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.

i) 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.

Amortization is provided using the straight line method using rates intended to amortize the cost of assets over their estimated useful lives.

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

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

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.

j) 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.

k) REVENUE RECOGNITION

Fees and other revenues:

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct goods or services to a payor for consideration. The municipal organization recognizes revenue when the performance obligations are satisfied, and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of good or services to a payor. The municipal organization receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the municipal organization has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery products.

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

Government transfers:

Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

Property taxes:

Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

Externally restricted inflows:

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

D) ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflect the legal obligations arising from the retirement of the municipality's tangible capital assets, and are recognized when:

- there is a legal obligation for the municipality to incur costs in relation to a specific tangible capital asset,
- there is a past transaction or event causing the liability that has occurred,
- when economic benefits will need to be given up to remediate the liability, and
- when a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

m) 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 estimate of asset retirement obligations, the accrual of the landfill closure and post closure liabilities. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the financial statement date. 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 timing of obligations may differ significantly from these estimates.

CITY OF STEINBACH**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2023****3. ACCOUNTS RECEIVABLE**

Amounts receivable are valued at their net realizable value.

	<u>2023</u>	<u>2022</u>
	\$	\$
Tax assets (<i>schedule 10</i>)	2,455,287	1,773,618
Government grants and receivables	3,494,362	439,130
Utility customers	1,189,394	1,168,059
Accrued interest	451,472	431,531
Organizations and individuals	1,861,234	708,439
Other governments	69,538	39,969
	<u>9,521,287</u>	<u>4,560,746</u>
Allowance for doubtful accounts	<u>(116,191)</u>	<u>(111,481)</u>
	<u><u>9,405,096</u></u>	<u><u>4,449,265</u></u>

4. PORTFOLIO INVESTMENTS

	<u>2023</u>	<u>2022</u>
	\$	\$
Marketable securities		
Other securities	24,494,113	26,049,490
Patronage allocations	54,525	46,663
	<u>24,548,638</u>	<u>26,096,153</u>

The aggregate market value of the marketable securities at December 31, 2023 is \$24,842,100 (2022 - \$26,221,380). Portfolio investments earned \$316,433 in investment income during the year (2022 - \$318,898).

5. BANK INDEBTEDNESS

The Municipality has an authorized line of credit of a maximum of \$8,000,000 bearing interest at a rate of 6.95%. As at December 31, 2023 the balance owing was \$ Nil (2022 - \$ Nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade payables	11,269,765	5,183,683
Government payables	1,639,155	1,042,419
Accrued expenses	917,549	870,420
School levies	850,772	1,110,285
Deposits	848,231	830,888
Property tax overpayments	164,944	107,347
	<u>15,690,416</u>	<u>9,145,042</u>

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

7. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
	\$	\$
Capital development	<u>2,993,716</u>	<u>9,019,702</u>

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

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	
	<u>2023</u>	2022	<u>2023</u>	2022	<u>2023</u>	2022
	\$	\$	\$	\$	\$	\$
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	9,476,075	9,739,535	5,740,098	5,707,427	15,216,173	15,446,962
Expected year landfill capacity to be reached	2047	2047	2,011	2,011		
Capacity (tonnes):						
Used to date	430,000	390,000	670,000	670,000	1,100,000	1,060,000
Remaining	960,000	1,000,000	-	-	960,000	1,000,000
Total	1,390,000	1,390,000	670,000	670,000	2,060,000	2,060,000
Percent utilized	30.9353 %	28.0576 %	100.0000 %	100.0000 %	53.3981 %	51.4563 %
Total	2,931,452	2,732,680	5,740,098	5,707,427	8,671,550	8,440,107

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

9. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
	\$	\$
General Authority		
Municipal debenture for Kroeker Avenue, interest at 1.53%, payable at \$161,140 annually including interest, maturing December 2025.	315,032	468,997
Municipal debenture for Elmdale Street surface renewal, interest at 2.78%, payable at \$151,889 annually including interest, maturing December 2024.	147,781	291,565
Municipal debenture for McKenzie Avenue Surface Renewal, interest at 3.29%, payable at \$66,050 annually including interest, maturing December 2023.	-	63,946
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.	168,893	333,217
Municipal debenture for Clearspring Greens Pathway, interest at 2.42%, payable at \$29,389 annually including interest, maturing December 2026.	84,065	110,773
	<u>715,771</u>	<u>1,268,498</u>
Utility Funds		
Municipal debenture for Kroeker Avenue watermain, interest at 1.53%, payable at \$94,173 annually including interest, maturing December 2025.	184,110	274,089
Municipal debenture for Kroeker Avenue sewermain, interest at 1.53%, payable at \$115,110 annually including interest, maturing December 2025.	225,023	334,998
Municipal debenture for Supplementary Water Supply, interest at 3.29%, payable at \$1,183,391 annually including interest, maturing December 2023.	-	1,145,698
Municipal debenture for Brandt Street Water & Sewer, interest at 2.42%, payable at \$268,439 annually including interest, maturing December 2026.	460,714	1,011,811
Brandt St Sewer	307,143	-
	<u>1,176,990</u>	<u>2,766,596</u>
	<u>1,892,761</u>	<u>4,035,094</u>

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

2024	970,000
2025	660,000
2026	214,000

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

9. LONG-TERM DEBT (continued)

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law 2187	Loewen Blvd/Pth 12N Intersection Renewal	3,500,000
By-law 2186	Event Centre Construction	7,500,000
By-law 2223	Event Centre Construction	5,000,000
By-law 2222	Barkman Avenue and Penner Street Renewal	1,120,000
By-law 2221	Lift Station #2 Upgrade	2,000,000
By-law 2220	Fire Department Ladder Truck	2,000,000

10. OTHER LIABILITIES

	2023	2022
	\$	\$
Deferred grants	34,752	10,972

11. DEBT CHARGES - AT LARGE

Purpose and By-law	Assessment	2023 Mill Rate	2023 Levy	2022 Levy
			\$	\$
Water District	1,179,635,190	1.228	1,448,592	1,457,449
Waste Water District	1,296,780,950	0.155	201,001	201,518
			1,649,593	1,658,967

12. SPECIAL LEVIES

Purpose and By-law	Assessment	2023 Mill Rate	2023 Levy	2022 Levy
			\$	\$
Waste Collection & Disposal			800,300	759,990
Section 312 M.A	1,338,675,780	4.000	5,354,703	4,858,397
			6,155,003	5,618,387

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 \$568,166 (2022 - \$523,978) 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, 2022, indicated the plan was 111.6% funded on a going concern basis and had an unfunded solvency liability of \$19.3 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, 2022.

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, 2023

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*.

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.

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

17. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus (Deficit), excluding Tangible Capital Assets	(11,166,773)	478,990
Utility Operating Funds - Nominal Surplus (Deficit), excluding Tangible Capital Assets	(430,103)	1,172,477
General Operating Tangible Capital Assets, net of related borrowings	170,238,086	124,616,530
Tangible Capital Assets, net of related borrowings	86,505,842	75,393,239
Deferred Revenue	(2,993,716)	(9,019,702)
Reserve Funds	44,342,706	38,729,786
Accumulated surplus of municipality unconsolidated	<u>286,496,042</u>	<u>231,371,320</u>
Accumulated surpluses of consolidated controlled entities	<u>1,595,757</u>	<u>1,207,716</u>
Accumulated Surplus per Statement of Financial Position	<u><u>288,091,799</u></u>	<u><u>232,579,036</u></u>

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

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, 2023:

- (a) Compensation paid to members of council amounted to \$214,378 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	59,109	7,750	66,859
Hiebert, Jacob	26,027	6,092	32,119
Hiebert, Wilhelm	25,151	5,946	31,097
Penner, Damian	24,931	4,400	29,331
Penner, Susan	24,413	3,762	28,175
Siemens, Waldo	27,015	6,046	33,061
Zwaagstra, Michael	27,732	4,194	31,926
	214,378	38,190	252,568

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

Name	Position	Amount
Bergen, Cody	Senior Building Inspector	86,506
Dyck, Russ	Manager, Parks & Recreation	98,417
Gaudet, Lacey	City Planner	97,829
Heppner, Mike	Manager, Waterworks	109,714
Hrehirchuk, Brian	Senior Manager, Finance	117,785
Lange, Lisa	Senior Manager, Human Resources & Payroll	116,009
Mehling, Russell	Engineering Technologist	90,784
Penner, Paul	Operations manager	137,992
Rach, Aaron	City Engineer	113,965
Reimer, Randy	Manager, Public Works	104,955
Roukema, Paul	Information Services Manager	90,949
Thiessen, Adam	Manager, Corporate Services	109,653
Towes, Kelvin F	Fire Chief & Emergency Coordinator	108,758
Warkentin, Troy	City Manager	216,515

CITY OF STEINBACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

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	7,110,248	-	232,191	6,878,057
Contributed Assets	11,179,272	4,857,558	577,790	15,459,040
	<u>18,289,520</u>	<u>4,857,558</u>	<u>809,981</u>	<u>22,337,097</u>

Sewer Services:	Unamortized			Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Grants	5,962,726	-	188,350	5,774,376
Contributed Assets	14,917,320	5,069,173	370,729	19,615,764
	<u>20,880,046</u>	<u>5,069,173</u>	<u>559,079</u>	<u>25,390,140</u>

20. CHANGES IN WORKING CAPITAL

	<u>2023</u>	<u>2022</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(4,955,831)	(180,837)
Prepaid expenses	(12,403)	(677)
Accounts payable and accrued liabilities	6,545,374	4,255,296
Deferred revenue	(6,025,986)	(689,911)
Landfill closure and post closure liabilities	231,443	496,499
	<u>(4,217,403)</u>	<u>3,880,370</u>

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General Capital Assets					Infrastructure			2023 Actual	2022 Actual
	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		
Cost										
Balance, beginning 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
Asset purchases	6,937	2,653,974	1,689,785	2,641	25,259,948	25,539,881	12,025,601	613,660	67,792,427	15,659,451
Disposals and write downs	16,206	188,509	680,708	-	2,554,770	1,037,064	88,801	20,568	4,586,626	1,125,736
Balance, end of year	9,577,423	47,542,506	16,210,075	23,632	30,215,705	167,102,333	137,418,284	717,238	408,807,196	345,601,395
Accumulated Amortization										
Balance, beginning of year	188,892	18,401,480	8,932,743	6,145	-	65,721,746	47,445,795	-	140,696,801	131,381,522
Amortization	800	1,284,982	855,756	3,239	-	4,709,565	3,109,559	-	9,963,901	9,844,708
Disposals and write downs	-	52,782	421,018	-	-	770,454	102,664	-	1,346,918	529,429
Balance, end of year	189,692	19,633,680	9,367,481	9,384	-	69,660,857	50,452,690	-	149,313,784	140,696,801
Net book value	9,387,731	27,908,826	6,842,594	14,248	30,215,705	97,441,476	86,965,594	717,238	259,493,412	204,904,594

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 11</i>)	17,570,715	17,570,715	16,401,139
Taxes added	550,000	1,518,432	971,270
Business tax	199,422	199,423	185,561
	<u>18,320,137</u>	<u>19,288,570</u>	<u>17,557,970</u>
GRANTS IN LIEU OF TAXATION			
Federal government	<u>206,350</u>	<u>206,350</u>	<u>200,619</u>
USER FEES			
Parking meters	8,446	9,116	7,440
Sales of service	6,136,159	7,422,427	7,948,065
Sales of goods	81,600	71,840	80,016
Rentals	28,000	32,122	31,270
	<u>6,254,205</u>	<u>7,535,505</u>	<u>8,066,791</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	3,040,000	4,663,688	3,041,490
Conditional grants	200,225	369,887	618,631
	<u>3,240,225</u>	<u>5,033,575</u>	<u>3,660,121</u>
GRANTS - OTHER			
Federal government - gas tax funding	890,584	929,305	890,584
Federal government - other	-	10,904,168	-
Other grant	4,000	20,160	4,000
	<u>894,584</u>	<u>11,853,633</u>	<u>894,584</u>
PERMITS, LICENCES AND FEES			
Permits	567,080	1,287,510	764,608
Licences	34,576	33,955	35,680
Fines	109,180	104,735	76,174
	<u>710,836</u>	<u>1,426,200</u>	<u>876,462</u>
INVESTMENT REVENUE			
Interest	<u>224,000</u>	<u>1,886,904</u>	<u>1,255,499</u>
OTHER REVENUE			
Gain (loss) on sale of tangible capital assets	-	(1,185)	694,249
Miscellaneous	87,817	82,800	118,571
Contributed assets	-	19,448,968	2,005,493
Penalties and interest	211,500	209,245	203,939
Donations	-	9,381,255	154,150
Other	322,675	331,189	346,519
	<u>621,992</u>	<u>29,452,272</u>	<u>3,522,921</u>
WATER AND SEWER			
Municipal utility (<i>schedule 8</i>)	<u>4,250,052</u>	<u>14,357,029</u>	<u>5,314,900</u>
TOTAL REVENUE	<u><u>34,722,381</u></u>	<u><u>91,040,038</u></u>	<u><u>41,349,867</u></u>

CITY OF STEINBACH

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	302,493	280,934	260,495
General administrative	3,995,314	3,772,090	3,949,726
	<u>4,297,807</u>	<u>4,053,024</u>	<u>4,210,221</u>
PROTECTIVE SERVICES			
Police	3,394,785	4,243,936	2,924,598
Fire	1,198,517	1,180,264	1,203,583
Emergency measures	30,455	24,986	23,136
Other protective services	860,665	886,071	832,060
	<u>5,484,422</u>	<u>6,335,257</u>	<u>4,983,377</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	472,401	440,096	396,127
Road and street maintenance	7,452,616	7,444,669	7,414,595
Sidewalk and boulevard maintenance	50,000	16,343	28,258
Street lighting	363,747	360,903	360,556
Air transport	46,212	44,368	45,557
Public transit	-	-	6,517
	<u>8,384,976</u>	<u>8,306,379</u>	<u>8,251,610</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	1,940,631	2,245,934	2,427,741
Recycling	1,020,323	994,955	910,077
Other	466,000	466,116	429,066
	<u>3,426,954</u>	<u>3,707,005</u>	<u>3,766,884</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	153,250	171,106	134,787
Social assistance	20,000	19,765	19,765
	<u>173,250</u>	<u>190,871</u>	<u>154,552</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	228,725	151,540	166,072
Beautification and land rehabilitation	248,975	240,624	222,446
Urban area weed control	71,650	105,948	34,038
Other	50,500	30,562	32,057
	<u>599,850</u>	<u>528,674</u>	<u>454,613</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Water resources and conservation	15,000	15,000	15,000
Regional development	10,600	53,820	49,134
Tourism	-	-	285,503
	<u>25,600</u>	<u>68,820</u>	<u>349,637</u>

CITY OF STEINBACH

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
RECREATION AND CULTURAL SERVICES			
Administration	447,933	436,342	447,608
Swimming pools and beaches	2,181,375	2,152,569	1,934,197
Skating and curling rinks	512,350	532,989	574,809
Parks and playgrounds	1,276,825	1,358,893	1,259,574
Other recreational facilities	959,500	1,068,893	979,448
Libraries	585,093	659,534	568,356
Other cultural facilities	32,853	35,182	31,433
	<u>5,995,929</u>	<u>6,244,402</u>	<u>5,795,425</u>
WATER AND SEWER			
Municipal utility (<i>schedule 8</i>)	<u>6,481,720</u>	<u>6,092,843</u>	<u>6,309,664</u>
TOTAL EXPENSES	<u><u>34,870,508</u></u>	<u><u>35,527,275</u></u>	<u><u>34,275,983</u></u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2023

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	19,288,570	17,557,970	-	-	-	-	-	-	-	-
Grants in lieu of taxation	206,350	200,619	-	-	-	-	-	-	-	-
User fees	13,895	16,448	228,499	197,224	90,393	40,171	3,851,257	3,704,017	226,584	261,411
Prov of MB - unconditional grants	4,663,688	3,041,490	-	-	-	-	-	-	-	-
Prov of MB - conditional grants	171,852	378,575	-	-	-	-	-	-	-	-
Grants - Other	11,833,473	890,584	-	-	-	-	-	-	-	-
Permits, licences and fees	1,321,465	800,288	104,735	76,174	-	-	-	-	-	-
Investment revenue	1,860,667	1,225,473	-	-	-	-	-	-	-	-
Other revenue	29,001,798	3,130,938	-	-	-	-	-	-	-	-
Water and sewer	(1,658,273)	(1,658,273)	-	-	-	-	-	-	-	-
Total revenue	<u>66,703,485</u>	<u>25,584,112</u>	<u>333,234</u>	<u>273,398</u>	<u>90,393</u>	<u>40,171</u>	<u>3,851,257</u>	<u>3,704,017</u>	<u>226,584</u>	<u>261,411</u>
EXPENSES										
Personnel services	2,427,679	2,272,686	1,099,129	1,116,702	1,557,213	1,575,785	965,674	912,949	108,395	71,642
Contract services	95,776	150,968	3,999,142	2,643,256	1,283	-	-	-	-	-
Utilities	86,275	94,092	68,657	70,873	476,113	466,918	41,252	44,656	-	-
Maintenance materials & supplies	501,909	556,480	901,733	897,083	1,181,965	1,131,504	2,002,520	1,883,714	65,235	65,669
Grants & contributions	671,020	930,509	-	-	-	-	-	-	-	-
Amortization	84,753	93,850	266,596	255,463	5,089,805	5,077,403	466,116	429,066	17,241	17,241
Interest on long term debt	29,171	42,493	-	-	-	-	-	-	-	-
Bad debts expense	156,441	69,143	-	-	-	-	-	-	-	-
Other operating expense	-	-	-	-	-	-	231,443	496,499	-	-
Total expenses	<u>4,053,024</u>	<u>4,210,221</u>	<u>6,335,257</u>	<u>4,983,377</u>	<u>8,306,379</u>	<u>8,251,610</u>	<u>3,707,005</u>	<u>3,766,884</u>	<u>190,871</u>	<u>154,552</u>
SURPLUS (DEFICIT)	<u>62,650,461</u>	<u>21,373,891</u>	<u>(6,002,023)</u>	<u>(4,709,979)</u>	<u>(8,215,986)</u>	<u>(8,211,439)</u>	<u>144,252</u>	<u>(62,867)</u>	<u>35,713</u>	<u>106,859</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, 2023

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	19,288,570	17,557,970
Grants in lieu of taxation	-	-	-	-	-	-	-	-	206,350	200,619
User fees	1,497,821	2,177,868	-	-	1,627,056	1,669,652	-	-	7,535,505	8,066,791
Prov of MB - unconditional grants	-	-	-	-	-	-	-	-	4,663,688	3,041,490
Prov of MB - conditional grants	-	-	-	-	198,035	240,056	-	-	369,887	618,631
Grants - Other	-	-	-	-	20,160	4,000	-	-	11,853,633	894,584
Permits, licences and fees	-	-	-	-	-	-	-	-	1,426,200	876,462
Investment revenue	17,710	25,105	-	-	8,527	4,921	-	-	1,886,904	1,255,499
Other revenue	440,370	386,000	-	-	10,104	5,983	-	-	29,452,272	3,522,921
Water and sewer	-	-	-	-	-	-	16,015,302	7,315,144	14,357,029	5,314,900
Total revenue	<u>1,955,901</u>	<u>2,588,973</u>	<u>-</u>	<u>-</u>	<u>1,863,882</u>	<u>1,924,612</u>	<u>16,015,302</u>	<u>7,315,144</u>	<u>91,040,038</u>	<u>41,349,867</u>
EXPENSES										
Personnel services	157,972	130,869	-	-	3,373,722	2,997,144	1,196,777	1,107,046	10,886,561	10,184,823
Contract services	-	-	35,012	40,031	24,956	18,345	1,264,775	1,497,996	5,420,944	4,350,596
Utilities	10,874	10,166	-	-	397,477	405,439	447,369	547,440	1,528,017	1,639,584
Maintenance materials & supplies	359,828	313,578	33,808	309,606	1,392,480	1,413,231	3,205	2,951	6,442,683	6,573,816
Grants & contributions	-	-	-	-	115,800	(2,868)	2,490	1,718	789,310	929,359
Amortization	-	-	-	-	929,831	954,985	3,109,559	3,016,700	9,963,901	9,844,708
Interest on long term debt	-	-	-	-	-	-	68,668	113,939	97,839	156,432
Bad debts expense	-	-	-	-	-	-	-	-	156,441	69,143
Other operating expense	-	-	-	-	10,136	9,149	-	21,874	241,579	527,522
Total expenses	<u>528,674</u>	<u>454,613</u>	<u>68,820</u>	<u>349,637</u>	<u>6,244,402</u>	<u>5,795,425</u>	<u>6,092,843</u>	<u>6,309,664</u>	<u>35,527,275</u>	<u>34,275,983</u>
SURPLUS (DEFICIT)	<u>1,427,227</u>	<u>2,134,360</u>	<u>(68,820)</u>	<u>(349,637)</u>	<u>(4,380,520)</u>	<u>(3,870,813)</u>	<u>9,922,459</u>	<u>1,005,480</u>	<u>55,512,763</u>	<u>7,073,884</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, 2023

	Core Government		Controlled Entities		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
REVENUE						
Property taxes	19,288,570	17,557,970	-	-	19,288,570	17,557,970
Grants in lieu of taxation	206,350	200,619	-	-	206,350	200,619
User fees	7,434,096	7,957,547	101,409	109,244	7,535,505	8,066,791
Prov of MB - unconditional grants	4,663,688	3,041,490	-	-	4,663,688	3,041,490
Prov of MB - conditional grants	171,852	448,575	198,035	170,056	369,887	618,631
Grants - Other	11,833,473	890,584	20,160	4,000	11,853,633	894,584
Permits, licences and fees	1,426,200	876,462	-	-	1,426,200	876,462
Investment revenue	1,860,667	1,225,473	26,237	30,026	1,886,904	1,255,499
Other revenue	29,141,798	4,822,111	310,474	(1,299,190)	29,452,272	3,522,921
Water and sewer	14,357,029	5,656,871	-	(341,971)	14,357,029	5,314,900
Total revenue	<u>90,383,723</u>	<u>42,677,702</u>	<u>656,315</u>	<u>(1,327,835)</u>	<u>91,040,038</u>	<u>41,349,867</u>
EXPENSES						
Personnel services	10,448,978	9,806,549	437,583	378,274	10,886,561	10,184,823
Contract services	5,365,373	4,295,370	55,571	55,226	5,420,944	4,350,596
Utilities	1,521,197	1,634,165	6,820	5,419	1,528,017	1,639,584
Maintenance materials & supplies	6,308,443	6,472,172	134,240	101,644	6,442,683	6,573,816
Grants & contributions	1,179,190	1,268,907	(389,880)	(339,548)	789,310	929,359
Amortization	9,950,101	9,832,136	13,800	12,572	9,963,901	9,844,708
Interest on long term debt	97,839	156,432	-	-	97,839	156,432
Bad debts expense	156,441	69,143	-	-	156,441	69,143
Other operating expense	231,443	518,373	10,136	9,149	241,579	527,522
Total expenses	<u>35,259,005</u>	<u>34,053,247</u>	<u>268,270</u>	<u>222,736</u>	<u>35,527,275</u>	<u>34,275,983</u>
SURPLUS (DEFICIT)	<u>55,124,718</u>	<u>8,624,455</u>	<u>388,045</u>	<u>(1,550,571)</u>	<u>55,512,763</u>	<u>7,073,884</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2023

	General Reserve \$	Machinery Replacement Reserve \$	Land & Facility Reserve \$	Capital Development Reserve \$	Environmenta l Reserve \$	Aquatic Centre Reserve \$	Perpetual Care Reserve \$
FINANCIAL ASSETS							
Cash and cash equivalents	557,238	-	-	513,951	53,000	-	455,318
Accounts receivable	2,508	-	15,903	116,108	67,619	2,738	2,050
Portfolio investments	-	-	1,604,823	6,623,634	3,436,246	793,182	-
Due from other funds	494,376	463,257	8,625,758	274,278	2,001,358	172,310	433,304
	<u>1,054,122</u>	<u>463,257</u>	<u>10,246,484</u>	<u>7,527,971</u>	<u>5,558,223</u>	<u>968,230</u>	<u>890,672</u>
LIABILITIES							
Due to other funds	-	-	-	-	-	-	-
REVENUE							
Investment revenue	43,253	21,182	168,968	315,034	156,633	33,300	34,817
TRANSFERS							
Transfer to reserves	-	-	4,887,000	1,426,917	1,646,192	-	45,803
Transfer from reserves	-	(200,000)	-	(4,559,563)	(493,825)	-	-
	-	(200,000)	4,887,000	(3,132,646)	1,152,367	-	45,803
CHANGE IN FUND BALANCES	43,253	(178,818)	5,055,968	(2,817,612)	1,309,000	33,300	80,620
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u>1,054,122</u>	<u>463,257</u>	<u>10,246,484</u>	<u>7,527,971</u>	<u>5,558,223</u>	<u>968,230</u>	<u>890,672</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2023

	Committed Expenditures Reserve \$	Land Dedication Reserve \$	Recreations Reserve \$	Canada Community- Building Fund Reserve \$	Utility Replacement Reserve \$	2023 Actual \$	2022 Actual \$
FINANCIAL ASSETS							
Cash and cash equivalents	157,136	254,085	-	-	1,049,500	3,040,228	2,893,162
Accounts receivable	28,003	1,144	96,483	31,949	4,724	369,229	350,037
Portfolio investments	2,502,583	-	5,638,224	3,731,738	-	24,330,430	25,902,480
Due from other funds	-	110,154	1,386,134	1,053,095	1,870,996	16,885,020	10,599,878
	<u>2,687,722</u>	<u>365,383</u>	<u>7,120,841</u>	<u>4,816,782</u>	<u>2,925,220</u>	<u>44,624,907</u>	<u>39,745,557</u>
LIABILITIES							
Due to other funds	<u>282,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,201</u>	<u>1,015,771</u>
REVENUE							
Investment revenue	<u>74,854</u>	<u>16,041</u>	<u>200,983</u>	<u>168,963</u>	<u>104,839</u>	<u>1,338,867</u>	<u>784,038</u>
TRANSFERS							
Transfer to reserves	131,170	-	1,463,109	929,305	1,062,000	11,591,496	9,212,514
Transfer from reserves	(784,055)	-	-	(725,000)	(555,000)	(7,317,443)	(5,367,362)
	<u>(652,885)</u>	<u>-</u>	<u>1,463,109</u>	<u>204,305</u>	<u>507,000</u>	<u>4,274,053</u>	<u>3,845,152</u>
CHANGE IN FUND BALANCES	(578,031)	16,041	1,664,092	373,268	611,839	5,612,920	4,629,190
FUND SURPLUS, BEGINNING OF YEAR	2,983,552	349,342	5,456,749	4,443,514	2,313,381	38,729,786	34,100,596
FUND SURPLUS, END OF YEAR	2,405,521	365,383	7,120,841	4,816,782	2,925,220	44,342,706	38,729,786

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2023

	2023 Actual \$	2022 Actual \$
FINANCIAL ASSETS		
Accounts receivable <i>(note 3)</i>	1,189,394	1,168,059
Due from other funds	<u>16,336,014</u>	<u>7,744,344</u>
	<u>17,525,408</u>	<u>8,912,403</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 6)</i>	1,793,064	1,775,744
Long-term debt <i>(note 9)</i>	1,176,990	2,766,596
Due to other funds	<u>16,194,177</u>	<u>5,993,592</u>
	<u>19,164,231</u>	<u>10,535,932</u>
NET DEBT	<u>(1,638,823)</u>	<u>(1,623,529)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	87,682,832	78,159,835
Prepaid expenses	<u>31,729</u>	<u>29,410</u>
	<u>87,714,561</u>	<u>78,189,245</u>
FUND SURPLUS	<u>86,075,738</u>	<u>76,565,716</u>

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
REVENUE			
WATER			
Water fees	2,423,174	2,517,796	2,327,702
SEWER			
Sewer fees	1,613,460	1,623,828	1,511,897
PROPERTY TAXES			
	1,658,273	1,658,273	1,658,273
OTHER REVENUE			
Hydrant rentals	101,065	103,825	101,855
Connection charges	-	-	76,250
Installation service	82,400	108,725	111,235
Penalties	10,000	18,962	20,780
Contributed tangible capital assets	-	9,939,623	1,267,438
Loss on sale of tangible capital assets	-	(6,408)	(135,657)
Other income	19,953	50,678	375,371
	213,418	10,215,405	1,817,272
TOTAL REVENUE	5,908,325	16,015,302	7,315,144
EXPENSES			
GENERAL			
Administration	423,215	429,627	401,072
Billing and collection	26,698	28,814	27,433
Utilities (telephone, electricity, etc.)	5,618	3,205	2,951
Other administration expense	2,676	2,490	1,718
Interest on short-term debt	31,673	-	21,874
	489,880	464,136	455,048
WATER			
Purification and treatment	271,429	311,451	248,402
Transmission and distribution	1,136,475	1,043,841	1,178,431
Service and other supply costs	415,151	286,034	329,296
	1,823,055	1,641,326	1,756,129
WATER AMORTIZATION AND INTEREST			
Amortization	1,808,000	1,807,493	1,746,244
Interest on long-term debt	54,680	54,680	96,289
	1,862,680	1,862,173	1,842,533
SEWER			
Collection system costs	487,821	455,699	457,572
Treatment and disposal costs	349,080	220,934	319,565
Lift station costs	153,216	132,521	190,711
	990,117	809,154	967,848

CITY OF STEINBACH

Schedule 8

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
SEWER AMORTIZATION AND INTEREST			
Amortization	1,302,000	1,302,066	1,270,456
Interest on long-term debt	13,988	13,988	17,650
	<u>1,315,988</u>	<u>1,316,054</u>	<u>1,288,106</u>
TOTAL EXPENSES	<u>6,481,720</u>	<u>6,092,843</u>	<u>6,309,664</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(573,395)	9,922,459	1,005,480
TRANSFERS			
Transfer to reserves	-	(1,062,000)	(750,000)
Transfer from reserves	-	649,563	1,135,000
	<u>-</u>	<u>(412,437)</u>	<u>385,000</u>
CHANGE IN UTILITY FUND BALANCE	(573,395)	9,510,022	1,390,480
FUND SURPLUS, BEGINNING OF YEAR	<u>76,565,716</u>	<u>76,565,716</u>	<u>75,175,236</u>
FUND SURPLUS, END OF YEAR	<u>75,992,321</u>	<u>86,075,738</u>	<u>76,565,716</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2023

	Financial Plan General \$	Financial Plan Utility \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Consolidated Entities \$	PSAB Budget \$
REVENUE								
Property taxes	18,320,137	-	-	-	-	-	-	18,320,137
Grants in lieu of taxation	206,350	-	-	-	-	-	-	206,350
User fees	6,144,605	-	-	-	-	-	109,600	6,254,205
Grants - Province of Manitoba	3,072,400	-	-	-	-	-	167,825	3,240,225
Grants - Other	890,584	-	-	-	-	-	4,000	894,584
Permits, licences and fees	710,836	-	-	-	-	-	-	710,836
Investment revenue	200,000	-	-	-	-	-	24,000	224,000
Other revenue	756,492	-	-	-	-	-	(134,500)	621,992
Transfers	(2,233,000)	6,050,000	-	-	(3,817,000)	-	-	-
Water and sewer	(1,658,273)	5,908,325	-	-	-	-	-	4,250,052
	<u>26,410,131</u>	<u>11,958,325</u>	<u>-</u>	<u>-</u>	<u>(3,817,000)</u>	<u>-</u>	<u>170,925</u>	<u>34,722,381</u>
EXPENSES								
General government services	4,177,352	-	85,000	35,455	-	-	-	4,297,807
Protective services	5,217,422	-	267,000	-	-	-	-	5,484,422
Transportation services	3,294,976	-	5,090,000	-	-	-	-	8,384,976
Environmental health services	2,960,954	-	466,000	-	-	-	-	3,426,954
Public health and welfare services	156,250	-	17,000	-	-	-	-	173,250
Regional planning and development	599,850	-	-	-	-	-	-	599,850
Resource conservation and industrial development	15,000	-	-	-	-	-	10,600	25,600
Recreation and cultural services	4,949,004	-	916,000	-	-	-	130,925	5,995,929
Fiscal services	775,881	-	-	-	(775,881)	-	-	-
Transfers	4,263,442	6,997,000	-	-	(11,260,442)	-	-	-
Water and sewer	-	4,961,325	3,110,000	68,668	(1,658,273)	-	-	6,481,720
	<u>26,410,131</u>	<u>11,958,325</u>	<u>9,951,000</u>	<u>104,123</u>	<u>(13,694,596)</u>	<u>-</u>	<u>141,525</u>	<u>34,870,508</u>
SURPLUS (DEFICIT)	<u>-</u>	<u>-</u>	<u>(9,951,000)</u>	<u>(104,123)</u>	<u>9,877,596</u>	<u>-</u>	<u>29,400</u>	<u>(148,127)</u>

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2023

	2023 Actual \$	2022 Actual \$
BALANCE, BEGINNING OF YEAR	<u>1,773,618</u>	<u>2,020,801</u>
Add:		
Tax Levy (<i>schedule 11</i>)	33,954,773	33,214,187
Taxes added	1,518,432	971,270
Business tax	199,423	185,561
Penalties and interest	209,245	203,939
Other accounts added	<u>323,276</u>	<u>321,858</u>
Sub-total	<u>37,978,767</u>	<u>36,917,616</u>
Deduct:		
Cash collections - current	33,277,318	32,230,651
Cash collections - arrears	896,287	1,316,311
Cancellations	124,179	80,011
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,225,696</u>	<u>1,517,025</u>
Sub-total	<u>35,523,480</u>	<u>35,143,998</u>
BALANCE, END OF YEAR	<u><u>2,455,287</u></u>	<u><u>1,773,618</u></u>

CITY OF STEINBACH

Schedule 11

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2023

	Assessment	2023 Mill Rate	Levy	2022 Levy
Debt Charges:				
Frontage			-	29,389
L.I.D.	1,322,907,100	0.180	238,122	240,039
L.I.D.	1,338,675,780	0.254	339,961	313,367
At large <i>(note 11)</i>			1,649,593	1,658,967
			<u>2,227,676</u>	<u>2,241,762</u>
Reserves:				
Recreation	1,162,306,740	1.241	1,442,423	1,306,287
Other municipal levies:				
General municipal	1,162,306,740	6.664	7,745,613	7,234,703
Special levy <i>(note 12)</i>			6,155,003	5,618,387
			<u>13,900,616</u>	<u>12,853,090</u>
Total municipal taxes <i>(schedule 2)</i>			<u>17,570,715</u>	<u>16,401,139</u>
Education Support Levy	366,738,700	8.140	2,985,253	2,979,768
Special levy:				
Hanover School Division	1,117,871,220	11.986	13,398,805	13,833,280
Total education taxes			<u>16,384,058</u>	<u>16,813,048</u>
Total tax levy <i>(schedule 10)</i>			<u>33,954,773</u>	<u>33,214,187</u>

CITY OF STEINBACH**Schedule 12****SCHEDULE OF GENERAL OPERATING FUND EXPENSES****For the Year Ended December 31, 2023**

	2023 Budget \$	2023 Actual \$	2022 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	302,493	280,934	260,495
General administrative	3,995,314	3,772,090	3,949,726
	<u>4,297,807</u>	<u>4,053,024</u>	<u>4,210,221</u>
PROTECTIVE SERVICES			
Police	3,394,785	4,243,936	2,924,598
Fire	1,198,517	1,180,264	1,203,583
Emergency measures	30,455	24,986	23,136
Other protective services	860,665	886,071	832,060
	<u>5,484,422</u>	<u>6,335,257</u>	<u>4,983,377</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	472,401	440,096	396,127
Road and street maintenance	7,452,616	7,444,669	7,414,595
Sidewalk and boulevard maintenance	50,000	16,343	28,258
Street lighting	363,747	360,903	360,556
Air transport	46,212	44,368	45,557
Public transit	-	-	6,517
	<u>8,384,976</u>	<u>8,306,379</u>	<u>8,251,610</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	1,940,631	2,245,934	2,427,741
Recycling	1,020,323	994,955	910,077
Other	466,000	466,116	429,066
	<u>3,426,954</u>	<u>3,707,005</u>	<u>3,766,884</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	153,250	171,106	134,787
Social assistance	20,000	19,765	19,765
	<u>173,250</u>	<u>190,871</u>	<u>154,552</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	228,725	151,540	166,072
Beautification and land rehabilitation	248,975	240,624	222,446
Urban area weed control	71,650	105,948	34,038
Other	50,500	30,562	32,057
	<u>599,850</u>	<u>528,674</u>	<u>454,613</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Water resources and conservation	15,000	15,000	15,000
Tourism	-	-	285,503
	<u>15,000</u>	<u>15,000</u>	<u>300,503</u>

CITY OF STEINBACH

Schedule 12

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2023

	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
<hr/>			
RECREATION AND CULTURAL SERVICES			
Administration	447,933	436,342	447,608
Swimming pools and beaches	2,181,375	2,152,569	1,934,197
Skating and curling rinks	512,350	532,989	574,809
Parks and playgrounds	1,276,825	1,358,893	1,259,574
Other recreational facilities	959,500	1,068,893	979,448
Libraries	454,168	445,084	394,754
Other cultural facilities	32,853	35,182	31,433
	<u>5,865,004</u>	<u>6,029,952</u>	<u>5,621,823</u>
TOTAL EXPENSES	<u><u>28,247,263</u></u>	<u><u>29,166,162</u></u>	<u><u>27,743,583</u></u>

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2023

	General \$	Utility \$	2023 Total \$	2022 Total \$
CONSOLIDATED ANNUAL SURPLUS				
<i>(statement 2)</i>	45,590,304	9,922,459	55,512,763	7,073,884
Elimination of appropriations from reserves	6,667,880	649,563	7,317,443	5,627,362
Elimination of appropriations to reserves	(10,529,496)	(1,062,000)	(11,591,496)	(9,472,514)
Consolidation of reserve operations	(1,338,867)	-	(1,338,867)	(784,038)
Elimination of controlled entity operations	(388,045)	-	(388,045)	1,550,571
Amortization of tangible capital assets	6,840,542	3,109,559	9,950,101	9,832,136
Principal portion of long term debt	(552,727)	(1,589,606)	(2,142,333)	(2,083,739)
Contributed capital assets	(19,448,968)	(9,939,623)	(29,388,591)	(3,272,931)
Proceeds on disposal of assets	184,901	296	185,197	728,275
(Gain)/Loss on sale of Tangible Capital Assets	441,554	6,073	447,627	(171,782)
Change in deferred revenue	-	-	-	(342,854)
Change in landfill liability	231,443	-	231,443	496,499
Acquisitions of capital assets from operating funds	(27,698,462)	(1,077,180)	(28,775,642)	(8,924,248)
ESTIMATED EXCESS OF REVENUES AND TRANSFERS OVER EXPEDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	59	19,541	19,600	256,621

*** 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