

TOWN OF MELITA

**Consolidated Financial Statements
For the Year Ended December 31, 2021**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the *Town of Melita* 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 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.

The Council is composed of individuals who are neither management nor employees of the Town. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

MNP LLP, as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's Report is addressed to the Mayor and Members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Town in accordance with Canadian Public Sector Accounting Standards.



Breigh Crepeele
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the
TOWN OF MELITA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Town of Melita, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial debt, cash flows and supporting schedules 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 Town of Melita as at December 31, 2021, and the results of its consolidated operations, change in net financial debt, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town of Melita 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 Town of Melita'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 Town of Melita to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town of Melita's financial reporting process.

Auditor's 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 Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Melita's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town of Melita's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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 Auditor's Report. However, future events or conditions may cause the Town of Melita 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

November 8, 2022
Brandon, Manitoba

A stylized, handwritten-style signature of 'MNP LLP' in a dark, bold font.

Chartered Professional Accountants

TOWN OF MELITA

Consolidated Financial Statements

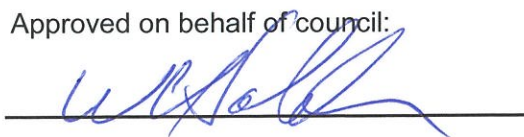
For the Year Ended December 31, 2021

Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Change in Net Financial Debt	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	20
Schedule 2 - Consolidated Schedule of Revenues	21
Schedule 3 - Consolidated Schedule of Expenses	22
Schedule 4 - Consolidated Statement of Operations by Program	24
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	26
Schedule 6 - Schedule of Change in Reserve Fund Balances	27
Schedule 7 - Schedule of L.U.D. Operations	28
Schedule 8 - Schedule of Financial Position for Utility - Melita	29
Schedule 9 - Schedule of Utility Operations	30
Schedule 10 - Reconciliation of the Financial Plan to the Budget	32
Schedule 11 - Analysis of Taxes on Roll	33
Schedule 12 - Analysis of Tax Levy	34
Schedule 13 - Schedule of General Operating Fund Expenses	35
Schedule 14 - Reconciliation of Annual Surplus (Deficit)	37

TOWN OF MELITA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,796,399	\$ 1,679,598
Amounts receivable (Note 4)	1,058,892	946,025
Real estate properties held for sale	<u>51,224</u>	<u>19,303</u>
	<u>\$ 2,906,515</u>	<u>\$ 2,644,926</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 537,969	\$ 532,927
Unearned revenue	7,393	9,912
Long-term debt (Note 8)	<u>2,979,258</u>	<u>3,169,980</u>
	<u>3,524,620</u>	<u>3,712,819</u>
NET DEBT	<u>\$ (618,105)</u>	<u>\$ (1,067,893)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 22,689,327	\$ 22,762,065
Inventories (Note 5)	16,732	18,873
Prepaid expenses	<u>27,183</u>	<u>17,798</u>
	<u>22,733,242</u>	<u>22,798,736</u>
ACCUMULATED SURPLUS (Note 12)	<u><u>\$ 22,115,137</u></u>	<u><u>\$ 21,730,843</u></u>

Approved on behalf of council:



Mayor



Councillor

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF MELITA
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

	2021 Budget (Note 11)	2021 Actual	2020 Actual
REVENUE			
Property taxes	\$ 1,697,848	\$ 1,725,686	\$ 1,612,056
Grants in lieu of taxation	30,212	30,312	28,805
User fees	268,246	140,184	100,829
Permits, licences and fines	1,925	858	4,388
Investment income	3,151	14,167	9,078
Other revenue	90,802	315,188	179,219
Water and sewer	622,472	681,895	801,450
Grants - Province of Manitoba	482,178	403,380	347,448
Grants - other	318,446	316,333	197,726
Total revenue (Schedules 2, 4 and 5)	<u>3,515,280</u>	<u>3,628,003</u>	<u>3,280,999</u>
EXPENSES			
General government services	460,420	423,105	359,315
Protective services	448,091	443,839	494,917
Transportation services	592,095	487,473	647,428
Environmental health services	80,588	85,830	81,775
Public health and welfare services	24,725	8,516	8,516
Regional planning and development	36,194	50,180	18,858
Resource conservation and industrial development	113,112	80,919	52,694
Recreation and cultural services	543,159	550,334	527,671
Water and sewer services	1,133,869	1,113,513	1,022,247
Total expenses (Schedules 3, 4 and 5)	<u>3,432,253</u>	<u>3,243,709</u>	<u>3,213,421</u>
ANNUAL SURPLUS	<u>\$ 83,027</u>	384,294	67,578
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>21,730,843</u>	<u>21,663,265</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 22,115,137</u>	<u>\$ 21,730,843</u>

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF MELITA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
For the Year Ended December 31, 2021

	2021 Budget (Note 11)	2021 Actual	2020 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 83,027	\$ 384,294	\$ 67,578
Acquisition of tangible capital assets	(538,093)	(829,857)	(513,949)
Amortization of tangible capital assets	881,633	881,633	817,236
Loss (Gain) on sale of tangible capital assets	-	(112,858)	-
Proceeds on sale of tangible capital assets	-	133,820	-
Decrease (increase) in inventories	-	2,141	880
Decrease (increase) in prepaid expenses	-	(9,385)	(4,601)
	343,540	65,494	299,566
CHANGE IN NET DEBT	\$ 426,567	449,788	367,144
NET DEBT, BEGINNING OF YEAR		(1,067,893)	(1,435,037)
NET DEBT, END OF YEAR		\$ (618,105)	\$ (1,067,893)

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF MELITA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 384,294	\$ 67,578
Changes in non-cash items:		
Amounts receivable	(112,867)	315,692
Inventories	2,141	880
Prepays	(9,385)	(4,601)
Accounts payable and accrued liabilities	5,042	(67,574)
Unearned revenue	(2,519)	6,487
Loss (Gain) on real estate properties held for sale	-	5,789
Loss (Gain) on sale of tangible capital asset	(112,858)	-
Amortization	881,633	817,236
Cash provided by operating transactions	<u>1,035,481</u>	<u>1,141,487</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	133,820	-
Cash used to acquire tangible capital assets	(829,857)	(513,949)
Cash provided by (applied to) capital transactions	<u>(696,037)</u>	<u>(513,949)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	-	4,000
Acquisition of real estate properties	(31,921)	(2,292)
Cash provided by (applied to) investing transactions	<u>(31,921)</u>	<u>1,708</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	53,884	1,200,000
Debt repayment	(244,606)	(137,172)
Cash provided by (applied to) financing transactions	<u>(190,722)</u>	<u>1,062,828</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>116,801</u>	<u>1,692,074</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,679,598</u>	<u>(12,476)</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 1,796,399</u></u>	<u><u>\$ 1,679,598</u></u>

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. Status of the Town of Melita

The incorporated Town of Melita is a Town that was formed on May 1902 pursuant to The Municipal Act. The Town provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Town also 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 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, revenue 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 Town. 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 Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The Town has no controlled organizations.

The Town has several partnership agreements in place, and as such, consistent with Canadian Public Sector Accounting Standards for government partnerships, the following local agencies, boards and commissions are accounted for on a proportionate consolidation basis whereby the Town's pro-rata share of each of the assets, liabilities, revenue and expenses are combined on a line by line basis in the consolidated financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Southwestern Manitoba Regional Library (46.59%) (2020 - 46.59%)
Antler River Recreation District (34.18%) (2020 - 34.18%)
Melita and Area Fire Protection Board (45.00%) (2020 - 45.00%)
Melita Curling Club (80.65%) (2020 - 80.65%)
Melita and Area Arena Board (50.00%) (2020 - 50.00%)
Melita and Area Handivan Committee Inc. (50.00%) (2020 - 50.00%)
Southwest Regional Water Co-op (25.00%) (2020 - 25.00%)
Melita and Area Economic Development Corporation (50.00%) (2020 - 0.00%)

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

b) Basis of accounting

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

c) Cash and temporary investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Significant accounting policies (continued)

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 statement of financial position date.

f) Non-financial assets

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

Real estate properties and inventories 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.

g) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. 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 Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 to 15 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 50 years
Road grade	50 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 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 Town, forests, water, and other natural resources are not recognized as tangible capital assets.

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Significant accounting policies (continued)

h) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

i) 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.

j) Measurement uncertainty

Estimates are used to accrue revenue and expenses in circumstances where the actual accrued amounts are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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.

k) Recent accounting pronouncements

Portfolio Investments (PS 3041)

In March 2012, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting Board (PSAB) issued new PS 3041 Portfolio Investments, which revises and replaces PS 3030 Temporary Investments and PS 3040 Portfolio Investments. The main features of the new standard are:

- PS 3041 does not make a distinction between temporary and portfolio investments, and is cross referenced and conformed to the requirements of PS 3450.
- Investments previously within the scope of PS 3030, which are not cash equivalents, are now accounted for within the scope of PS 3041.

This Section is effective in the same period PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3450 are adopted. PS 1201, PS 2601 and PS 3450 are to be adopted together and were to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Significant accounting policies (continued)

k) Recent accounting pronouncements (continued)

Financial Instruments (PS 3450)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
 - Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
 - Portfolio investments in equity instruments quoted in an active market are measured at fair value.
 - Other financial assets and financial liabilities are generally measured at cost or amortized cost.
 - An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses;
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exist, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

PS 3450 was to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted. In the period that a public sector entity applies PS 3450, it also applies PS 1201 and PS 2601.

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Significant accounting policies (continued)

k) Recent accounting pronouncements (continued)

Asset Retirement Obligations (PS 3280)

In August 2018, new PS 3280 Asset Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

3. Cash and temporary investments

Cash and temporary investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,770,173	\$ 1,653,947
Temporary investments	<u>26,226</u>	<u>25,651</u>
	<u><u>\$ 1,796,399</u></u>	<u><u>\$ 1,679,598</u></u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Town has designated **\$1,621,565** (2020 - \$1,592,092) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of **\$1,135,632** (2020 - \$898,754).

4. Amounts receivable

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 608,731	\$ 680,021
Government grants	120,546	13,889
Utility customers	174,257	154,393
Accrued interest	268	599
Organizations and individuals	109,781	74,857
Other governments	<u>57,171</u>	<u>36,090</u>
	1,070,754	959,849
Less allowances for doubtful amounts	<u>(11,862)</u>	<u>(13,824)</u>
	<u><u>\$ 1,058,892</u></u>	<u><u>\$ 946,025</u></u>

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

5. Inventories

Inventories for use:

	<u>2021</u>	<u>2020</u>
Aggregate	\$ 800	\$ 240
Other supplies	15,932	18,633
	<u>\$ 16,732</u>	<u>\$ 18,873</u>

6. Bank indebtedness

The Town has available a line of credit of \$500,000 for general operating, bearing interest at 2.45%. The Town has drawn \$nil (2020 - \$nil) of the line of credit available.

7. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 517,072	\$ 435,882
Accrued expenses	19,806	19,823
School levies	-	76,580
Other governments	1,091	642
	<u>\$ 537,969</u>	<u>\$ 532,927</u>

8. Long-term debt

	<u>2021</u>	<u>2020</u>
General authority:		
Debenture, interest at 3.25%, payable at \$44,305 annually including interest, maturing 2026	\$ 201,464	\$ 238,033
Debenture, interest at 2.50%, payable at \$24,837 annually including interest, maturing 2021	-	24,231
Sunrise Credit Union loan, interest at 4.450%, payable at \$3,790 including interest, secured by GIC, maturing 2022. Melita and Area Arena Board (50.00%)	1,915	5,232
Sunrise Credit Union loan, interest at 3.950%, payable at \$12,087 including interest, secured by GIC, maturing 2023. Melita and Area Arena Board (50.00%)	21,893	-
	<u>\$ 225,272</u>	<u>\$ 267,496</u>
Utility funds:		
Manitoba Water Services Board, monthly payments based on actual water usage	200,161	187,561
Debenture, interest at 5.800%, payable at \$64,588 annually including interest, maturing 2028	363,133	404,273
Debenture, interest at 4.25%, payable at \$73,947 annually including interest, maturing 2038	882,422	917,381
Debenture, interest at 3.875%, payable at \$28,558 annually including interest, maturing 2028	172,201	193,269
Debenture, interest at 3.125%, payable at \$101,431 annually including interest, maturing 2035	1,136,069	1,200,000
	<u>\$ 2,753,986</u>	<u>\$ 2,902,484</u>
	<u>\$ 2,979,258</u>	<u>\$ 3,169,980</u>

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. Long-term debt (continued)

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

2022	\$ 218,679
2023	\$ 224,422
2024	\$ 222,310
2025	\$ 231,233
2026	\$ 240,537

9. Retirement benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during 2021 by the municipality on behalf of its employees are expected to be \$41,460 (2020 - \$36,617) 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.

10. Financial instruments

The Town, as part of its operations, carries a number of financial instruments. It is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

11. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Town 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 consolidated financial statements have been approved by Council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

12. Accumulated surplus

	<u>2021</u>	<u>2020</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 223,851	\$ (6,267)
Utility operating fund - Nominal surplus	195,888	269,718
TCA net of related borrowings	16,776,194	16,564,017
Reserve funds	<u>1,621,565</u>	<u>1,592,092</u>
Accumulated surplus of Town unconsolidated	18,817,498	18,419,560
Accumulated surpluses of consolidated entities	<u>3,297,639</u>	<u>3,311,283</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 22,115,137</u></u>	<u><u>\$ 21,730,843</u></u>

13. Public Sector Compensation Disclosure

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of Council, and of individual compensation in an amount exceeding \$75,000 annually to any member of Council, officer or employee of the Town. For the year ended December 31, 2021:

a) There were no members of Council receiving compensation in excess of \$75,000 individually.

b) The following officers and employees received compensation in excess of \$75,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Brock Bolton</i>	<i>Water Treatment Plant Manager</i>	\$ 96,326

It is a requirement of The Municipal Act that the annual consolidated financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of Council of the Town. For the year ended December 31, 2021:

c) Compensation paid to members of Council amounted to \$57,706 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - William Holden	\$ 14,281	\$ 2,256	\$ 16,537
Councillor - Brian Teetaert	11,871	1,824	13,695
Councillor - Grant Hume	10,093	180	10,273
Councillor - Cara Redpath	10,668	488	11,156
Councillor - Rhonda Verplanche	<u>10,793</u>	<u>380</u>	<u>11,173</u>
	<u><u>\$ 57,706</u></u>	<u><u>\$ 5,128</u></u>	<u><u>\$ 62,834</u></u>

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

14. Segmented information

The Town of Melita provides a wide range 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
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenue 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 consolidated financial statements as described in the summary of significant accounting policies.

15. Government partnerships

The Town has several partnership agreements for municipal services. The consolidated financial statements include the Town's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2021	2020
Financial Position		
Financial assets	\$ 344,481	\$ 284,368
Financial liabilities	<u>210,504</u>	<u>199,413</u>
Net financial assets	\$ 133,977	\$ 84,955
Non-financial assets	<u>3,163,662</u>	<u>3,226,328</u>
Accumulated surplus	<u>\$ 3,297,639</u>	<u>\$ 3,311,283</u>
Result of Operations		
Revenue	\$ 435,400	\$ 305,933
Expenses	<u>449,044</u>	<u>417,450</u>
Annual deficit	<u>\$ (13,644)</u>	<u>\$ (111,517)</u>

16. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

For information purposes, the Town has deferred the capital grants and/or contributed assets it has received in the past for its utilities and amortized them over the useful life of the related tangible or contributed capital asset.

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

TOWN OF MELITA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

17. COVID-19 impact on operations

During the year, the COVID-19 (coronavirus) continues to have a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Town's operations were impacted by COVID-19 due to closure of facilities to the public for normal operations. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

TOWN OF MELITA
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2021

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Buildings and Land and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2021	2020	
Cost										
Opening costs	6,983,931	5,624,751	1,199,720	47,213	20,197	1,640,392	14,576,932	-	30,093,136	29,579,468
Additions during the year	34,045	-	356,144	1,788	(16,906)	201,177	253,609	-	829,857	513,949
Disposals and write downs	-	-	(291,410)	(534)	(3,291)	-	-	-	(295,235)	(281)
Closing costs	7,017,976	5,624,751	1,264,454	48,467	-	1,841,569	14,830,541	-	30,627,758	30,093,136
Accumulated Amortization										
Opening accum'd amortization	1,430,142	2,066,616	890,215	37,723	-	620,568	2,285,807	-	7,331,071	6,514,116
Amortization	224,375	125,299	70,537	4,978	-	73,507	382,937	-	881,633	817,236
Disposals and write downs	-	-	(273,739)	(534)	-	-	-	-	(274,273)	(281)
Closing accum'd amortization	1,654,517	2,191,915	687,013	42,167	-	694,075	2,668,744	-	7,938,431	7,331,071
Net Book Value of Tangible Capital Assets	5,363,459	3,432,836	577,441	6,300	-	1,147,494	12,161,797	-	22,689,327	22,762,065

The Town has 17 km of roads that are capitalized at a nominal value of \$296,820.

TOWN OF MELITA
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2021

SCHEDULE 2

	2021 Actual	2020 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 1,709,471	\$ 1,611,862
Taxes added	16,215	194
	<u>1,725,686</u>	<u>1,612,056</u>
Grants in lieu of taxation		
Federal government	3,177	2,863
Federal government enterprises	3,898	3,696
Provincial government	824	807
Provincial government enterprises	22,413	21,439
Other municipal governments	-	-
Non-government organizations	-	-
	<u>30,312</u>	<u>28,805</u>
User fees		
Parking meters	-	-
Sales of service	79,633	50,976
Sales of goods	30,763	35,325
Rentals	11,348	8,285
Development charges	-	-
Facility use fees	18,440	6,243
	<u>140,184</u>	<u>100,829</u>
Permits, licences and fines		
Permits	295	3,491
Licences	175	362
Fees	388	535
Fines	-	-
	<u>858</u>	<u>4,388</u>
Investment income		
Cash and temporary investments	14,167	9,078
Marketable securities	-	-
Municipal debentures	-	-
	<u>14,167</u>	<u>9,078</u>
Other revenue		
Gain on sale of tangible capital assets	116,149	-
Gain on sale of real estate held for sale	-	-
Contributed assets	33,163	-
Penalties and interest	67,934	66,002
Miscellaneous	97,942	113,217
	<u>315,188</u>	<u>179,219</u>
Water and sewer		
Municipal utility (Schedule 9)	563,950	689,281
Consolidated water co-operatives	117,945	112,169
	<u>681,895</u>	<u>801,450</u>
Grants - Province of Manitoba		
Municipal operating grants	95,750	95,750
Other unconditional grants	-	-
Conditional grants	307,630	251,698
	<u>403,380</u>	<u>347,448</u>
Grants - other		
Federal government - gas tax funding	114,703	56,077
Federal government - other	106,902	63,101
Other municipal governments	94,728	78,548
	<u>316,333</u>	<u>197,726</u>
Total revenue	<u>\$ 3,628,003</u>	<u>\$ 3,280,999</u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 78,897	\$ 57,361
General administrative	261,104	238,092
Other	83,104	63,862
	<u>423,105</u>	<u>359,315</u>
Protective services		
Police	149,794	149,795
Fire	87,687	85,241
Emergency measures	206,358	259,881
Other	-	-
	<u>443,839</u>	<u>494,917</u>
Transportation services		
Road transport		
Administration and engineering	-	-
Road and street maintenance	407,949	577,711
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	15,655	9,136
Street lighting	38,853	37,480
Other	-	-
Air transport	-	-
Public transit	25,016	23,101
Other	-	-
	<u>487,473</u>	<u>647,428</u>
Environmental health services		
Waste collection and disposal	45,901	43,710
Recycling	39,929	38,065
Other	-	-
	<u>85,830</u>	<u>81,775</u>
Public health and welfare services		
Public health	8,000	8,000
Medical care	-	-
Social assistance	516	516
Other	-	-
	<u>8,516</u>	<u>8,516</u>
Regional planning and development		
Planning and zoning	17,634	594
Urban renewal	29,455	16,457
Beautification and land rehabilitation	2,840	1,807
Urban area weed control	215	-
Other	36	-
	<u>50,180</u>	<u>18,858</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	2,000	2,000
Water resources and conservation	-	-
Regional development	52,568	46,964
Industrial development	-	-
Tourism	26,166	3,730
Other	185	-
	<u>80,919</u>	<u>52,694</u>
Sub-totals forward	<u>1,579,862</u>	<u>1,663,503</u>

TOWN OF MELITA

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
Sub-totals forward	1,579,862	1,663,503
Recreation and cultural services		
Administration	38,457	39,259
Community centers and halls	16,915	24,346
Swimming pools and beaches	96,369	82,516
Golf courses	5,000	4,175
Skating and curling rinks	193,656	184,165
Parks and playgrounds	31,112	31,619
Other recreational facilities	86,795	78,843
Museums	-	5,000
Libraries	82,030	77,748
Other cultural facilities	-	-
	550,334	527,671
Water and sewer services		
Municipal utility (Schedule 9)	901,394	831,725
Consolidated water co-operatives	212,119	190,522
	1,113,513	1,022,247
Total expenses	\$ 3,243,709	\$ 3,213,421

TOWN OF MELITA

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	2021		2020		2021		2020		2021	
REVENUE										
Property taxes	\$ 1,434,489	\$ 1,444,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	30,312	28,805	-	-	-	-	-	-	-	-
User fees	5,115	5,390	-	-	9,343	8,644	-	-	-	-
Grants - other	-	62,384	24,750	24,750	215,595	56,327	-	-	-	-
Permits, licences and fines	175	282	388	615	-	-	-	-	-	-
Investment income	8,882	4,428	869	1,476	3,471	2,456	-	-	-	-
Other revenue	80,056	70,330	2,522	1,227	117,045	1,097	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	95,750	95,750	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	123,027	173,202	88,477	4,785	24,196	22,021	-	-
Total revenue	\$ 1,654,779	\$ 1,712,332	\$ 151,556	\$ 201,270	\$ 433,931	\$ 73,309	\$ 24,196	\$ 22,021	\$ -	\$ -
EXPENSES										
Personnel services	\$ 229,957	\$ 184,371	\$ 8,462	\$ 9,057	\$ 207,035	\$ 223,517	\$ -	\$ -	\$ -	\$ -
Contract services	88,711	82,284	163,272	220,721	62,604	181,991	84,763	80,087	516	516
Utilities	12,475	12,005	5,223	4,804	47,473	45,380	-	-	-	-
Maintenance materials and supplies	37,618	34,359	10,222	7,514	41,224	56,265	-	-	-	-
Grants and contributions	40,334	3,649	30,824	27,093	-	-	-	-	8,000	8,000
Amortization	7,671	7,657	224,168	222,933	120,360	130,489	1,067	1,661	-	-
Interest on long term debt	-	-	606	1,197	7,736	8,887	-	-	-	-
Other	6,339	34,990	1,062	1,598	1,041	899	-	27	-	-
Total expenses	\$ 423,105	\$ 359,315	\$ 443,839	\$ 494,917	\$ 487,473	\$ 647,428	\$ 85,830	\$ 81,775	\$ 8,516	\$ 8,516
Surplus (Deficit)	\$ 1,231,674	\$ 1,353,017	\$ (292,283)	\$ (293,647)	\$ (53,542)	\$ (574,119)	\$ (61,634)	\$ (59,754)	\$ (8,516)	\$ (8,516)

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

TOWN OF MELITA
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2021

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,197	\$ 167,093	\$ 1,725,686	\$ 1,612,056
Grants in lieu of taxation	-	-	-	-	-	-	-	-	30,312	28,805
User fees	-	-	-	-	125,726	86,795	-	-	140,184	100,829
Grants - other	-	-	9,224	-	66,764	54,265	-	-	316,333	197,726
Permits, licences and fines	295	3,491	-	-	-	-	-	-	858	4,388
Investment income	-	-	126	-	747	330	72	388	14,167	9,078
Other revenue	-	-	34,703	-	80,862	106,565	-	-	315,188	179,219
Water and sewer	-	-	-	-	-	-	-	801,450	681,895	801,450
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	95,750	95,750
Prov of MB - Conditional Grants	-	-	-	-	71,930	51,690	-	-	307,630	251,698
Total revenue	\$ 295	\$ 3,491	\$ 44,053	\$ -	\$ 346,029	\$ 299,645	\$ 973,164	\$ 968,931	\$ 3,628,003	\$ 3,280,999
EXPENSES										
Personnel services	\$ -	\$ -	\$ 40,036	\$ 43,053	\$ 87,096	\$ 79,038	\$ 40,000	\$ 40,000	\$ 612,586	\$ 579,036
Contract services	16,751	6,225	5,469	5,529	85,728	71,126	407,040	407,872	914,854	1,056,351
Utilities	-	-	165	220	70,893	72,454	53,780	48,877	190,009	183,740
Maintenance materials and supplies	252	82	25,524	1,592	66,977	137,257	98,504	79,683	280,321	316,752
Grants and contributions	13,000	-	9,723	2,300	82,932	77,961	-	-	184,813	119,003
Amortization	594	594	-	-	144,836	83,242	382,937	370,660	881,633	817,236
Interest on long term debt	-	-	-	-	1,468	-	130,099	74,392	139,909	84,476
Other	19,583	11,957	2	-	10,404	6,593	1,153	763	39,584	56,827
Total expenses	\$ 50,180	\$ 18,858	\$ 80,919	\$ 52,694	\$ 550,334	\$ 527,671	\$ 1,113,513	\$ 1,022,247	\$ 3,243,709	\$ 3,213,421
Surplus (Deficit)	\$ (49,885)	\$ (15,367)	\$ (36,866)	\$ (52,694)	\$ (204,305)	\$ (228,026)	\$ (140,349)	\$ (53,316)	\$ 384,294	\$ 67,578

TOWN OF MELITA

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2021

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Government		Entities		Partnerships		Total	
REVENUE								
Property taxes	\$ 1,725,686	\$ 1,612,056	\$ -	\$ -	\$ -	\$ -	\$ 1,725,686	\$ 1,612,056
Grants in lieu of taxation	30,312	28,805	-	-	-	-	30,312	28,805
User fees	49,427	44,680	-	-	90,757	56,149	140,184	100,829
Grants - other	220,292	118,461	-	-	96,041	79,265	316,333	197,726
Permits, licences and fines	858	4,388	-	-	-	-	858	4,388
Investment income	13,016	7,361	-	-	1,151	1,717	14,167	9,078
Other revenue	275,386	164,595	-	-	39,802	14,624	315,188	179,219
Water and sewer	563,950	689,281	-	-	117,945	112,169	681,895	801,450
Prov of MB - Unconditional Grants	95,750	95,750	-	-	-	-	95,750	95,750
Prov of MB - Conditional Grants	217,926	209,689	-	-	89,704	42,009	307,630	251,698
Total revenue	\$ 3,192,603	\$ 2,975,066	\$ -	\$ -	\$ 435,400	\$ 305,933	\$ 3,628,003	\$ 3,280,999
EXPENSES								
Personnel services	\$ 524,492	\$ 511,899	\$ -	\$ -	\$ 88,094	\$ 67,137	\$ 612,586	\$ 579,036
Contract services	779,994	945,375	-	-	134,860	110,976	914,854	1,056,351
Utilities	130,174	117,321	-	-	59,835	66,419	190,009	183,740
Maintenance materials and supplies	157,987	200,530	-	-	122,334	116,222	280,321	316,752
Grants and contributions	267,080	183,400	-	-	(82,267)	(64,397)	184,813	119,003
Amortization	761,946	699,496	-	-	119,687	117,740	881,633	817,236
Interest on long term debt	138,441	84,476	-	-	1,468	-	139,909	84,476
Other	34,551	53,474	-	-	5,033	3,353	39,584	56,827
Total expenses	\$ 2,794,665	\$ 2,795,971	\$ -	\$ -	\$ 449,044	\$ 417,450	\$ 3,243,709	\$ 3,213,421
Surplus (Deficit)	\$ 397,938	\$ 179,095	\$ -	\$ -	\$ (13,644)	\$ (111,517)	\$ 384,294	\$ 67,578

TOWN OF MELITA
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2021

SCHEDULE 6

	2021								2020	
	General Reserve	Recreation Reserve	Equipment Replacement Reserve	Pool Reserve	Gas Tax Reserve	Lodge Reserve	Utility Replacement Reserve	Total	Total	
REVENUE										
Investment income	\$ 4,119	\$ 591	\$ 1,489	\$ -	\$ 1,982	\$ -	\$ 72	\$ 8,253	\$ 4,537	
Other income	-	-	-	-	-	-	-	-	-	
Total revenue	4,119	591	1,489	-	1,982	-	72	8,253	4,537	
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	
Other expenses	-	-	-	-	-	-	-	-	-	
Total expenses	-	-	-	-	-	-	-	-	-	
NET REVENUES	4,119	591	1,489	-	1,982	-	72	8,253	4,537	
TRANSFERS										
Transfers from general operating fund	50,000	50,000	50,000	-	114,703	-	-	264,703	206,077	
Transfers to general operating fund	-	-	-	-	-	-	-	-	(71,764)	
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	
Transfers from utility operating fund	-	-	-	-	-	-	20,000	20,000	20,000	
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	
Acquisition of tangible capital assets	(50,000)	-	(163,483)	-	(50,000)	-	-	(263,483)	-	
CHANGE IN RESERVE FUND BALANCES	4,119	50,591	(111,994)	-	66,685	-	20,072	29,473	158,850	
FUND SURPLUS, BEGINNING OF YEAR	679,805	206,598	162,899	-	395,676	-	147,114	1,592,092	1,433,242	
FUND SURPLUS, END OF YEAR	\$ 683,924	\$ 257,189	\$ 50,905	\$ -	\$ 462,361	\$ -	\$ 167,186	\$ 1,621,565	\$ 1,592,092	

TOWN OF MELITA
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2021

SCHEDULE 7

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	-	-	-
Expenses			
General government			
Indemnities	-	-	-
Transportation services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenue (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other (specify):	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

TOWN OF MELITA

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITY - MELITA

As at December 31, 2021

	2021	2020
	Total	Total
FINANCIAL ASSETS		
Cash and temporary investments	\$ 82	\$ 195
Amounts receivable	231,518	214,822
Due from other funds	39,280	195,741
	<u>\$ 270,880</u>	<u>\$ 410,758</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 66,048
Long-term debt (Note 8)	2,553,825	2,714,923
Due to other funds	90,924	90,924
	<u>2,644,749</u>	<u>2,871,895</u>
NET DEBT	<u>\$ (2,373,869)</u>	<u>\$ (2,461,137)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 9,294,413	\$ 9,347,928
Inventories	15,932	15,932
	<u>9,310,345</u>	<u>9,363,860</u>
FUND SURPLUS	<u>\$ 6,936,476</u>	<u>\$ 6,902,723</u>

TOWN OF MELITA

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Melita

For the Year Ended December 31, 2021

	Budget	2021	2020
REVENUE			
Water			
Water fees	\$ 380,777	\$ 412,189	\$ 364,869
Bulk water fees	11,000	7,257	4,053
sub-total - water	391,777	419,446	368,922
Sewer			
Sewer fees	92,000	81,051	85,477
Lagoon tipping fees	-	-	-
sub-total - sewer	92,000	81,051	85,477
Property taxes	-	291,197	167,093
Recovery			
Deficit recovery	-	-	-
Debenture recovery	-	-	-
sub-total - recovery	-	-	-
Government transfers			
Operating	-	-	-
Capital	-	48,734	205,534
sub-total - government transfers	-	48,734	205,534
Other			
Hydrant rentals	7,500	7,500	7,500
Connection charges	-	-	-
Installation service	5,000	-	-
Penalties	8,250	7,218	8,227
Contributed tangible capital assets	-	-	-
Investment income	-	-	11,815
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	1	1,806
sub-total - other	20,750	14,719	29,348
Total revenue	504,527	855,147	856,374

TOWN OF MELITA
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Melita
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	40,000	40,012	40,161
Training costs	-	6,634	3,753
Billing and collection	1,000	1,668	2,350
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total - general	<u>41,000</u>	<u>48,314</u>	<u>46,264</u>
Water general			
Purification and treatment	4,480	1,970	2,715
Water purchases	300,000	284,915	280,954
Transmission and distribution	46,225	40,430	33,434
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other water costs	-	-	-
sub-total - water general	<u>350,705</u>	<u>327,315</u>	<u>317,103</u>
Water amortization & interest			
Amortization	56,837	56,837	57,145
Interest on long term debt	41,811	41,811	25,703
sub-total - water amortization & interest	<u>98,648</u>	<u>98,648</u>	<u>82,848</u>
Sewer general			
Collection system costs	54,800	74,637	66,766
Treatment and disposal cost	-	-	-
Lift Station costs	19,522	13,890	26,268
Transportation services	-	-	-
Connection costs	18,500	-	-
Other sewage & disposal costs	-	15	6,399
sub-total - sewer general	<u>92,822</u>	<u>88,542</u>	<u>99,433</u>
Sewage amortization & interest			
Amortization	250,287	250,287	237,388
Interest on long term debt	88,288	88,288	48,689
sub-total - sewer amortization & interest	<u>338,575</u>	<u>338,575</u>	<u>286,077</u>
Total expenses	<u>921,750</u>	<u>901,394</u>	<u>831,725</u>
NET OPERATING SURPLUS (DEFICIT)	(417,223)	(46,247)	24,649
TRANSFERS			
Transfers from operating fund	526,197	100,000	50,000
Transfers to reserve funds	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 88,974</u>	33,753	54,649
FUND SURPLUS, BEGINNING OF YEAR		<u>6,902,723</u>	<u>6,848,074</u>
FUND SURPLUS, END OF YEAR		<u>\$ 6,936,476</u>	<u>\$ 6,902,723</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2021

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,697,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,697,848
Grants in lieu of taxation	30,212	-	-	-	-	-	-	30,212
User fees	177,489	-	-	-	-	-	90,757	268,246
Permits, licences and fines	1,925	-	-	-	-	-	-	1,925
Investment income	2,000	-	-	-	-	-	1,151	3,151
Other revenue	51,000	-	-	-	-	-	39,802	90,802
Water and sewer	-	504,527	-	-	-	-	117,945	622,472
Grants - Province of Manitoba	392,474	-	-	-	-	-	89,704	482,178
Grants - other	222,405	-	-	-	-	-	96,041	318,446
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves/general	130,000	526,197	-	-	(656,197)	-	-	-
Total revenue	\$ 2,705,353	\$ 1,030,724	\$ -	\$ -	\$ (656,197)	\$ -	\$ 435,400	\$ 3,515,280
EXPENSES								
General government services	\$ 452,664	\$ -	\$ 7,671	\$ -	\$ 85	\$ -	\$ -	\$ 460,420
Protective services	218,256	-	207,846	606	-	-	21,383	448,091
Transportation services	450,105	-	109,238	7,736	-	-	25,016	592,095
Environmental health services	79,521	-	1,067	-	-	-	-	80,588
Public health and welfare services	24,725	-	-	-	-	-	-	24,725
Regional planning and development	35,600	-	594	-	-	-	-	36,194
Resource cons and industrial dev	103,187	-	-	-	-	-	9,925	113,112
Recreation and cultural services	234,152	-	128,406	-	-	-	180,601	543,159
Water and sewer services	-	484,527	307,124	130,099	-	-	212,119	1,133,869
Fiscal services:								
Transfer to capital	303,093	235,000	-	-	(538,093)	-	-	-
Debt charges	69,142	291,197	-	(360,339)	-	-	-	-
Transfer to utility	526,197	-	-	-	(526,197)	-	-	-
Transfer to reserves	208,626	20,000	-	-	(228,626)	-	-	-
Allowance for tax assets	85	-	-	-	(85)	-	-	-
Total expenses	\$ 2,705,353	\$ 1,030,724	\$ 761,946	\$ (221,898)	\$ (1,292,916)	\$ -	\$ 449,044	\$ 3,432,253
Surplus (Deficit)	\$ -	\$ -	\$ (761,946)	\$ 221,898	\$ 636,719	\$ -	\$ (13,644)	\$ 83,027

**TOWN OF MELITA
ANALYSIS OF TAXES ON ROLL
December 31, 2021**

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 680,021	\$ 524,562
Add:		
Tax levy (Schedule 12)	2,201,312	2,112,637
Taxes added	16,215	194
Penalties or interest	67,934	66,002
Other accounts added	<u>47,727</u>	<u>43,589</u>
Sub-total	<u>2,333,188</u>	<u>2,222,422</u>
Deduct:		
Cash collections - current	1,768,677	1,584,347
Cash collections - arrears	485,961	286,332
Writeoffs	2,116	2,534
Tax sale	-	-
E.P.T.C. - cash advance	<u>147,724</u>	<u>193,750</u>
Sub-total	<u>2,404,478</u>	<u>2,066,963</u>
Balance, end of year	<u>\$ 608,731</u>	<u>\$ 680,021</u>

TOWN OF MELITA

SCHEDULE 12

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2021

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
By-Law 1687	per parcel		63,096	63,096
By-Law 2018-008 10 years	per parcel		28,275	28,275
By-Law 2018-008 20 years	per parcel		72,514	72,693
By-Law 17-003	per parcel		43,155	43,155
Dike - By-Law 2017-004	per parcel		24,133	24,133
W&S Renewals	39,798,170	3.056	137,604	-
sub-total - Debt charges			<u>368,777</u>	<u>231,352</u>
Reserves:				
Recreation	39,885,200	1.229	49,018	49,009
Equipment replacement	39,885,200	1.229	49,018	49,009
General	39,885,200	1.229	49,018	49,009
sub-total - Reserves			<u>147,054</u>	<u>147,027</u>
General municipal	39,885,200	21.929	<u>874,644</u>	<u>925,765</u>
Special levies:				
By-Law 2017-011	per parcel		238,728	234,399
Recycle and garbage	per parcel		78,624	71,675
sub-total - Special levies			<u>317,352</u>	<u>306,074</u>
Business tax fee			<u>1,644</u>	<u>1,644</u>
Total municipal taxes (Schedule 2)			<u>1,709,471</u>	<u>1,611,862</u>
Education support levy	12,170,710	8.809	<u>107,212</u>	<u>108,285</u>
Special levies:				
Southwest Horizon School Division	38,601,820	9.964	<u>384,629</u>	<u>392,490</u>
Total education taxes			<u>491,841</u>	<u>500,775</u>
Total tax levy (Schedule 11)			<u>\$ 2,201,312</u>	<u>\$ 2,112,637</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 78,897	\$ 57,361
General administrative	261,104	238,092
Other	83,104	63,862
	<u>423,105</u>	<u>359,315</u>
Protective services		
Police	149,794	149,795
Fire	66,304	66,304
Emergency measures	206,358	259,881
Other	-	-
	<u>422,456</u>	<u>475,980</u>
Transportation services		
Road transport		
Administration and engineering	-	-
Road and street maintenance	407,949	577,711
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	15,655	9,136
Street lighting	38,853	37,480
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>462,457</u>	<u>624,327</u>
Environmental health services		
Waste collection and disposal	45,901	43,710
Recycling	39,929	38,065
Other	-	-
	<u>85,830</u>	<u>81,775</u>
Public health and welfare services		
Public health	8,000	8,000
Medical care	-	-
Social assistance	516	516
Other	-	-
	<u>8,516</u>	<u>8,516</u>
Regional planning and development		
Planning and zoning	17,634	594
Urban renewal	29,455	16,457
Beautification and land rehabilitation	2,840	1,807
Urban area weed control	215	-
Other	36	-
	<u>50,180</u>	<u>18,858</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	2,000	2,000
Water resources and conservation	-	-
Regional development	42,643	46,964
Industrial development	-	-
Tourism	26,166	3,730
Other	185	-
	<u>70,994</u>	<u>52,694</u>
Sub-totals forward	<u>1,523,538</u>	<u>1,621,465</u>

TOWN OF MELITA

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
Sub-totals forward	1,523,538	1,621,465
Recreation and cultural services		
Administration	15,630	15,630
Community centers and halls	16,915	24,346
Swimming pools and beaches	96,369	82,516
Golf courses	5,000	4,175
Skating and curling rinks	81,912	63,417
Parks and playgrounds	31,112	31,619
Other recreational facilities	86,795	78,843
Museums	-	5,000
Libraries	36,000	37,235
Other cultural facilities	-	-
	369,733	342,781
Total expenses	\$ 1,893,271	\$ 1,964,246

TOWN OF MELITA
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2021

SCHEDULE 14

	2021		2020	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 212,447	\$ (73,830)	\$ 138,617	\$ 1,265,804
Adjustments for reporting under public sector accounting standards				
Eliminate interfund transfers	391,197	(391,197)	-	-
Eliminate expense - transfers to reserves	264,703	20,000	284,703	226,077
Eliminate revenue - transfers from reserves	(263,483)	-	(263,483)	(71,764)
Increase revenue - reserve funds interest	8,253	-	8,253	4,537
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	80,530	(94,174)	(13,644)	(111,517)
Decrease expense - debenture debt proceeds	-	-	-	(1,200,000)
Increase expense - amortization of tangible capital assets	(454,822)	(307,124)	(761,946)	(699,496)
Decrease expense - principal portion of debenture debt	60,800	161,098	221,898	151,758
Eliminate expense - acquisitions of tangible capital assets	516,287	253,609	769,896	502,179
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 815,912</u>	<u>\$ (431,618)</u>	<u>\$ 384,294</u>	<u>\$ 67,578</u>