

# **TOWN OF MELITA**

**Consolidated Financial Statements  
For the Year Ended December 31, 2022**

## 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.



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Breigh Crepeele  
Chief Administrative Officer

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, 2022, 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, 2022, 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**

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- 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 21, 2023  
Brandon, Manitoba

**MNP** LLP

**Chartered Professional Accountants**

# **TOWN OF MELITA**

## **Consolidated Financial Statements For the Year Ended December 31, 2022**

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**TOWN OF MELITA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 2,357,155	\$ 1,796,399
Amounts receivable (Note 4)	725,552	1,058,892
Real estate properties held for sale	<u>77,501</u>	<u>51,224</u>
	<u>\$ 3,160,208</u>	<u>\$ 2,906,515</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 448,245	\$ 537,969
Unearned revenue	63,766	7,393
Long-term debt (Note 8)	<u>2,790,248</u>	<u>2,979,258</u>
	<u>3,302,259</u>	<u>3,524,620</u>
<b>NET DEBT</b>	<u>\$ (142,051)</u>	<u>\$ (618,105)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 22,069,107	\$ 22,689,327
Inventories (Note 5)	18,542	16,732
Prepaid expenses	<u>23,706</u>	<u>27,183</u>
	<u>22,111,355</u>	<u>22,733,242</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 21,969,304</u>	<u>\$ 22,115,137</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, 2022**

	<u>2022 Budget (Note 11)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 1,744,735	\$ 1,762,147	\$ 1,725,686
Grants in lieu of taxation	31,373	31,373	30,312
User fees	294,715	198,195	140,184
Permits, licences and fines	925	1,875	858
Investment income	5,653	25,765	14,167
Other revenue	160,287	246,994	315,188
Water and sewer	608,684	600,378	681,895
Grants - Province of Manitoba	312,313	317,793	403,380
Grants - other	206,527	208,441	316,333
Total revenue (Schedules 2, 4 and 5)	<u>3,365,212</u>	<u>3,392,961</u>	<u>3,628,003</u>
<b>EXPENSES</b>			
General government services	482,994	473,529	423,105
Protective services	445,666	441,227	443,839
Transportation services	658,238	604,776	487,473
Environmental health services	93,629	98,231	85,830
Public health and welfare services	16,016	11,016	8,516
Regional planning and development	30,567	29,721	50,180
Resource conservation and industrial development	60,288	55,983	80,919
Recreation and cultural services	805,791	789,596	550,334
Water and sewer services	1,093,829	1,034,715	1,113,513
Total expenses (Schedules 3, 4 and 5)	<u>3,687,018</u>	<u>3,538,794</u>	<u>3,243,709</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (321,806)</u>	<u>(145,833)</u>	384,294
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>22,115,137</u>	<u>21,730,843</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 21,969,304</u>	<u>\$ 22,115,137</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, 2022**

	<u>2022</u> <u>Budget</u> <u>(Note 11)</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (321,806)</b>	<b>\$ (145,833)</b>	<b>\$ 384,294</b>
Acquisition of tangible capital assets	(304,076)	(280,480)	(829,857)
Amortization of tangible capital assets	912,918	912,918	881,633
Loss (Gain) on sale of tangible capital assets	-	-	(112,858)
Proceeds on sale of tangible capital assets	-	-	133,820
Change in gov't partnership ownership	-	(12,218)	-
Decrease (increase) in inventories	-	(1,810)	2,141
Decrease (increase) in prepaid expenses	-	3,477	(9,385)
	<u>608,842</u>	<u>621,887</u>	<u>65,494</u>
<b>CHANGE IN NET DEBT</b>	<b><u>\$ 287,036</u></b>	<b>476,054</b>	<b>449,788</b>
<b>NET DEBT, BEGINNING OF YEAR</b>		<u>(618,105)</u>	<u>(1,067,893)</u>
<b>NET DEBT, END OF YEAR</b>		<b><u>\$ (142,051)</u></b>	<b><u>\$ (618,105)</u></b>

*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, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ (145,833)	\$ 384,294
Changes in non-cash items:		
Amounts receivable	333,340	(112,867)
Inventories	(1,810)	2,141
Prepays	3,477	(9,385)
Accounts payable and accrued liabilities	(89,724)	5,042
Unearned revenue	56,373	(2,519)
Change in gov't partnership ownership	(12,218)	-
Loss (Gain) on real estate properties held for sale	(30,854)	-
Loss (Gain) on sale of tangible capital asset	-	(112,858)
Amortization	912,918	881,633
	<u>1,025,669</u>	<u>1,035,481</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	-	133,820
Cash used to acquire tangible capital assets	(280,480)	(829,857)
	<u>(280,480)</u>	<u>(696,037)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	40,000	-
Acquisition of real estate properties	(35,423)	(31,921)
	<u>4,577</u>	<u>(31,921)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	-	53,884
Debt repayment	(189,010)	(244,606)
	<u>(189,010)</u>	<u>(190,722)</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>560,756</b>	<b>116,801</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>1,796,399</u></b>	<b><u>1,679,598</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 2,357,155</u></b>	<b><u>\$ 1,796,399</u></b>

*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, 2022**

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**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%) (2021 - 46.59%)*  
*Melita and Area Fire Protection Board (45.00%) (2021 - 45.00%)*  
*Melita Curling Club (80.65%) (2021 - 80.65%)*  
*Melita and Area Handivan Committee Inc. (50.00%) (2021 - 50.00%)*  
*Southwest Regional Water Co-op (25.00%) (2021 - 25.00%)*  
*Melita and Area Economic Development Corporation (50.00%) (2021 - 50.00%)*  
*Southwest Recreation District (54.00%) (2021 - 0.00%)*  
*Southwest Planning District (24.27%) (2021 - 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, 2022**

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**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, 2022**

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**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, 2022**

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**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, 2022**

**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>2022</u>	<u>2021</u>
Cash	\$ 2,311,068	\$ 1,770,173
Temporary investments	<u>46,087</u>	<u>26,226</u>
	<u>\$ 2,357,155</u>	<u>\$ 1,796,399</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Town has designated **\$1,709,708** (2021 - \$1,621,565) 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 **\$1,353,899** (2021 - \$1,135,632).

**4. Amounts receivable**

Amounts receivable are valued at their net realizable value.

	<u>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 345,734	\$ 608,731
Government grants	46,538	120,546
Utility customers	174,972	174,257
Accrued interest	320	268
Organizations and individuals	105,403	109,781
Other governments	<u>64,413</u>	<u>57,171</u>
	737,380	1,070,754
Less allowances for doubtful amounts	<u>(11,828)</u>	<u>(11,862)</u>
	<u>\$ 725,552</u>	<u>\$ 1,058,892</u>

**TOWN OF MELITA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**5. Inventories**

**Inventories for use:**

	<u>2022</u>	<u>2021</u>
Aggregate	\$ 120	\$ 800
Other supplies	<u>18,422</u>	<u>15,932</u>
	<u>\$ 18,542</u>	<u>\$ 16,732</u>

**6. Bank indebtedness**

The Town has available a line of credit of \$500,000 for general operating, bearing interest at 6.45%. The Town has drawn \$nil (2021 - \$nil) of the line of credit available.

**7. Accounts payable and accrued liabilities**

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 332,960	\$ 517,072
Accrued expenses	20,715	19,806
School levies	87,455	-
Other governments	<u>7,115</u>	<u>1,091</u>
	<u>\$ 448,245</u>	<u>\$ 537,969</u>

**8. Long-term debt**

	<u>2022</u>	<u>2021</u>
<b>General authority:</b>		
Debenture, interest at 3.25%, payable at \$44,305 annually including interest, maturing 2026	\$ 163,707	\$ 201,464
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
Sunrise Credit Union loan, interest at 3.950%, payable at \$12,087 including interest, secured by GIC, maturing 2025. Southwest Recreation District (54.00%)	<u>18,051</u>	<u>21,893</u>
	<u>\$ 181,758</u>	<u>\$ 225,272</u>
<b>Utility funds:</b>		
Manitoba Water Services Board, monthly payments based on actual water usage	222,451	200,161
Debenture, interest at 5.800%, payable at \$64,588 annually including interest, maturing 2028	319,606	363,133
Debenture, interest at 4.25%, payable at \$73,947 annually including interest, maturing 2038	845,978	882,422
Debenture, interest at 3.875%, payable at \$28,558 annually including interest, maturing 2028	150,315	172,201
Debenture, interest at 3.125%, payable at \$101,431 annually including interest, maturing 2035	<u>1,070,140</u>	<u>1,136,069</u>
	<u>\$ 2,608,490</u>	<u>\$ 2,753,986</u>
	<u>\$ 2,790,248</u>	<u>\$ 2,979,258</u>

**TOWN OF MELITA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**8. Long-term debt (continued)**

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

2023	\$	219,583
2024	\$	228,346
2025	\$	237,416
2026	\$	240,538
2027	\$	205,937

**9. Retirement benefits**

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by municipalities on behalf of their employees are expected to be **\$43,441** (2021 - \$41,460) and are included in each municipality's 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, 2021, indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249.0 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, 2021.

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, 2022**

**12. Accumulated surplus**

	<u>2022</u>	<u>2021</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 349,802	\$ 223,851
Utility operating fund - Nominal surplus	258,752	195,888
TCA net of related borrowings	16,460,319	16,776,194
Reserve funds	<u>1,709,708</u>	<u>1,621,565</u>
Accumulated surplus of Town unconsolidated	<b>18,778,581</b>	18,817,498
Accumulated surpluses of consolidated entities	<u>3,190,723</u>	<u>3,297,639</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><b>\$ 21,969,304</b></u>	<u><b>\$ 22,115,137</b></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, 2022:

- 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>	\$ 89,355

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, 2022:

- c) Compensation paid to members of Council amounted to \$60,581 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - William Holden	\$ 16,380	\$ 2,879	\$ 19,259
Councillor - Brian Teetaert	9,518	581	10,099
Councillor - Grant Hume	10,643	258	10,901
Councillor - Cara Redpath	10,568	361	10,929
Councillor - Rhonda Verplanche	11,140	180	11,320
Councillor - Camiel Serruys	<u>2,332</u>	<u>592</u>	<u>2,924</u>
	<u><b>\$ 60,581</b></u>	<u><b>\$ 4,851</b></u>	<u><b>\$ 65,432</b></u>

**TOWN OF MELITA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**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:

	<u>2022</u>	<u>2021</u>
<b>Financial Position</b>		
Financial assets	\$ 418,312	\$ 344,481
Financial liabilities	<u>295,001</u>	<u>210,504</u>
Net financial assets	\$ 123,311	\$ 133,977
Non-financial assets	<u>3,067,412</u>	<u>3,163,662</u>
Accumulated surplus	<u>\$ 3,190,723</u>	<u>\$ 3,297,639</u>
<b>Result of Operations</b>		
Revenue	\$ 490,754	\$ 435,400
Expenses	<u>597,670</u>	<u>449,044</u>
Annual deficit	<u>\$ (106,916)</u>	<u>\$ (13,644)</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 and not subject to audit under PSAB standards, the Municipality 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 assets.

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

TOWN OF MELITA  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
Year Ended December 31, 2022

SCHEDULE 1

	General Capital Assets				Infrastructure			Totals		
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2022	2021
<b>Cost</b>										
Opening costs	7,017,976	5,624,751	1,264,454	48,467	-	1,841,569	14,830,541	-	30,627,758	30,093,136
Additions during the year	-	-	5,198	-	-	225,000	50,282	-	280,480	829,857
Change in gov't partnership	-	14,998	9,007	-	-	-	-	-	24,005	-
Disposals and write downs	-	-	-	-	-	-	-	-	-	(295,235)
Closing costs	<b>7,017,976</b>	<b>5,639,749</b>	<b>1,278,659</b>	<b>48,467</b>	<b>-</b>	<b>2,066,569</b>	<b>14,880,823</b>	<b>-</b>	<b>30,932,243</b>	30,627,758
<b>Accumulated Amortization</b>										
Opening accum'd amortization	1,654,517	2,191,915	687,013	42,167	-	694,075	2,668,744	-	7,938,431	7,331,071
Amortization	224,658	126,048	86,800	5,097	-	83,963	386,352	-	912,918	881,633
Change in gov't partnership	-	6,425	5,362	-	-	-	-	-	11,787	-
Disposals and write downs	-	-	-	-	-	-	-	-	-	(274,273)
Closing accum'd amortization	<b>1,879,175</b>	<b>2,324,388</b>	<b>779,175</b>	<b>47,264</b>	<b>-</b>	<b>778,038</b>	<b>3,055,096</b>	<b>-</b>	<b>8,863,136</b>	7,938,431
Net Book Value of Tangible Capital Assets	<b>5,138,801</b>	<b>3,315,361</b>	<b>499,484</b>	<b>1,203</b>	<b>-</b>	<b>1,288,531</b>	<b>11,825,727</b>	<b>-</b>	<b>22,069,107</b>	22,689,327

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, 2022**

**SCHEDULE 2**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	\$ 1,753,648	\$ 1,709,471
Taxes added	8,499	16,215
	<u>1,762,147</u>	<u>1,725,686</u>
<b>Grants in lieu of taxation</b>		
Federal government	3,250	3,177
Federal government enterprises	4,003	3,898
Provincial government	792	824
Provincial government enterprises	23,328	22,413
Other municipal governments	-	-
Non-government organizations	-	-
	<u>31,373</u>	<u>30,312</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	88,080	79,633
Sales of goods	70,929	30,763
Rentals	17,534	11,348
Development charges	-	-
Facility use fees	21,652	18,440
	<u>198,195</u>	<u>140,184</u>
<b>Permits, licences and fines</b>		
Permits	510	295
Licences	333	175
Fees	-	388
Fines	1,032	-
	<u>1,875</u>	<u>858</u>
<b>Investment income</b>		
Cash and temporary investments	25,765	14,167
Marketable securities	-	-
Municipal debentures	-	-
	<u>25,765</u>	<u>14,167</u>
<b>Other revenue</b>		
Gain on sale of tangible capital assets	-	116,149
Gain on sale of real estate held for sale	30,854	-
Contributed assets	16,912	33,163
Penalties and interest	71,366	67,934
Miscellaneous	127,862	97,942
	<u>246,994</u>	<u>315,188</u>
<b>Water and sewer</b>		
Municipal utility (Schedule 9)	552,644	563,950
Consolidated water co-operatives	47,734	117,945
	<u>600,378</u>	<u>681,895</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	100,947	95,750
Other unconditional grants	-	-
Conditional grants	216,846	307,630
	<u>317,793</u>	<u>403,380</u>
<b>Grants - other</b>		
Federal government - gas tax funding	58,626	114,703
Federal government - other	34,463	106,902
Other municipal governments	115,352	94,728
	<u>208,441</u>	<u>316,333</u>
<b>Total revenue</b>	<u>\$ 3,392,961</u>	<u>\$ 3,628,003</u>

**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2022**

	2022 Actual	2021 Actual
<b>General government services</b>		
Legislative	\$ 84,077	\$ 78,897
General administrative	327,327	261,104
Other	62,125	83,104
	<u>473,529</u>	<u>423,105</u>
<b>Protective services</b>		
Police	149,794	149,794
Fire	86,363	87,687
Emergency measures	205,070	206,358
Other	-	-
	<u>441,227</u>	<u>443,839</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	-	-
Road and street maintenance	526,577	407,949
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	10,399	15,655
Street lighting	39,333	38,853
Other	-	-
Air transport	-	-
Public transit	28,467	25,016
Other	-	-
	<u>604,776</u>	<u>487,473</u>
<b>Environmental health services</b>		
Waste collection and disposal	52,312	45,901
Recycling	45,919	39,929
Other	-	-
	<u>98,231</u>	<u>85,830</u>
<b>Public health and welfare services</b>		
Public health	8,000	8,000
Medical care	2,500	-
Social assistance	516	516
Other	-	-
	<u>11,016</u>	<u>8,516</u>
<b>Regional planning and development</b>		
Planning and zoning	11,423	17,634
Urban renewal	15,925	29,455
Beautification and land rehabilitation	2,033	2,840
Urban area weed control	96	215
Other	244	36
	<u>29,721</u>	<u>50,180</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	2,000	2,000
Water resources and conservation	-	-
Regional development	49,733	52,568
Industrial development	-	-
Tourism	4,250	26,166
Other	-	185
	<u>55,983</u>	<u>80,919</u>
<b>Sub-totals forward</b>	<u>1,714,483</u>	<u>1,579,862</u>

**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2022**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Sub-totals forward</b>	<u>1,714,483</u>	<u>1,579,862</u>
<b>Recreation and cultural services</b>		
Administration	396,297	38,457
Community centers and halls	46,090	16,915
Swimming pools and beaches	29,191	96,369
Golf courses	5,000	5,000
Skating and curling rinks	81,300	193,656
Parks and playgrounds	73,468	31,112
Other recreational facilities	87,078	86,795
Museums	-	-
Libraries	71,172	82,030
Other cultural facilities	-	-
	<u>789,596</u>	<u>550,334</u>
<b>Water and sewer services</b>		
Municipal utility (Schedule 9)	893,307	901,394
Consolidated water co-operatives	141,408	212,119
	<u>1,034,715</u>	<u>1,113,513</u>
<b>Total expenses</b>	<u><u>\$ 3,538,794</u></u>	<u><u>\$ 3,243,709</u></u>

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ 1,434,850	\$ 1,434,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	31,373	30,312	-	-	-	-	-	-	-	-
User fees	7,620	5,115	-	-	16,670	9,343	-	-	-	-
Grants - other	31,280	-	24,750	24,750	60,790	215,595	-	-	-	-
Permits, licences and fines	333	175	1,032	388	-	-	-	-	-	-
Investment income	12,594	8,882	2,256	869	7,863	3,471	-	-	-	-
Other revenue	112,832	80,056	4,128	2,522	1,701	117,045	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	100,947	95,750	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	117,151	123,027	18,750	88,477	24,631	24,196	-	-
Total revenue	\$ 1,731,829	\$ 1,654,779	\$ 149,317	\$ 151,556	\$ 105,774	\$ 433,931	\$ 24,631	\$ 24,196	\$ -	\$ -
<b>EXPENSES</b>										
Personnel services	\$ 241,458	\$ 229,957	\$ 8,551	\$ 8,462	\$ 229,039	\$ 207,035	\$ -	\$ -	\$ -	\$ -
Contract services	145,700	88,711	163,512	163,272	88,934	62,604	97,164	84,763	516	516
Utilities	13,215	12,475	6,436	5,223	50,317	47,473	-	-	-	-
Maintenance materials and supplies	46,823	37,618	6,379	10,222	80,710	41,224	-	-	-	-
Grants and contributions	14,898	40,334	30,778	30,824	-	-	-	-	10,500	8,000
Amortization	7,818	7,671	224,540	224,168	147,630	120,360	1,067	1,067	-	-
Interest on long term debt	-	-	-	606	6,548	7,736	-	-	-	-
Other	3,617	6,339	1,031	1,062	1,598	1,041	-	-	-	-
Total expenses	\$ 473,529	\$ 423,105	\$ 441,227	\$ 443,839	\$ 604,776	\$ 487,473	\$ 98,231	\$ 85,830	\$ 11,016	\$ 8,516
<b>Surplus (Deficit)</b>	<b>\$ 1,258,300</b>	<b>\$ 1,231,674</b>	<b>\$ (291,910)</b>	<b>\$ (292,283)</b>	<b>\$ (499,002)</b>	<b>\$ (53,542)</b>	<b>\$ (73,600)</b>	<b>\$ (61,634)</b>	<b>\$ (11,016)</b>	<b>\$ (8,516)</b>

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

## TOWN OF MELITA

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,297	\$ 291,197	\$ 1,762,147	\$ 1,725,686
Grants in lieu of taxation	-	-	-	-	-	-	-	-	31,373	30,312
User fees	-	-	-	-	173,905	125,726	-	-	198,195	140,184
Grants - other	1,838	-	18,997	9,224	70,786	66,764	-	-	208,441	316,333
Permits, licences and fines	510	295	-	-	-	-	-	-	1,875	858
Investment income	4	-	74	126	2,933	747	41	72	25,765	14,167
Other revenue	23,338	-	3,203	34,703	101,792	80,862	-	-	246,994	315,188
Water and sewer	-	-	-	-	-	-	600,378	681,895	600,378	681,895
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	100,947	95,750
Prov of MB - Conditional Grants	-	-	-	-	56,314	71,930	-	-	216,846	307,630
Total revenue	\$ 25,690	\$ 295	\$ 22,274	\$ 44,053	\$ 405,730	\$ 346,029	\$ 927,716	\$ 973,164	\$ 3,392,961	\$ 3,628,003
<b>EXPENSES</b>										
Personnel services	\$ 199	\$ -	\$ 24,754	\$ 40,036	\$ 128,357	\$ 87,096	\$ 40,000	\$ 40,000	\$ 672,358	\$ 612,586
Contract services	10,786	16,751	8,257	5,469	137,064	85,728	347,927	407,040	999,860	914,854
Utilities	-	-	120	165	88,920	70,893	60,848	53,780	219,856	190,009
Maintenance materials and supplies	378	252	3,140	25,524	184,814	66,977	97,564	98,504	419,808	280,321
Grants and contributions	1,838	13,000	19,477	9,723	93,908	82,932	-	-	171,399	184,813
Amortization	594	594	-	-	144,917	144,836	386,352	382,937	912,918	881,633
Interest on long term debt	-	-	-	-	1,031	1,468	100,740	130,099	108,319	139,909
Other	15,926	19,583	235	2	10,585	10,404	1,284	1,153	34,276	39,584
Total expenses	\$ 29,721	\$ 50,180	\$ 55,983	\$ 80,919	\$ 789,596	\$ 550,334	\$ 1,034,715	\$ 1,113,513	\$ 3,538,794	\$ 3,243,709
<b>Surplus (Deficit)</b>	\$ (4,031)	\$ (49,885)	\$ (33,709)	\$ (36,866)	\$ (383,866)	\$ (204,305)	\$ (106,999)	\$ (140,349)	\$ (145,833)	\$ 384,294



## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2022

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>								
Property taxes	\$ 1,762,147	\$ 1,725,686	\$ -	\$ -	\$ -	\$ -	\$ 1,762,147	\$ 1,725,686
Grants in lieu of taxation	31,373	30,312	-	-	-	-	31,373	30,312
User fees	35,200	49,427	-	-	162,995	90,757	198,195	140,184
Grants - other	91,820	220,292	-	-	116,621	96,041	208,441	316,333
Permits, licences and fines	1,875	858	-	-	-	-	1,875	858
Investment income	22,612	13,016	-	-	3,153	1,151	25,765	14,167
Other revenue	144,366	275,386	-	-	102,628	39,802	246,994	315,188
Water and sewer	552,644	563,950	-	-	47,734	117,945	600,378	681,895
Prov of MB - Unconditional Grants	100,947	95,750	-	-	-	-	100,947	95,750
Prov of MB - Conditional Grants	159,223	217,926	-	-	57,623	89,704	216,846	307,630
Total revenue	\$ 2,902,207	\$ 3,192,603	\$ -	\$ -	\$ 490,754	\$ 435,400	\$ 3,392,961	\$ 3,628,003
<b>EXPENSES</b>								
Personnel services	\$ 503,987	\$ 524,492	\$ -	\$ -	\$ 168,371	\$ 88,094	\$ 672,358	\$ 612,586
Contract services	882,185	779,994	-	-	117,675	134,860	999,860	914,854
Utilities	125,477	130,174	-	-	94,379	59,835	219,856	190,009
Maintenance materials and supplies	219,573	157,987	-	-	200,235	122,334	419,808	280,321
Grants and contributions	282,245	267,080	-	-	(110,846)	(82,267)	171,399	184,813
Amortization	793,133	761,946	-	-	119,785	119,687	912,918	881,633
Interest on long term debt	107,288	138,441	-	-	1,031	1,468	108,319	139,909
Other	27,236	34,551	-	-	7,040	5,033	34,276	39,584
Total expenses	\$ 2,941,124	\$ 2,794,665	\$ -	\$ -	\$ 597,670	\$ 449,044	\$ 3,538,794	\$ 3,243,709
<b>Surplus (Deficit)</b>	\$ (38,917)	\$ 397,938	\$ -	\$ -	\$ (106,916)	\$ (13,644)	\$ (145,833)	\$ 384,294

TOWN OF MELITA

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2022

	2022							2021	
	General Reserve	Recreation Reserve	Equipment Replacement Reserve	Pool Reserve	Gas Tax Reserve	Lodge Reserve	Utility Replacement Reserve	Total	Total
<b>REVENUE</b>									
Investment income	\$ 9,499	\$ 2,246	\$ 1,415	\$ -	\$ 6,316	\$ -	\$ 41	\$ 19,517	\$ 8,253
Other income	-	-	-	-	-	-	-	-	-
Total revenue	9,499	2,246	1,415	-	6,316	-	41	19,517	8,253
<b>EXPENSES</b>									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	9,499	2,246	1,415	-	6,316	-	41	19,517	8,253
<b>TRANSFERS</b>									
Transfers from general operating fund	50,000	50,000	125,000	-	58,626	-	-	283,626	264,703
Transfers to general operating fund	-	(10,000)	-	-	-	-	-	(10,000)	-
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	(75,000)	-	-	-	(150,000)	-	-	(225,000)	(263,483)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(15,501)	42,246	126,415	-	(85,058)	-	20,041	88,143	29,473
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	683,924	257,189	50,905	-	462,361	-	167,186	1,621,565	1,592,092
<b>FUND SURPLUS, END OF YEAR</b>	\$ 668,423	\$ 299,435	\$ 177,320	\$ -	\$ 377,303	\$ -	\$ 187,227	\$ 1,709,708	\$ 1,621,565

**SCHEDULE OF L.U.D. OPERATIONS**  
**For the Year Ended December 31, 2022**

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>			
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	-	-	-
<b>Total expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net revenue (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other (specify):	-	-	-
<b>Change in L.U.D. balances</b>	<u><u>\$ -</u></u>	-	-
<b>Unexpended balance, beginning of year</b>		<u>-</u>	<u>-</u>
<b>Unexpended balance, end of year</b>		<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## SCHEDULE OF FINANCIAL POSITION FOR UTILITY - MELITA

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
	Total	Total
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ 82
Amounts receivable	238,595	231,518
Due from other funds	134,896	39,280
	<u>\$ 373,491</u>	<u>\$ 270,880</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 39,747	\$ -
Long-term debt (Note 8)	2,386,039	2,553,825
Due to other funds	90,924	90,924
	<u>2,516,710</u>	<u>2,644,749</u>
<b>NET DEBT</b>	<u>\$ (2,143,219)</u>	<u>\$ (2,373,869)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 9,030,397	\$ 9,294,413
Inventories	15,932	15,932
	<u>9,046,329</u>	<u>9,310,345</u>
<b>FUND SURPLUS</b>	<u>\$ 6,903,110</u>	<u>\$ 6,936,476</u>

**SCHEDULE OF UTILITY OPERATIONS - Melita**  
**For the Year Ended December 31, 2022**

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 440,000	\$ 434,008	\$ 412,189
Bulk water fees	15,200	7,680	7,257
sub-total - water	<u>455,200</u>	<u>441,688</u>	<u>419,446</u>
<b>Sewer</b>			
Sewer fees	90,000	76,449	81,051
Lagoon tipping fees	-	-	-
sub-total - sewer	<u>90,000</u>	<u>76,449</u>	<u>81,051</u>
<b>Property taxes</b>	<u>-</u>	<u>327,297</u>	<u>291,197</u>
<b>Recovery</b>			
Deficit recovery	-	-	-
Debenture recovery	-	-	-
sub-total - recovery	<u>-</u>	<u>-</u>	<u>-</u>
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	14,014	48,734
sub-total - government transfers	<u>-</u>	<u>14,014</u>	<u>48,734</u>
<b>Other</b>			
Hydrant rentals	7,500	7,500	7,500
Connection charges	-	50	-
Installation service	-	5,200	-
Penalties	8,250	7,261	7,218
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	482	1
sub-total - other	<u>15,750</u>	<u>20,493</u>	<u>14,719</u>
<b>Total revenue</b>	<u>560,950</u>	<u>879,941</u>	<u>855,147</u>

TOWN OF MELITA  
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Melita  
For the Year Ended December 31, 2022

SCHEDULE 9

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	40,000	40,000	40,012
Training costs	-	750	6,634
Billing and collection	7,755	7,210	1,668
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total - general	<u>47,755</u>	<u>47,960</u>	<u>48,314</u>
<b>Water general</b>			
Purification and treatment	3,450	3,380	1,970
Water purchases	310,000	280,273	284,915
Transmission and distribution	64,525	41,984	40,430
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other water costs	-	-	-
sub-total - water general	<u>377,975</u>	<u>325,637</u>	<u>327,315</u>
<b>Water amortization &amp; interest</b>			
Amortization	59,041	59,041	56,837
Interest on long term debt	28,282	28,282	41,811
sub-total - water amortization & interest	<u>87,323</u>	<u>87,323</u>	<u>98,648</u>
<b>Sewer general</b>			
Collection system costs	64,945	85,786	74,637
Treatment and disposal cost	-	-	-
Lift Station costs	27,675	22,453	13,890
Transportation services	-	-	-
Connection costs	22,600	-	-
Other sewage & disposal costs	-	-	15
sub-total - sewer general	<u>115,220</u>	<u>108,239</u>	<u>88,542</u>
<b>Sewage amortization &amp; interest</b>			
Amortization	251,690	251,690	250,287
Interest on long term debt	72,458	72,458	88,288
sub-total - sewer amortization & interest	<u>324,148</u>	<u>324,148</u>	<u>338,575</u>
<b>Total expenses</b>	<u>952,421</u>	<u>893,307</u>	<u>901,394</u>
<b>NET OPERATING DEFICIT</b>	(391,471)	(13,366)	(46,247)
<b>TRANSFERS</b>			
Transfers from operating fund	327,297	-	100,000
Transfers to reserve funds	(20,000)	(20,000)	(20,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (84,174)</u>	(33,366)	33,753
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>6,936,476</u>	<u>6,902,723</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 6,903,110</u>	<u>\$ 6,936,476</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 1,744,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,744,735
Grants in lieu of taxation	31,373	-	-	-	-	-	-	31,373
User fees	131,720	-	-	-	-	-	162,995	294,715
Permits, licences and fines	925	-	-	-	-	-	-	925
Investment income	2,500	-	-	-	-	-	3,153	5,653
Other revenue	57,659	-	-	-	-	-	102,628	160,287
Water and sewer	-	560,950	-	-	-	-	47,734	608,684
Grants - Province of Manitoba	254,690	-	-	-	-	-	57,623	312,313
Grants - other	89,906	-	-	-	-	-	116,621	206,527
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves/general	235,000	327,297	-	-	(562,297)	-	-	-
Total revenue	<u>\$ 2,548,508</u>	<u>\$ 888,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (562,297)</u>	<u>\$ -</u>	<u>\$ 490,754</u>	<u>\$ 3,365,212</u>
<b>EXPENSES</b>								
General government services	\$ 475,137	\$ -	\$ 7,818	\$ -	\$ 39	\$ -	\$ -	\$ 482,994
Protective services	217,761	-	207,846	-	-	-	20,059	445,666
Transportation services	486,715	-	136,508	6,548	-	-	28,467	658,238
Environmental health services	92,562	-	1,067	-	-	-	-	93,629
Public health and welfare services	16,016	-	-	-	-	-	-	16,016
Regional planning and development	22,474	-	594	-	-	-	7,499	30,567
Resource cons and industrial dev	46,759	-	-	-	-	-	13,529	60,288
Recreation and cultural services	290,514	-	128,569	-	-	-	386,708	805,791
Water and sewer services	-	540,950	310,731	100,740	-	-	141,408	1,093,829
Fiscal services:								
Transfer to capital	245,303	58,773	-	-	(304,076)	-	-	-
Debt charges	44,305	268,524	-	(312,829)	-	-	-	-
Transfer to utility	327,297	-	-	-	(327,297)	-	-	-
Transfer to reserves	283,626	20,000	-	-	(303,626)	-	-	-
Allowance for tax assets	39	-	-	-	(39)	-	-	-
Total expenses	<u>\$ 2,548,508</u>	<u>\$ 888,247</u>	<u>\$ 793,133</u>	<u>\$ (205,541)</u>	<u>\$ (934,999)</u>	<u>\$ -</u>	<u>\$ 597,670</u>	<u>\$ 3,687,018</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (793,133)</u>	<u>\$ 205,541</u>	<u>\$ 372,702</u>	<u>\$ -</u>	<u>\$ (106,916)</u>	<u>\$ (321,806)</u>

TOWN OF MELITA  
ANALYSIS OF TAXES ON ROLL  
December 31, 2022

SCHEDULE 11

	<u>2022</u>	<u>2021</u>
<b>Balance, beginning of year</b>	<b>\$ 608,731</b>	<b>\$ 680,021</b>
<b>Add:</b>		
Tax levy (Schedule 12)	2,248,353	2,201,312
Taxes added	8,499	16,215
Penalties or interest	71,366	67,934
Other accounts added	48,423	47,727
<b>Sub-total</b>	<b><u>2,376,641</u></b>	<b><u>2,333,188</u></b>
<b>Deduct:</b>		
Cash collections - current	1,949,145	1,768,677
Cash collections - arrears	566,193	485,961
Writeoffs	3	2,116
Tax sale	-	-
E.P.T.C. - cash advance	124,297	147,724
<b>Sub-total</b>	<b><u>2,639,638</u></b>	<b><u>2,404,478</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 345,734</u></u></b>	<b><u><u>\$ 608,731</u></u></b>



## ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2022

	2022			2021
	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	72,514
By-Law 17-003	per parcel		43,155	43,155
Dike - By-Law 2017-004	per parcel		-	24,133
W&S Renewals	40,091,910	2.479	112,502	137,604
sub-total - Debt charges			<u>319,542</u>	<u>368,777</u>
Reserves:				
Recreation	40,178,940	1.220	49,018	49,018
Equipment replacement	40,178,940	3.049	122,506	49,018
General	40,178,940	1.220	49,018	49,018
sub-total - Reserves			<u>220,542</u>	<u>147,054</u>
General municipal	40,178,940	22.090	<u>887,552</u>	<u>874,644</u>
Special levies:				
By-Law 2017-011	per parcel		243,492	238,728
Recycle and garbage	per parcel		80,985	78,624
sub-total - Special levies			<u>324,477</u>	<u>317,352</u>
Business tax fee			<u>1,535</u>	<u>1,644</u>
<b>Total municipal taxes (Schedule 2)</b>			<b><u>1,753,648</u></b>	<u>1,709,471</u>
Education support levy	12,117,590	8.713	<u>105,581</u>	<u>107,212</u>
Special levies:				
Southwest Horizon School Division	39,166,940	9.935	<u>389,124</u>	<u>384,629</u>
<b>Total education taxes</b>			<b><u>494,705</u></b>	<u>491,841</u>
<b>Total tax levy (Schedule 11)</b>			<b><u>\$ 2,248,353</u></b>	<b><u>\$ 2,201,312</u></b>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2022

	2022 Actual	2021 Actual
<b>General government services</b>		
Legislative	\$ 84,077	\$ 78,897
General administrative	327,327	261,104
Other	62,125	83,104
	<u>473,529</u>	<u>423,105</u>
<b>Protective services</b>		
Police	149,794	149,794
Fire	66,304	66,304
Emergency measures	205,070	206,358
Other	-	-
	<u>421,168</u>	<u>422,456</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	-	-
Road and street maintenance	526,577	407,949
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	10,399	15,655
Street lighting	39,333	38,853
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>576,309</u>	<u>462,457</u>
<b>Environmental health services</b>		
Waste collection and disposal	52,312	45,901
Recycling	45,919	39,929
Other	-	-
	<u>98,231</u>	<u>85,830</u>
<b>Public health and welfare services</b>		
Public health	8,000	8,000
Medical care	2,500	-
Social assistance	516	516
Other	-	-
	<u>11,016</u>	<u>8,516</u>
<b>Regional planning and development</b>		
Planning and zoning	3,924	17,634
Urban renewal	15,925	29,455
Beautification and land rehabilitation	2,033	2,840
Urban area weed control	96	215
Other	244	36
	<u>22,222</u>	<u>50,180</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	2,000	2,000
Water resources and conservation	-	-
Regional development	36,204	42,643
Industrial development	-	-
Tourism	4,250	26,166
Other	-	185
	<u>42,454</u>	<u>70,994</u>
<b>Sub-totals forward</b>	<u>1,644,929</u>	<u>1,523,538</u>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2022

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Sub-totals forward</b>	<b><u>1,644,929</u></b>	<b><u>1,523,538</u></b>
<b>Recreation and cultural services</b>		
Administration	108,249	15,630
Community centers and halls	46,090	16,915
Swimming pools and beaches	29,191	96,369
Golf courses	5,000	5,000
Skating and curling rinks	25,574	81,912
Parks and playgrounds	73,468	31,112
Other recreational facilities	87,078	86,795
Museums	-	-
Libraries	28,238	36,000
Other cultural facilities	-	-
	<u>402,888</u>	<u>369,733</u>
<b>Total expenses</b>	<b><u>\$ 2,047,817</u></b>	<b><u>\$ 1,893,271</u></b>

TOWN OF MELITA

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2022

	General	2022 Utility	Total	2021 Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 125,951	\$ 62,864	\$ 188,815	\$ 138,617
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate interfund transfers	327,297	(327,297)	-	-
Eliminate expense - transfers to reserves	283,626	20,000	<b>303,626</b>	284,703
Eliminate revenue - transfers from reserves	(235,000)	-	<b>(235,000)</b>	(263,483)
Increase revenue - reserve funds interest	19,517	-	<b>19,517</b>	8,253
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(13,242)	(93,674)	<b>(106,916)</b>	(13,644)
Increase expense - amortization of tangible capital assets	(482,402)	(310,731)	<b>(793,133)</b>	(761,946)
Decrease expense - principal portion of debenture debt	37,757	167,786	<b>205,543</b>	221,898
Eliminate expense - acquisitions of tangible capital assets	225,000	46,715	<b>271,715</b>	769,896
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 288,504</b>	<b>\$ (434,337)</b>	<b>\$ (145,833)</b>	<b>\$ 384,294</b>