

TOWN OF ALTONA

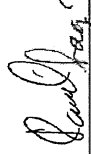
**Consolidated Financial Statements
For the Year Ended December 31, 2020**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Altona 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 Canadian Institute of Chartered Accountants.

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.

Exchange Chartered Professional Accountants LLP as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian 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.



Dan Gagne
Chief Administrative Officer

INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
TOWN OF ALTONA

Opinion

We have audited the accompanying consolidated financial statements of the Town of Altona, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Altona as at December 31, 2020, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2020 in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
August 11, 2021

TOWN OF ALTONA
Consolidated Financial Statements
For the Year Ended December 31, 2020

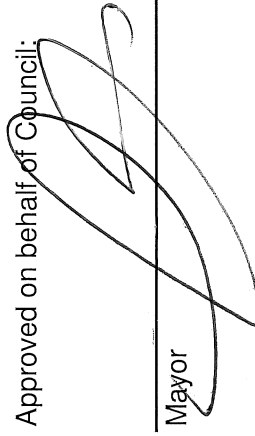
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TOWN OF ALTONA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 4,907,228	\$ 6,755,114
Amounts receivable (Note 4)	1,990,768	1,272,047
Portfolio investments (Note 5)	2,133,268	33
Loans and advances (Note 6)	449,801	469,173
Other inventories for sale (Note 7)	1,028	1,939
Other assets	599	547
	\$ 9,482,692	\$ 8,498,853
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 541,231	\$ 721,841
Landfill closure and post closure liabilities (Note 9)	160,120	146,010
Long-term debt (Note 10)	5,633,805	6,529,042
	6,335,156	7,396,893
	\$ 3,147,536	\$ 1,101,960
NET FINANCIAL ASSETS (DEBT)		
	\$ 38,391,674	\$ 36,381,154
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	271,909	645,183
Inventories (Note 7)	61,233	64,579
Prepaid expenses	38,724,816	37,090,916
	\$ 41,872,352	\$ 38,192,876
ACCUMULATED SURPLUS (Note 15)		
COMMITMENTS (NOTE 11)		

Approved on behalf of Council:

Mayor



Councillor



TOWN OF ALTONA
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	2020 Budget (Note 14)	2020 Actual	2019 Actual
REVENUE			
Property taxes	\$ 4,890,126	\$ 4,985,933	\$ 4,932,534
Grants in lieu of taxation	66,631	66,631	65,562
User fees	1,302,413	1,039,075	1,276,716
Permits, licences and fines	78,257	79,536	53,436
Investment income	161,571	185,032	197,910
Other revenue	107,518	673,193	198,848
Water and sewer	4,163,840	4,201,908	3,082,138
Grants - Province of Manitoba	1,681,348	2,530,034	1,079,700
Grants - other	1,277,984	659,970	578,090
Total revenue (Schedules 2, 4 and 5)	<u>13,729,688</u>	<u>14,421,312</u>	<u>11,464,934</u>
EXPENSES			
General government services	1,254,454	1,067,343	1,060,405
Protective services	1,824,086	1,815,819	1,733,287
Transportation services	1,597,780	1,524,030	1,523,412
Environmental health services	951,615	941,724	856,372
Public health and welfare services	111,096	64,785	75,732
Regional planning and development	101,896	78,335	77,027
Resource conservation and industrial development	478,671	455,569	582,222
Recreation and cultural services	2,197,405	1,785,226	2,113,355
Water and sewer services	3,143,421	3,009,005	2,917,411
Total expenses (Schedules 3, 4 and 5)	<u>11,660,424</u>	<u>10,741,836</u>	<u>10,939,223</u>
ANNUAL SURPLUS	<u>\$ 2,069,264</u>	<u>3,679,476</u>	<u>525,711</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>38,192,876</u>	<u>37,667,165</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 41,872,352</u>	<u>\$ 38,192,876</u>

TOWN OF ALTONA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	2020 Budget (Note 14)	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 2,069,264	\$ 3,679,476	\$ 525,711
Acquisition of tangible capital assets	(5,460,066)	(4,020,597)	(1,527,648)
Amortization of tangible capital assets	1,917,908	2,006,449	2,056,276
Loss (Gain) on sale of tangible capital assets	-	3,629	19,720
Proceeds on sale of tangible capital assets	-	-	31,960
Decrease (increase) in inventories	-	373,274	(360,492)
Decrease (increase) in prepaid expense	-	3,345	(3,178)
	<u>(3,542,158)</u>	<u>(1,633,900)</u>	<u>216,638</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (1,472,894)</u>	2,045,576	742,349
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR		1,101,960	359,611
NET FINANCIAL ASSETS (DEBT), END OF YEAR		<u>\$ 3,147,536</u>	<u>\$ 1,101,960</u>

TOWN OF ALTONA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	\$ 3,679,476	\$ 525,711
Changes in non-cash items:		
Amounts receivable	(718,722)	(64,436)
Other assets	(52)	(20)
Inventories	374,185	(360,565)
Prepays	3,346	(3,178)
Accounts payable and accrued liabilities	(180,610)	218,659
Landfill closure and post closure liabilities	14,109	12,808
Loss (Gain) on sale of tangible capital asset	3,629	19,720
Loss (Gain) on sale of real estate held for sale	-	-
Amortization	2,006,449	2,056,276
Cash provided by operating transactions	5,181,811	2,404,975
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	31,960
Cash used to acquire tangible capital assets	(4,020,597)	(1,527,648)
Cash applied to capital transactions	(4,020,597)	(1,495,688)
INVESTING TRANSACTIONS		
Sale (purchase) of real estate properties	-	-
Purchase of assets for lease	-	-
Loans and advances repaid	-	-
Loans and advances issued	19,372	465,827
Proceeds on redemption (purchase) of portfolio investments	(2,133,235)	-
Repayments under financing agreements	-	-
Cash applied to investing transactions	(2,113,863)	465,827
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(895,237)	(463,242)
Cash provided by (applied to) financing transactions	(895,237)	(463,242)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(1,847,886)	911,872
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	6,755,114	5,843,242
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 4,907,228	\$ 6,755,114

TOWN OF ALTONA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Status of the Town of Altona

The incorporated Town of Altona ("the Town") is a municipal government that was created on October 24, 1956 pursuant to the Manitoba Municipal Act. It was first incorporated as a Village on December 31, 1945. The Town provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The Town owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in public health, economic development and recreation.

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 Canadian Institute of Chartered Professional Accountants and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the 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 controlled organizations include:

Altona Community Development Corporation Inc.

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 on a proportionate consolidation basis whereby the Town's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Altona & District Health Care Centre Inc. (47.40%) (2019 - 47.40%)

Pembina Valley Water Cooperative Inc. (5.56%) (2019 - 5.56%)

South Central Regional Library (12.94%) (2019 - 12.94%)

Rhineland, Plum Coulee, Gretna, Altona Planning District (41.50%) (2019 - 41.50%)

Supporting Entrepreneurs through Economic Development (50%) (2019 - 50%)

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

Trust funds and their related operations administered by the Town are not consolidated in these financial statements. There were no trust funds administered by the Town as of December 31, 2020.

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

d) Investments

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

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

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

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) Non-Financial Assets

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

Real estate properties 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.

h) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize interest 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 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 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.

i) Assets for lease

The Town recognizes income from financing agreements equal to the interest that it pays on the mortgage assumed when the assets for lease were constructed.

j) 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.

k) 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.

l) Measurement Uncertainty

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

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

m) Post-employment Benefits and Compensated Absences

Vacation and long-term service liabilities are accrued to all employees as entitlement to these payments is earned in accordance with the Town's policy.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2020	2019
Cash	<u>\$ 4,907,228</u>	<u>\$ 6,755,114</u>

The Town has designated \$6,138,232 (2019 - \$5,083,813) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Town has arranged a \$1,500,000 line of credit with their financial institution to address any potential shortfall in cash resources as compared to reserves for debt principal repayment and tangible capital acquisitions. The line of credit bears interest at 2.70%, and the full amount of the \$1,500,000 was available for use as at December 31, 2020. (2019 - \$1,500,000)

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2020	2019
Taxes on roll (Schedule 11)	\$ 147,461	\$ 282,962
Government grants	998,546	38,377
Utility customers	523,017	587,593
Organizations and individuals	255,130	334,772
Other governments	70,175	30,115
	<u>1,994,329</u>	<u>1,273,819</u>
Less allowance for doubtful accounts	<u>(3,561)</u>	<u>(1,772)</u>
	<u>\$ 1,990,768</u>	<u>\$ 1,272,047</u>

5. **Portfolio Investments**

	2020	2019
Access Credit Union surplus shares	\$ 33	\$ 33
Guaranteed Investment Certificates - Altona & District Health Care	133,235	-
Guaranteed Investment Certificates - Town	2,000,000	-
	<u>\$ 2,133,268</u>	<u>\$ 33</u>

The Guaranteed Investment Certificates held by the Town mature at April 1, 2021 and January 1, 2024 bear interest at rates of 2.20% and 3.00%, respectively. The Guaranteed Investment Certificates held by the Altona & District Health Care Centre mature May 1, 2021 and January 1, 2024 and bear interest at 2.10% to 3.00%, respectively.

6. **Loans and advances**

Altona Community Development Corporation Inc. (ACDC), a controlled organization of the Town, has issued a loan to a local company with bearing interest at 4.40% with monthly blended payments of \$3,065. The loan matures on May 31, 2028.

7. **Inventories**

Inventories for sale:

	2020	2019
Food and beverages	<u>\$ 1,028</u>	<u>\$ 1,939</u>

Inventories for use:

	2020	2019
Utility chemicals and other materials	\$ 103,788	\$ 109,520
Fuel	3,062	3,419
Public works materials	26,258	25,063
Sand	<u>9,657</u>	<u>8,270</u>
	<u>\$ 142,765</u>	<u>\$ 146,272</u>

Consolidated Entities:

Assets held for resale by the Altona Community Development Corporation, not expected to be sold within one year

\$ 7,667	\$ 6,406
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Assets held for resale by the Altona Community Development Corporation, not expected to be sold within one year

53,482	362,405
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Land held for resale by the Altona Community Development Corporation, not expected to be sold within one year

67,995	130,100
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<u>\$ 129,144</u>	<u>\$ 498,911</u>
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<u>\$ 271,909</u>	<u>\$ 645,183</u>
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8. **Accounts Payable and Accrued Liabilities**

	2020	2019
Accounts payable	\$ 130,473	\$ 313,565
Accrued expenses	9,075	7,955
Vacation and banked time payable	184,950	155,301
Government remittances payable	96,568	58,524
Refundable deposits	1,800	3,950
School levies	36,751	50,149
Other governments	<u>81,614</u>	<u>132,397</u>
	<u>\$ 541,231</u>	<u>\$ 721,841</u>

9. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Town administers a Class 2 landfill site and has a cost-sharing agreement in place with the Rural Municipality of Rhineland. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2020	2019
Estimated closure and post closure costs	\$ 2,308,640	\$ 2,308,640
Discount rate	5.25%	5.25%
Discounted costs	\$ 313,960	\$ 297,980
Expected year capacity will be reached	2059	2059
Capacity in volume:		
Used to date (%)	51	49
Remaining (%)	49	51
Total (%)	100	100
Percent utilized	51%	49%
Liability based on percentage	\$ 160,120	\$ 146,010

b) Closed Landfill Site

Legislation requires the Town to monitor its closed landfill sites. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports. Costs for post closure care for the closed landfill sites cannot be reasonably estimated at this time.

10. Long Term Debt

General Authority:

	2020	2019
Debenture, interest at 6.875%, payable at \$196,303 annually including interest, maturing December 31, 2023	\$ 516,341	\$ 666,802
Debenture, interest at 2.00%, payable at \$158,992 annually including interest, maturing December 31, 2025	749,400	-
Debenture, interest at 3.000%, payable at \$33,905 annually including interest, maturing December 31, 2023	94,089	123,072
Komatsu Financial loan, interest at 0.000%, payable at \$2,951 monthly, maturing October 23, 2021	29,509	64,921
	1,389,339	854,795
Less: Internally funded debentures	(749,400)	-
	\$ 639,939	\$ 854,795
Utility Funds:		
Debenture, interest at 4.950%, payable at \$10,246 monthly including interest, maturing December 31, 2024	\$ 445,371	\$ 543,628
Debenture, interest at 3.940%, payable at \$102,468 annually including interest, maturing December 31, 2035	1,144,072	1,199,288
Debenture, interest at 3.800%, payable at \$79,513 annually including interest, maturing December 31, 2036	940,330	982,507
Debenture, interest at 3.860%, payable at \$115,782 annually including interest, maturing December 31, 2032	1,095,500	1,166,265
	\$ 3,625,273	\$ 3,891,688

Controlled Entities:

Altona Community Development Corporation

Rosenort Credit Union loan bearing interest at 4.550% per annum, repayable in monthly blended payments of \$2,775. The loan was paid out during the year.

\$ - \$ 380,888

449,801
469,173

\$ 449,801 \$ 850,061

Rosenort Credit Union loan bearing interest at 4.400% per annum, repayable in monthly blended payments of \$2,960. The loan matures May 31, 2028 and is secured by property with a net worth of \$850,000.

Consolidated Government Partnerships:

Pembina Valley Water Cooperative Inc.

Canadian Imperial Bank of Commerce demand facility with 30 day Bankers' Acceptances reducing by \$103,368 principal and interest installments per month, with monthly interest payments fixed through interest rate swaps at 3.56% including stamping fee of 0.81% until July 2023, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033. (5.56% of \$12,566,174)

\$ 698,121 \$ 741,342

Canadian Imperial Bank of Commerce demand facility with 30 day Bankers' Acceptances reducing by \$8,077 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate (2.07% at December 31, 2019) plus stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033. (5.56% of \$1,243,889)

69,105 74,490

Canadian Imperial Bank of Commerce revolving demand facility with 30 day bankers' acceptances decreasing by \$15,280 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate (0.47% at December 31, 2020) and stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. (5.56% of \$2,658,320)

147,684 116,666

South Central Regional Library

Canada Emergency Business Account - \$40,000 non-interest bearing until December 31, 2022. Repayment of 75% of the principal on or before December 31, 2022, will result in the remaining balance being forgiven. Beginning January 1, 2023, the loan will bear interest at 5% payable monthly, with the outstanding principal due in full by the maturity date, December 31, 2025. Secured by a government guarantee. Management believes the required repayments will be made and as result has recognized the forgivable portion as income in the current year. (12.94% of \$30,000)

3,882

\$ 918,792 \$ 932,498

\$ 5,633,805 \$ 6,529,042

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

2021	\$ 724,205
2022	\$ 724,207
2023	\$ 755,194
2024	\$ 557,555
2025	\$ 451,089

11. Commitments

a) Pembina Valley Water Cooperative Inc.

Pembina Valley Water Cooperative Inc. has entered into numerous contracts, with expiry dates, with the following cooperative members: The Town of Carman (2021), the City of Winkler (2028) and City of Morden (2023). The contracts with the Town of Carman, the City of Winkler and City of Morden are volume based, identifying the amount of water that each organization must purchase from the Cooperative in any given year.

b) Altona & District Health Care Centre Inc.

The Town has entered into an agreement with the Town of Gretna and Rural Municipalities of Rhineland and Montcalm to jointly fund any annual operating deficit that the Altona & District Health Care Centre Inc. may incur.

c) Rhineland, Plum Coulee, Gretna, Altona Planning District (RPGA)

The Town has entered into an agreement with the Towns of Gretna and Plum Coulee and the Rural Municipality of Rhineland to jointly fund any annual operating deficit incurred by RPGA.

12. 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 Canadian Institute of Chartered Professional Accountants 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 requires 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 the Town on behalf of its employees amounted to \$184,095 (2019 - \$175,523) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2019.

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

13. Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion 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 value of these financial instruments approximates their carrying values.

14. 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 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.

15. Accumulated Surplus

	2020	2019
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus (deficit)	\$ 149,175	\$ 162,463
Utility operating fund(s) - Nominal surplus	1,587,847	1,587,188
TCA net of related borrowings	31,952,213	29,495,169
Reserve funds	6,139,132	5,083,813
Accumulated surplus of municipality unconsolidated	39,828,367	36,328,633
Accumulated surpluses of consolidated entities	2,043,985	1,864,243
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 41,872,352</u>	<u>\$ 38,192,876</u>

16. 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, 2020:

- a) Compensation paid to members of council amounted to \$101,687 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Al Friesen	\$ 20,794	\$ 702	\$ 21,496
Councillor - Glen Robinson	13,162	-	13,162
Councillor - Donna Rosling-Walters	12,326	-	12,326
Councillor - Curt Leitkeman	12,326	-	12,326
Councillor - Joel Pankewich	12,627	-	12,627
Councillor - Harvey Shroeder	13,564	437	14,001
Councillor - Jordan Siemens	15,425	324	15,749
	<u>\$ 100,224</u>	<u>\$ 1,463</u>	<u>\$ 101,687</u>

c) The following officers received compensation in excess of \$75,000:

Name	Position	Amount
Daniel Defer	Police Sergeant	\$ 121,261
Daniel Gagne	Chief Administrative Officer	\$ 117,297
Perry Batchelor	Police Chief	\$ 116,699
Shawn Tarnick	Police Corporal	\$ 101,810
Brendan Funk	Police Constable	\$ 97,926
Mark Legal	Police Constable	\$ 97,120
Anthony Dueck	Police Constable	\$ 95,751
Dustin Giesbrecht	Police Constable	\$ 95,689
Dylan Saindon	Police Constable	\$ 89,904
Terence Fehr	Director of Finance	\$ 88,500
Clint Derksen	Public Works	\$ 85,796
Greg Zimmerman	Fire Chief	\$ 82,326

17. Segmented Information

The Town of Altona 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
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

18. Government Partnerships

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

	2020	2019
Financial Position		
Financial Assets	\$ 466,771	\$ 403,528
Liabilities	<u>(995,637)</u>	<u>(1,103,114)</u>
Net financial assets (liabilities)	\$ <u>(528,866)</u>	\$ <u>(699,586)</u>
Non-financial assets	2,156,618	2,114,455
Accumulated surplus	<u>\$ 1,627,752</u>	<u>\$ 1,414,869</u>
Result of Operations		
Revenues	\$ 873,905	\$ 672,415
Expenses	<u>689,185</u>	<u>635,845</u>
Annual surplus	\$ 184,720	\$ 36,570
Elimination of revenues/expenses upon consolidation	<u>(146,109)</u>	<u>(144,613)</u>
Consolidated annual surplus (deficit)	<u>\$ 38,611</u>	<u>\$ (108,043)</u>

19. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Altona	<u>\$ 4,164,503</u>	<u>\$ -</u>	<u>\$ 103,604</u>	<u>\$ 4,060,899</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Altona	<u>\$ 235,508</u>	<u>\$ 934,812</u>	<u>\$ 22,600</u>	<u>\$ 1,147,720</u>

20. Comparative Figures

Some of the comparative figures have been restated to correspond with current year presentation.

21. Subsequent Events

The following events occurred subsequent to the fiscal year end:

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Municipality continues to maintain operations where possible, while looking out for the needs and safety of the public and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

SCHEDULE 1

TOWN OF ALTONA
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 For the Year Ended December 31, 2020

	2020		2019		
General Capital Assets	Land and Land Improvements	\$ 6,564,328	\$ 12,236,455	\$ 4,459,322	\$ 355,049
	Buildings and Leasehold Improvements	642,727	548,081	395,276	24,075
	Vehicles and Equipment	-	(13,797)	(10,451)	(2,612)
	Computer Hardware and Software	7,207,055	12,770,739	4,844,147	376,512
	Asset Under Construction	-	(400,000)	181,143	19,844,006
	Roads, Streets, and Bridges	642,727	761,987	409,378	761,987
	Water and Sewer	6,564,328	25,223,863	19,082,019	25,223,863
	Assets Under Construction	642,727	1,728,195	409,378	1,728,195
	Totals	\$ 67,041,560	\$ 68,512,830	\$ 67,041,560	\$ 68,512,830
	Infrastructure	Opening costs	\$ 6,564,328	\$ 12,236,455	\$ 4,459,322
Additions during the year		642,727	548,081	395,276	24,075
Disposals and write downs		-	(13,797)	(10,451)	(2,612)
Closing costs		7,207,055	12,770,739	4,844,147	376,512
Accumulated Amortization		1,557,069	5,888,406	2,402,494	282,973
Opening accum'd amortization		270,316	347,860	314,335	28,256
Amortization		270,316	347,860	314,335	28,256
Disposals and write downs		-	(10,851)	(10,137)	(2,609)
Closing accum'd amortization		1,827,385	6,225,415	2,706,692	308,620
Net Book Value of Tangible Capital Assets		\$ 5,379,670	\$ 6,545,324	\$ 2,137,455	\$ 67,892
Totals	Opening costs	\$ 6,564,328	\$ 12,236,455	\$ 4,459,322	\$ 355,049
	Additions during the year	642,727	548,081	395,276	24,075
	Disposals and write downs	-	(13,797)	(10,451)	(2,612)
	Closing costs	7,207,055	12,770,739	4,844,147	376,512
	Accumulated Amortization	1,557,069	5,888,406	2,402,494	282,973
	Opening accum'd amortization	270,316	347,860	314,335	28,256
	Amortization	270,316	347,860	314,335	28,256
	Disposals and write downs	-	(10,851)	(10,137)	(2,609)
	Closing accum'd amortization	1,827,385	6,225,415	2,706,692	308,620
	Net Book Value of Tangible Capital Assets	\$ 5,379,670	\$ 6,545,324	\$ 2,137,455	\$ 67,892

TOWN OF ALTONA

SCHEDULE 2

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 4,872,564	\$ 4,847,126
Taxes added	74,754	46,425
Penalties and interest	38,615	38,983
	<u>4,985,933</u>	<u>4,932,534</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	-	-
Provincial government enterprises	66,631	65,562
Other local governments	-	-
Non-government organizations	-	-
	<u>66,631</u>	<u>65,562</u>
User fees		
Sales of service	522,649	674,099
Sales of goods	32,575	49,250
Rentals	15,244	37,969
Facility use fees	468,607	515,398
	<u>1,039,075</u>	<u>1,276,716</u>
Permits, licences and fines		
Permits	59,257	38,251
Licences	14,035	13,117
Fines	6,244	2,068
	<u>79,536</u>	<u>53,436</u>
Investment income:		
Cash and temporary investments	185,032	197,910
Assets for lease	-	-
Other (specify):	-	-
	<u>185,032</u>	<u>197,910</u>
Other revenue:		
Gain (loss) on sale of real estate held for sale	(4,254)	14,776
Gain (loss) on disposal of tangible capital assets	(3,629)	(19,720)
Contributed assets	-	-
Gain on sale of assets for lease	-	-
Miscellaneous (specify):		
Donations	221,456	189,811
Other	459,620	13,981
	<u>673,193</u>	<u>198,848</u>
Water and sewer		
Municipal utility (Schedule 9)	3,850,280	2,762,221
Consolidated water co-operatives	351,628	319,917
	<u>4,201,908</u>	<u>3,082,138</u>
Grants - Province of Manitoba		
Municipal operating grants	323,769	323,769
Other unconditional grants	581,183	579,171
Conditional grants	1,625,082	176,760
	<u>2,530,034</u>	<u>1,079,700</u>
Grants - other		
Federal government - gas tax funding	226,676	451,810
Federal government - other	-	3,773
Other municipal governments	433,294	122,507
	<u>659,970</u>	<u>578,090</u>
Total revenue	<u>\$ 14,421,312</u>	<u>\$ 11,464,934</u>

TOWN OF ALTONA

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 142,712	\$ 157,234
General administrative	645,721	574,979
Other	278,910	328,192
	<u>1,067,343</u>	<u>1,060,405</u>
Protective services:		
Police	1,274,833	1,198,622
Fire	336,972	346,528
Emergency measures	36,756	35,324
Other	167,258	152,813
	<u>1,815,819</u>	<u>1,733,287</u>
Transportation services:		
Road transport		
Administration and engineering	84,610	77,514
Road and street maintenance	1,242,431	1,267,860
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	100,496	86,845
Street lighting	86,198	83,768
Other	-	-
Brush and grass cutting	-	-
Air transport	3,905	3,330
Other	6,390	4,095
	<u>1,524,030</u>	<u>1,523,412</u>
Environmental health services:		
Waste collection and disposal	552,833	517,442
Recycling	183,884	175,333
Other	205,007	163,597
	<u>941,724</u>	<u>856,372</u>
Public health and welfare services:		
Public health	4,600	4,238
Medical care	52,411	63,720
Social assistance	7,774	7,774
Handi-Van	-	-
	<u>64,785</u>	<u>75,732</u>
Regional planning and development		
Planning and zoning	78,335	77,027
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>78,335</u>	<u>77,027</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	183,175	114,865
Industrial development	272,394	467,357
Tourism	-	-
Other	-	-
	<u>455,569</u>	<u>582,222</u>
Sub-totals forward	<u>\$ 5,947,605</u>	<u>\$ 5,908,457</u>

TOWN OF ALTONA

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
Sub-totals forward	\$ 5,947,605	\$ 5,908,457
Recreation and cultural services:		
Administration	852,285	912,929
Community centers and halls	-	-
Swimming pools and beaches	27,537	242,670
Golf courses	-	-
Skating and curling rinks	428,996	459,210
Parks and playgrounds	259,510	269,477
Other recreational facilities	-	-
Museums	-	-
Libraries	216,898	229,069
Other cultural facilities	-	-
	<u>1,785,226</u>	<u>2,113,355</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	2,755,260	2,654,669
Consolidated water co-operatives	253,745	262,742
	<u>3,009,005</u>	<u>2,917,411</u>
Total expenses	\$ 10,741,836	\$ 10,939,223

SCHEDULE 4

TOWN OF ALTONA

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$4,985,933	\$4,932,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	66,631	65,562	-	-	-	-	-	-	-	-
User fees	181,448	195,487	352,901	368,702	8,376	23,327	301,058	238,642	49,616	27,094
Grants - other	510,047	482,721	-	-	-	-	-	-	-	15,519
Permits, licences and fines	14,035	13,117	6,244	3,676	-	-	-	-	-	-
Investment income	147,225	162,796	-	-	-	-	-	-	-	3,765
Other revenue	366,720	(6,600)	36,555	10,577	1,094	13,222	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	323,769	323,769	473,549	473,549	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	11,338	16,053	1,455,349	19,470	143,821	94,973	-	-
Total revenue	\$6,595,808	\$6,169,386	\$880,587	\$872,557	\$1,464,819	\$56,019	\$444,879	\$333,615	\$49,616	\$46,378
EXPENSES										
Personnel services	\$556,914	\$494,285	\$1,374,208	\$1,311,889	\$446,116	\$462,326	\$162,556	\$150,366	\$ -	\$ -
Contract services	200,018	223,269	147,954	143,823	111,270	103,214	547,910	428,838	22,337	26,907
Utilities	18,722	19,607	48,835	51,747	94,177	93,896	7,025	6,616	3,228	3,610
Maintenance materials and supplies	40,770	23,886	160,908	155,011	291,584	239,538	82,599	152,196	21,131	16,823
Grants and contributions	108,261	116,950	3,018	3,018	-	-	42,967	28,753	16,297	19,748
Amortization	56,798	88,918	74,851	62,023	577,257	614,732	74,765	70,689	1,406	5,890
Interest on long term debt	-	-	-	-	-	6,038	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-
Other	85,860	93,490	6,045	5,776	3,626	3,668	23,902	18,914	386	2,754
Total expenses	\$1,067,343	\$1,060,405	\$1,815,819	\$1,733,287	\$1,524,030	\$1,523,412	\$941,724	\$856,372	\$64,785	\$75,732
Surplus (Deficit)	\$5,528,465	\$5,108,981	\$ (935,232)	\$ (860,730)	\$ (59,211)	\$ (1,467,393)	\$ (496,845)	\$ (522,757)	\$ (15,169)	\$ (29,354)

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

SCHEDULE 4

TOWN OF ALTONA

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,985,933	\$ 4,932,534
Grants in lieu of taxation	-	-	-	-	-	-	-	-	66,631	65,662
User fees	-	-	-	-	-	-	-	-	1,039,075	1,276,716
Grants - other	12,928	13,267	50,000	-	86,995	66,583	-	-	659,970	578,090
Permits, licenses and fines	59,257	36,643	-	-	-	-	-	-	79,536	53,436
Investment income	523	887	37,042	30,387	242	75	-	-	185,032	197,910
Other revenue	-	-	70,663	(11,533)	198,161	193,182	-	-	673,193	198,848
Water and sewer	-	-	-	-	-	3,082,138	-	-	4,201,908	3,082,138
Prov of MB - Unconditional Grants	-	-	-	-	107,634	105,622	-	-	904,952	902,940
Prov of MB - Conditional Grants	3,237	6,474	-	-	11,337	39,790	-	-	1,625,082	176,760
Total revenue	\$ 75,945	\$ 57,271	\$ 157,705	\$ 18,854	\$ 550,045	\$ 828,716	\$ 4,201,908	\$ 3,082,138	\$ 14,421,312	\$ 11,464,934
EXPENSES										
Personnel services	\$ 20,696	\$ 49,356	\$ 28,614	\$ 81,012	\$ 628,437	\$ 863,947	\$ 409,438	\$ 387,104	\$ 3,626,979	\$ 3,800,285
Contract services	52,872	10,943	29,238	35,943	161,036	160,864	1,229,909	1,134,898	2,502,544	2,268,699
Utilities	-	-	2,402	2,388	130,392	183,888	159,947	157,851	464,728	519,603
Maintenance materials and supplies	-	-	9,627	14,694	177,728	208,958	331,940	348,218	1,116,287	1,159,324
Grants and contributions	4,750	16,723	122,607	57,030	50,311	48,294	1,294	1,514	349,505	292,030
Amortization	-	-	8,672	7,972	540,262	542,096	672,438	663,956	2,006,449	2,056,276
Interest on long term debt	-	-	19,941	44,252	50,766	55,521	182,892	194,529	253,599	300,340
Bad debts	-	-	-	11,444	-	-	-	-	-	11,444
Other	17	5	234,468	327,487	46,294	49,787	21,147	29,341	421,745	531,222
Total expenses	\$ 78,335	\$ 77,027	\$ 455,569	\$ 582,222	\$ 1,785,226	\$ 2,113,355	\$ 3,009,005	\$ 2,917,411	\$ 10,741,836	\$ 10,939,223
Surplus (Deficit)	\$ (2,390)	\$ (19,756)	\$ (297,864)	\$ (563,368)	\$ (1,235,181)	\$ (1,284,639)	\$ 1,192,903	\$ 164,727	\$ 3,679,476	\$ 525,711

SCHEDULE 5

DRAFT

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2020

	2020	2019	2020	2019	2020	2019	2020	2019
	Government	Partnerships	Controlled Entities	Government	Total	Government	Partnerships	Total
REVENUE								
Property taxes	\$ 4,985,933	\$ -	\$ -	\$ -	\$ 4,985,933	\$ 4,932,534	\$ -	\$ 4,932,534
Grants in lieu of taxation	66,631	-	-	-	66,631	65,562	-	65,562
User fees	1,029,089	9,934	9,986	-	1,039,075	1,266,782	9,934	1,276,716
Grants - other	496,884	95,369	163,086	-	659,970	482,721	95,369	578,090
Permits, licences and fines	20,279	36,643	59,257	-	79,536	16,793	36,643	53,436
Investment income	143,461	4,727	4,529	30,387	185,032	162,796	4,727	197,910
Other revenue	595,675	(1,091)	71,091	(9,733)	673,193	209,672	(1,091)	198,848
Water and sewer	3,840,248	319,917	361,660	-	4,201,908	2,762,221	319,917	3,082,138
Prov of MB - Unconditional Grants	849,964	55,622	54,988	-	904,952	847,318	55,622	902,940
Prov of MB - Conditional Grants	1,621,845	6,474	3,237	-	1,625,082	170,286	6,474	176,760
Total revenue	\$ 13,650,009	\$ 527,595	\$ 727,834	\$ 20,654	\$ 14,421,312	\$ 10,916,685	\$ 527,595	\$ 11,464,934
EXPENSES								
Personnel services	\$ 3,386,031	\$ 264,071	\$ 240,948	\$ 328	\$ 3,626,979	\$ 3,535,886	\$ 264,071	\$ 3,800,285
Contract services	2,373,391	76,226	120,183	17,438	2,502,544	2,175,035	76,226	2,268,699
Utilities	433,662	32,729	31,066	-	464,728	486,874	32,729	519,603
Maintenance materials and supplies	1,007,069	119,179	108,619	9,059	1,116,287	1,031,086	119,179	1,159,324
Grants and contributions	299,360	8,544	50,145	-	349,505	283,486	8,544	292,030
Amortization	1,917,704	84,153	80,073	7,972	2,006,449	1,964,151	84,153	2,056,276
Interest on long term debt	205,071	29,221	28,587	44,252	253,599	226,867	29,221	300,340
Bad debts	-	-	-	11,444	-	-	-	11,444
Other	181,917	21,515	29,602	310,520	421,745	199,187	21,515	531,222
Total expenses	\$ 9,804,205	\$ 635,638	\$ 689,223	\$ 401,013	\$ 10,741,836	\$ 9,902,572	\$ 635,638	\$ 10,939,223
Surplus (Deficit)	\$ 3,845,804	\$ (108,043)	\$ 38,611	\$ (380,359)	\$ 3,679,476	\$ 1,014,113	\$ (108,043)	\$ 525,711

TOWN OF ALTONA

SCHEDULE 7

SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.

For the Year Ended December 31, 2020

	2020 Budget	2020 Actual	2019 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 revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year	-	-	-
Unexpended balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ALTONA

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

As at December 31, 2020

	2020	2019
		Total
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	1,457,829	587,593
Portfolio investments	-	-
Due from other funds	26,230	890,075
	<u>\$ 1,484,059</u>	<u>\$ 1,477,668</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	-	-
Long-term debt (Note 10)	3,625,273	3,891,688
Due to other funds	-	-
	<u>3,625,273</u>	<u>3,891,688</u>
	<u>\$ (2,141,214)</u>	<u>\$ (2,414,020)</u>
NET DEBT		
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 18,178,782	\$ 17,063,836
Inventories	103,788	109,520
Prepaid expenses	-	-
	<u>18,282,570</u>	<u>17,173,356</u>
FUND SURPLUS	<u>\$ 16,141,356</u>	<u>\$ 14,759,336</u>

TOWN OF ALTONA
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2020

SCHEDULE 9

	Budget	2020	2019
REVENUE			
Water			
Water fees	\$ 1,774,000	\$ 1,815,258	\$ 1,775,977
Bulk Water fees	4,000	10,375	10,339
sub-total- water	<u>1,778,000</u>	<u>1,825,633</u>	<u>1,786,316</u>
Sewer			
Sewer fees	1,006,000	1,004,145	900,992
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>1,006,000</u>	<u>1,004,145</u>	<u>900,992</u>
Property taxes	-	-	-
Government transfers			
Operating	-	-	-
Capital	970,880	934,812	15,237
sub-total- government transfers	<u>970,880</u>	<u>934,812</u>	<u>15,237</u>
Other			
Hydrant rentals	27,300	27,300	27,300
Connection charges	2,000	25,800	8,350
Installation service	-	-	-
Penalties	6,000	8,663	10,025
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Dedication Fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	12,000	23,927	14,001
sub-total- other	<u>47,300</u>	<u>85,690</u>	<u>59,676</u>
Total revenue	\$ 3,802,180	\$ 3,850,280	\$ 2,762,221

TOWN OF ALTONA
 SCHEDULE OF UTILITY OPERATIONS (cont'd...)
 For the Year Ended December 31, 2020

SCHEDULE 9

	Budget	2020	2019
EXPENSES			
General			
Administration	\$ 268,505	\$ 209,728	\$ 204,730
Training costs	-	4,187	3,983
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>268,505</u>	<u>213,915</u>	<u>208,713</u>
Water General			
Purification and treatment	130,500	100,817	111,927
Water purchases	1,145,000	1,169,211	1,113,944
Transmission and distribution	75,600	70,026	46,270
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Other water supply costs	-	-	-
sub-total- water general	<u>1,351,100</u>	<u>1,340,054</u>	<u>1,272,141</u>
Water Amortization & Interest			
Amortization	-	63,965	69,517
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>63,965</u>	<u>69,517</u>
Sewer General			
Collection system costs	56,600	94,545	47,697
Treatment and disposal cost	292,700	284,518	289,470
Lift Station costs	95,600	77,018	83,944
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>444,900</u>	<u>456,081</u>	<u>421,111</u>
Sewage Amortization & Interest			
Amortization	-	526,940	517,879
Interest on long term debt	420,720	154,305	165,308
sub-total- sewer amortization & interest	<u>420,720</u>	<u>681,245</u>	<u>683,187</u>
Total expenses	<u>2,485,225</u>	<u>2,755,260</u>	<u>2,654,669</u>
NET OPERATING SURPLUS (DEFICIT)	1,316,955	1,095,020	107,552
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers to capital fund	(1,990,653)	-	-
Transfers from (to) reserve funds	733,774	287,000	(210,781)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 60,076</u>	<u>1,382,020</u>	<u>(103,229)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>14,759,336</u>	<u>14,862,565</u>
FUND SURPLUS, END OF YEAR		<u>\$ 16,141,356</u>	<u>\$ 14,759,336</u>

SCHEDULE 10

TOWN OF ALTONA
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 4,890,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,890,126
Grants in lieu of taxation	66,631	-	-	-	-	-	66,631
User fees	1,292,527	-	-	-	-	-	1,302,413
Permits, licences and fines	19,000	-	-	-	-	-	78,257
Investment income	120,000	-	-	-	-	-	161,571
Other revenue	30,000	-	-	-	-	-	107,518
Water and sewer	-	3,802,180	-	-	-	-	4,163,840
Grants - Province of Manitoba	1,623,123	-	-	-	-	-	1,681,348
Grants - other	1,114,898	-	-	-	-	-	1,277,984
Transfers from reserves	1,245,414	733,774	-	-	(1,979,188)	-	-
Total revenue	\$ 10,401,719	\$ 4,535,954	\$ -	\$ -	\$ (1,979,188)	\$ 771,203	\$ 13,729,688
EXPENSES							
General government services	\$ 900,395	\$ -	\$ 56,798	\$ -	\$ 48,853	\$ 248,408	\$ 1,254,454
Protective services	1,749,235	-	74,851	-	-	-	1,824,086
Transportation services	1,015,600	-	577,257	4,923	-	-	1,597,780
Environmental health services	876,850	-	74,765	-	-	-	951,615
Public health and welfare services	80,610	-	-	-	-	30,486	111,096
Regional planning and development	28,300	-	-	-	-	73,596	101,896
Resource conservation and industrial development	359,600	-	-	-	-	119,071	478,671
Recreation and cultural services	1,475,855	-	538,359	45,843	-	137,348	2,197,405
Water and sewer services	-	2,064,505	595,878	154,306	-	328,732	3,143,421
Fiscal services:							
Transfer to capital	3,469,213	1,990,653	-	-	(5,459,866)	-	-
Transfer to utility	-	-	-	-	-	-	-
Debt charges	230,208	420,720	-	(650,928)	-	-	-
Short term interest	60,000	-	-	-	(60,000)	-	-
Transfer to reserves	107,000	-	-	-	(107,000)	-	-
Allowance for tax assets	48,853	-	-	-	(48,853)	-	-
Total expenses	\$ 10,401,719	\$ 4,475,878	\$ 1,917,908	\$ 445,856	\$ 3,647,678	\$ (166,438)	\$ 2,069,264
Surplus (Deficit)	\$ -	\$ 60,076	\$ (1,917,908)	\$ 445,856	\$ 3,647,678	\$ (166,438)	\$ 2,069,264

TOWN OF ALTONA
 ANALYSIS OF TAXES ON ROLL
 For the Year Ended December 31, 2020

SCHEDULE 11

	2020	2019
Balance, beginning of year		
Add:		
Tax levy (Schedule 12)	8,077,697	8,093,215
Taxes added	74,754	46,425
Penalties or interest	38,615	38,983
Other accounts added	65,017	77,706
Taxes overpaid	-	-
Sub-total	8,256,083	8,256,329
Deduct:		
Cash collections - current	7,183,792	7,173,996
Cash collections - arrears	223,663	159,862
Cash collections - future	116,858	-
Write-offs	-	-
Tax discounts	48,853	47,808
M.P.T.C. - cash advance	818,418	801,793
Sub-total	8,391,584	8,183,459
Balance, end of year	\$ 147,461	\$ 282,962

TOWN OF ALTONA
 ANALYSIS OF TAX LEVY
 For the Year Ended December 31, 2020

SCHEDULE 12

	2020		2019	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage			\$ -	\$ -
Local improvement	229,913,490	0.87	200,025	195,996
At large	204,557,010	0.17	34,775	34,685
sub-total- Debt charges			<u>234,799</u>	<u>230,681</u>
Deferred surplus	-	-	-	-
Reserves:				
Machinery	204,557,010	0.33	67,504	98,275
General	-	-	-	-
Building	204,557,010	0.20	40,911	117,545
sub-total- Reserves			<u>108,415</u>	<u>215,820</u>
General municipal	204,557,010	11.82	2,417,864	2,337,402
Special levies:				
B/L 1570 - Scavenging			-	-
B/L 1571 - Health Levy	229,913,490	0.19	43,684	38,768
B/L 1622 - Protective Services	229,913,490	6.20	1,425,464	1,389,201
B/L 1744 - Solid Waste Collection	220,427,410		414,360	402,305
sub-total- Special levies			<u>1,883,507</u>	<u>1,830,275</u>
Business tax (3%) and fees	7,554,700	3.00	227,978	232,948
Total municipal taxes (Schedule 2)			<u>4,872,564</u>	<u>4,847,126</u>
Education support levy	59,648,120	8.830	526,693	546,853
Special levies:				
Border Land	194,512,750	13.770	2,678,441	2,699,236
sub-total- Special levies			<u>2,678,441</u>	<u>2,699,236</u>
Total education taxes			<u>3,205,133</u>	<u>3,246,089</u>
Total tax levy			<u>\$ 8,077,697</u>	<u>\$ 8,093,215</u>

TOWN OF ALTONA

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 142,712	\$ 157,234
General administrative	645,721	574,979
Other	278,910	328,192
	<u>1,067,343</u>	<u>1,060,405</u>
Protective services:		
Police	1,274,833	1,198,622
Fire	336,972	346,528
Emergency measures	36,756	35,324
Other	167,258	152,813
	<u>1,815,819</u>	<u>1,733,287</u>
Transportation services:		
Road transport		
Administration and engineering	84,610	77,514
Road and street maintenance	1,242,431	1,267,860
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	100,496	86,845
Street lighting	86,198	83,768
Other	-	-
Brush and Grass Cutting	-	-
Air transport	3,905	3,330
Other	6,390	4,095
	<u>1,524,030</u>	<u>1,523,412</u>
Environmental health services:		
Waste collection and disposal	552,833	517,442
Recycling	183,884	175,333
Other	205,007	163,597
	<u>941,724</u>	<u>856,372</u>
Public health and welfare services:		
Public health	4,600	4,238
Medical care	41,249	41,206
Social assistance	7,774	7,774
Handi-Van	-	-
	<u>53,623</u>	<u>53,218</u>
Regional planning and development		
Planning and zoning	13,699	26,923
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>13,699</u>	<u>26,923</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	114,106	102,106
Industrial development	223,986	347,036
Tourism	-	-
Other	-	-
	<u>338,092</u>	<u>449,142</u>
Sub-totals forward	<u>\$ 5,754,330</u>	<u>\$ 5,702,759</u>

TOWN OF ALTONA

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
Sub-totals forward	\$ 5,754,330	\$ 5,702,759
Recreation and cultural services:		
Administration	852,285	912,929
Community centers and halls	-	-
Swimming pools and beaches	27,537	242,670
Golf courses	-	-
Skating and curling rinks	428,996	459,210
Parks and playgrounds	259,510	269,477
Other recreational facilities	-	-
Museums	-	-
Libraries	87,029	87,607
Other cultural facilities	-	-
	<u>1,655,357</u>	<u>1,971,893</u>
Total expenses	\$ 7,409,687	\$ 7,674,652

SCHEDULE 14

**TOWN OF ALTONA
RECONCILIATION OF ANNUAL SURPLUS - Unaudited
December 31, 2020**

		MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT			
		2020		2019	
		General	Utility	Total	Total
		\$	\$	\$	\$
Adjustments for reporting under public sector accounting standards					
Eliminate expense - transfers to reserves		2,991,584	-	2,991,584	1,391,811
Eliminate revenue - transfers from reserves		(1,700,803)	(287,000)	(1,987,803)	(591,762)
Increase revenue - reserve funds interest		45,238	-	45,238	65,254
Increase revenue - reserve funds other income		6,300	-	6,300	36,458
Increase expense - reserve funds other expenses		-	-	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities		(166,328)	-	(166,328)	(488,402)
Decrease expense - elimination of contribution to consolidating entities		346,069	-	346,069	425,305
Increase expense - landfill liability expense		(14,109)	-	(14,109)	(12,808)
Increase expense - amortization of tangible capital assets		(1,326,799)	(590,905)	(1,917,704)	(1,964,151)
Increase (Decrease) revenue - gain (loss) on disposal of tangible capital assets		-	-	-	(19,720)
Decrease revenue on disposal of tangible capital assets		-	-	-	(31,960)
Decrease expense - principal portion of debenture debt		214,854	266,415	481,269	450,620
Eliminate expense - acquisitions of tangible capital assets		2,187,629	1,705,850	3,893,479	1,252,068
Eliminate revenue - proceeds from issuance of debentures		-	-	-	-
Eliminate revenue - proceeds from debentures related to capital assets		-	-	-	-
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS		\$ 2,584,456	\$ 1,095,020	\$ 3,679,476	\$ 525,711