

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022



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MUNICIPALITY OF HARRISON PARK
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Municipality of Harrison Park:

The Municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the consolidated financial statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

Council is composed of elected officials who are not employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities. Council fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. Council is also responsible for recommending the appointment of the Municipality's external auditors.

Sensus Chartered Professional Accountants Ltd., an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

Ian Drul
Reeve



INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Municipality of Harrison Park
Onanole, Manitoba

Opinion

We have audited the accompanying consolidated financial statements of the Municipality of Harrison Park, which comprise of the statement of financial position as at December 31, 2022 and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, 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 Municipality of Harrison Park as at December 31, 2022, and its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Municipality of Harrison Park 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 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 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 Municipality of Harrison Park'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 Municipality of Harrison Park or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality of Harrison Park's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality of Harrison Park'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 Municipality of Harrison Park'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 Municipality of Harrison Park 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 group 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 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.

Brandon, Manitoba
December 13, 2023



 Chartered Professional Accountants Ltd.

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash (Note 3)	\$ 9,778,297	\$ 9,963,816
Amounts receivable (Note 4)	975,039	989,590
	10,753,336	10,953,406
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	787,826	427,530
Severance and sick leave payable	43,576	39,604
Deferred revenue (Note 2)	55,554	51,606
Landfill closure and post closure liabilities (Note 7)	11,504	10,574
Long-term debt (Note 8)	1,006,770	1,102,645
	1,905,230	1,631,959
NET FINANCIAL ASSETS	8,848,106	9,321,447
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	14,005,929	12,394,605
Inventories (Note 5)	39,134	34,658
Prepaid expenses	39,262	24,848
Real estate properties held for sale (Note 2)	26,869	26,869
	14,111,194	12,480,980
ACCUMULATED SURPLUS (Note 15)	\$ 22,959,300	\$ 21,802,427
COMMITMENTS (Note 10)		

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual
REVENUE			
Property taxes	\$ 3,704,023	\$ 3,717,341	\$ 3,619,174
Grants in lieu of taxation	37,591	37,591	36,411
User fees	327,222	364,314	337,545
Permits, licences and fines	20,000	31,504	1,400
Investment income	60,000	313,635	125,915
Other revenue	35,000	155,112	92,713
Water and sewer	825,300	669,945	704,112
Grants - Province of Manitoba	591,164	621,698	610,634
Grants - Other	106,730	101,573	204,543
Total revenue (Schedules 2, 4 and 5)	<u>5,707,030</u>	<u>6,012,713</u>	<u>5,732,447</u>
EXPENSES			
General government services	792,571	969,659	821,254
Protective services	345,072	341,750	369,807
Transportation services	2,311,883	2,084,398	1,957,242
Environmental health services	381,791	337,113	349,609
Public health and welfare services	22,200	18,118	13,666
Regional planning and development	184,687	174,649	108,352
Resource conservation and industrial development	47,851	44,742	54,046
Recreation and cultural services	181,404	145,996	191,579
Water and sewer services	767,397	739,415	731,574
Total expenses (Schedules 3, 4 and 5)	<u>5,034,856</u>	<u>4,855,840</u>	<u>4,597,129</u>
ANNUAL SURPLUS	<u>\$ 672,174</u>	<u>1,156,873</u>	<u>1,135,318</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>21,802,427</u>	<u>20,667,109</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 22,959,300</u>	<u>\$ 21,802,427</u>

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the year ended December 31, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual
ANNUAL SURPLUS	\$ 672,174	\$ 1,156,873	\$ 1,135,318
Acquisition of tangible capital assets	(7,076,399)	(2,403,927)	(345,446)
Amortization of tangible capital assets	607,938	607,938	600,199
Write down of tangible capital assets			29,983
Gain on sale of tangible capital assets		(2,335)	(13,627)
Proceeds on sale of tangible capital assets		187,000	78,130
Increase in inventories		(4,476)	(9,437)
Decrease (increase) in prepaid expenses		(14,414)	692
	(6,468,461)	(1,630,214)	340,494
CHANGE IN NET FINANCIAL ASSETS	\$ (5,796,287)	(473,341)	1,475,812
NET FINANCIAL ASSETS, BEGINNING OF YEAR		9,321,447	7,845,635
NET FINANCIAL ASSETS, END OF YEAR		\$ 8,848,106	\$ 9,321,447

MUNICIPALITY OF HARRISON PARK
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	2022	2021
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,156,873	\$ 1,135,318
Changes in non-cash items:		
Amounts receivable	14,551	(93,466)
Inventories	(4,476)	(9,437)
Prepays	(14,414)	692
Accounts payable and accrued liabilities	360,296	(209,189)
Deferred revenue	3,948	72
Severance and sick leave payable	3,972	(8,932)
Landfill closure and post closure liabilities	930	861
Gain on sale of tangible capital assets	(2,335)	(13,627)
Write down of tangible capital assets		29,983
Amortization	607,938	600,199
Cash provided by operating transactions	<u>2,127,283</u>	<u>1,432,474</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	187,000	78,130
Cash used to acquire tangible capital assets	(2,403,927)	(345,446)
Cash applied to capital transactions	<u>(2,216,927)</u>	<u>(267,316)</u>
FINANCING TRANSACTIONS		
Debt repayment	(95,875)	(92,114)
Cash applied to financing transactions	<u>(95,875)</u>	<u>(92,114)</u>
INCREASE (DECREASE) IN CASH	<u>(185,519)</u>	<u>1,073,044</u>
CASH, BEGINNING OF YEAR	<u>9,963,816</u>	<u>8,890,772</u>
CASH, END OF YEAR	<u>\$ 9,778,297</u>	<u>\$ 9,963,816</u>

MUNICIPALITY OF HARRISON PARK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

1. STATUS OF THE MUNICIPALITY OF HARRISON PARK

The incorporated Municipality of Harrison Park (“the Municipality”) is a Municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The Municipality of Harrison Park reflects the amalgamation of the former Rural Municipality of Harrison and Rural Municipality of Park. The Municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The Municipality owns three utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SUMMARY OF 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:

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 Municipality. 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 Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. The Municipality has no controlled organizations.

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality'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:

South Mountain Waste Management Group - 33.33% (2021 - 33.33%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Note 16.

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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Temporary Investments

Cash and temporary investments include cash and temporary investments which comprise term deposits and guaranteed investment certificates.

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.

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.

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.

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Municipality 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 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 Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, stipulation 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 stipulation an equivalent amount of revenue is recognized as the liability is settled.

Deferred Revenue

Deferred 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.

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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Changes in Accounting Standards

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these financial statements. These standards will come into effect as follows:

- PS 3450 Financial Instruments (effective January 1, 2023) defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
- PS 2601 Foreign Currency Translation (effective January 1, 2023) replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
- PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3280 Asset Retirement Obligations (effective January 1, 2023) defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.
- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Municipality is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. CASH

Cash is comprised of the following:

	2022	2021
Cash	\$ 9,778,297	\$ 9,963,816

The Municipality has designated \$4,264,986 (2021 - \$4,947,323) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2022	2021
Taxes on roll (Schedule 11)	\$ 476,602	\$ 432,981
Other governments	297,217	148,207
Utility customers (Schedule 8)	100,035	226,731
Organizations and individuals	101,185	181,671
	<u>\$ 975,039</u>	<u>\$ 989,590</u>

5. INVENTORIES

	2022	2021
Inventories for use:		
Fuel	\$ 20,408	\$ 11,904
Culverts	12,289	20,804
Sand mix	4,487	
Beaver levelers	1,950	1,950
	<u>\$ 39,134</u>	<u>\$ 34,658</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accounts payable	\$ 485,946	\$ 184,069
School levies	182,691	150,268
Accrued expenses	103,267	93,193
Government remittances	15,922	
	<u>\$ 787,826</u>	<u>\$ 427,530</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

The Municipality is currently operating a Class 3 landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2022	2021
Estimated closure and post closure costs over the next 86 years	\$ 5,533,283	\$ 5,533,283
Discount rate	6.00 %	6.00 %
Discount costs	36,870	34,783
Expected year capacity will be reached	2108	2108
Acres:		
Used to date	7.8	7.6
Remaining	17.4	17.4
Total	25	25
Percent utilized	31.20 %	30.40 %
Liability based on percentage	\$ 11,504	\$ 10,574

8. LONG TERM DEBT

	2022	2021
Utility Funds		
Debenture, payable at \$132,490 annually including interest at 3.980%, maturing December 2031.	\$ 986,002	\$ 1,075,679
Debenture, payable at \$7,715 annually including interest at 5.625%, maturing December 2025.	20,768	26,966
	\$ 1,006,770	\$ 1,102,645

Principal payments due in the next five years are as follows:

2023	\$	99,794
2024		103,874
2025		108,121
2026		104,829
2027		109,001
	\$	<u>525,619</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

9. OBLIGATION UNDER OPERATING LEASE

In 2021, the Municipality entered into a three year lease agreement with Caterpillar Financial Services Limited to lease a 2021 CAT motor grader with an annual payment of \$76,807 including taxes, expiring January 2024. The first lease payment was in January 2021 with the last payment being in January 2023.

10. COMMITMENTS

The Municipality has established financial assistance program for the Onanole & District Recreation Corporation through the passing of By-law No. 87. The amount of the assistance is not to exceed \$250,000 or a maximum of \$50,000 per year for a period of 5 years commencing in the 2021 year and ending December 31, 2025. As of the financial statement date, \$50,000 was granted to the Corporation.

Furthermore, the Municipality is committed to the construction of a new Fire Hall in Onanole with an estimated construction cost of \$1,487,593. As of the financial statement date, \$84,339 had been spent on the project with an additional \$857,834 spent subsequent to year end. The project is expected to be completed in 2023 or 2024.

Lastly, a resolution was passed by the Council on September 9, 2019 to support the following projects:

Deer Road Water Project - the municipality has applied for a grant funding under the Investing in Canada Infrastructure Program - Green Infrastructure Stream. The funding application is still pending but the Municipality commits to provide its share of \$386,770 towards the project. As of financial statement date, nothing had been spent on the project.

Mooswa Drive Water Project - the Municipality has applied for a grant funding under the Investing in Canada Infrastructure Program - Green Infrastructure Stream. The funding application is still pending but the municipality commits to provide its share of \$560,513 towards the project. As of financial statement date, \$361,838 had been spent on the project. In addition, the Municipality has entered into an agreement with Parks Canada in which Parks Canada will reimburse the Municipality \$60,760 of the costs related to this project.

11. FINANCIAL INSTRUMENTS

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality 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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

12. 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 2.0% 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 the Municipality on behalf of its employees amounted to \$72,794 (2021 - \$72,592) 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, 2021 indicated the plan was 101.4% funded on a going concern basis and has an unfunded solvency liability of \$249 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 requirements. As a result, solvency funding is no longer required by MEPP.

13. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality 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.

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

14. 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 Municipality. For the year ended December 31, 2022:

- a) There were no members of council receiving compensation in excess of \$75,000 individually.
- b) Compensation paid to members of council amounted to \$78,069 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Ian Drul	\$ 11,840	\$ 1,342	\$ 13,182
Jeremy Andreychuk	11,280	1,125	12,405
Jason Potter	11,000		11,000
Wayne Shewchuk	9,790	567	10,357
Wade Skolney	10,250	95	10,345
Craig Atkinson	9,879	42	9,921
Larry Spitula	9,790		9,790
Gloria Campbell	1,080	448	1,528
Steve Langston	1,300		1,300
Taresa Kowalick	1,010	218	1,228
Barry Skrudland	850		850
	<u>\$ 78,069</u>	<u>\$ 3,837</u>	<u>\$ 81,906</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Chad Davies	CAO	\$ 109,045

15. ACCUMULATED SURPLUS

	2022	2021
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 5,376,073	\$ 5,148,875
Utility Operating Fund(s) - Nominal Surplus	315,967	416,487
TCA net of related borrowings	12,999,159	11,291,960
Reserve Funds	4,264,986	4,947,323
Accumulated Surplus of Municipality Unconsolidated	<u>22,956,185</u>	21,804,645
Accumulated Surplus (Deficit) of Consolidated Entities	<u>3,115</u>	(2,218)
Accumulated Surplus per Consolidated Statement of Financial Position	<u>\$ 22,959,300</u>	<u>\$ 21,802,427</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

16. TRUST FUNDS

The Municipality administers the following trust that are not consolidated in these financial statements:

	Balance, beginning of year	Excess (deficiency) of receipts over disbursements	Balance, end of year
	<u> </u>	<u> </u>	<u> </u>
Sandy Lake Demchuk Trust	\$	\$	\$
Jackfish Cemetery	7,060	(1,040)	6,020
Rackham Cemetery	9,211	94	9,305
Newdale Cemetery	2,016	(1,884)	132
	<u>\$ 18,287</u>	<u>\$ (2,830)</u>	<u>\$ 15,457</u>

17. SEGMENTED INFORMATION

The Municipality of Harrison Park provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource 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

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

18. PUBLIC UTILITIES BOARD

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

For information purposes, the 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 asset.

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Sandy Lake	\$ 277,881		\$ 14,045	\$ 263,836
Onanole	3,221,342	99,898	75,706	3,245,534
	<u>\$ 3,499,223</u>	<u>\$ 99,898</u>	<u>\$ 89,751</u>	<u>\$ 3,509,370</u>

Sewer services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Sandy Lake	\$ 193,127		\$ 6,062	\$ 187,065
Newdale	21,012		2,084	18,928
	<u>\$ 214,139</u>		<u>\$ 8,146</u>	<u>\$ 205,993</u>

MUNICIPALITY OF HARRISON PARK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

19. 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. The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2022	2021
Financial Position		
Financial assets	\$ 8,135	\$ 3,083
Liabilities	5,020	5,301
Net financial assets (debt)	<u>3,115</u>	<u>(2,218)</u>
Non-financial assets		
Accumulated surplus (deficit)	<u>\$ 3,115</u>	<u>\$ (2,218)</u>
Result of Operations		
Revenues	\$ 15,235	\$ 14,574
Expenses	15,060	19,145
Intercompany revenue and expense eliminations	<u>5,158</u>	<u>5,158</u>
Annual surplus	<u>\$ 5,333</u>	<u>\$ 587</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2022

Cost	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2022	2021
Opening costs	\$ 1,003,320	682,384	4,065,674	73,403	54,884	12,554,377	9,258,462	39,343	\$ 27,731,847	\$ 27,587,912
Additions during the year	11,767	644,801	311,399	1,183	33,796	887,937	180,050	332,994	2,403,927	345,446
Disposals and write downs			(257,871)						(257,871)	(201,511)
Transfers		4,340			(4,340)		10,500	(10,500)		
Closing costs	1,015,087	1,331,525	4,119,202	74,586	84,340	13,442,314	9,449,012	361,837	29,877,903	27,731,847
Accumulated Amortization										
Opening accum'd amortization	251,392	471,013	1,731,406	46,251		11,201,050	1,636,130		15,337,242	14,844,068
Amortization	16,729	30,329	263,632	9,446		83,234	204,568		607,938	600,199
Disposals and write downs			(73,206)						(73,206)	(107,025)
Closing accum'd amortization	268,121	501,342	1,921,832	55,697		11,284,284	1,840,698		15,871,974	15,337,242
Net Book Value of Tangible Capital Assets	\$ 746,966	830,183	2,197,370	18,889	84,340	2,158,030	7,608,314	361,837	\$ 14,005,929	\$ 12,394,605

Water and sewer underground networks contributed to the Municipality totals \$6,561,799 and were capitalized at their fair value at the time of their receipt.

The Municipality has 740 km of roads that were capitalized at a nominal value of \$8,588,460.

MUNICIPALITY OF HARRISON PARK
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
For the year ended December 31, 2022

	2022 Actual	2021 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,665,861	\$ 3,558,949
Taxes added	51,480	60,225
	<u>3,717,341</u>	<u>3,619,174</u>
Grants in lieu of taxation:	<u>37,591</u>	36,411
User fees:		
Sales of service	360,229	331,994
Sales of goods		1,910
Rentals	4,085	3,641
	<u>364,314</u>	<u>337,545</u>
Permits, licences and fines:		
Permits	18,525	1,400
Licences	12,854	
Fines	125	
	<u>31,504</u>	<u>1,400</u>
Investment income:		
Cash and temporary investments	<u>313,635</u>	125,915
Other revenue:		
Gain on sale of tangible capital assets	2,335	14,550
Penalties and interest	33,931	37,446
Miscellaneous	118,846	40,717
	<u>155,112</u>	<u>92,713</u>
Water and sewer		
Municipal utility	<u>669,945</u>	704,112
Grants - Province of Manitoba:		
Municipal operating grants	209,264	200,668
Other unconditional grants	3,580	3,904
Conditional grants	408,854	406,062
	<u>621,698</u>	<u>610,634</u>
Sub-total	<u>\$ 5,911,140</u>	<u>\$ 5,527,904</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)
For the year ended December 31, 2022

	2022	2021
	Actual	Actual
Sub-total (Carry forward)	\$ 5,911,140	\$ 5,527,904
Grants - other:		
Federal government - gas tax funding	91,258	178,549
Other municipal governments	10,315	25,994
	101,573	204,543
Total revenue	\$ 6,012,713	\$ 5,732,447

MUNICIPALITY OF HARRISON PARK
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended December 31, 2022

	2022 Actual	2021 Actual
General government services:		
Legislative	\$ 118,409	\$ 97,348
General administrative	823,851	703,823
Other	27,399	20,083
	<u>969,659</u>	<u>821,254</u>
Protective services:		
Fire	242,110	273,323
Emergency measures	28,990	14,683
Other protection	70,650	81,801
	<u>341,750</u>	<u>369,807</u>
Transportation services:		
Road transport		
Administration and engineering	570,177	515,910
Road and street maintenance	1,454,842	1,390,261
Bridge maintenance	2,422	5,830
Street lighting	40,840	40,814
Other	16,117	3,504
Loss on disposal of tangible capital assets		923
	<u>2,084,398</u>	<u>1,957,242</u>
Environmental health services:		
Waste collection and disposal	290,537	314,070
Recycling	45,793	35,539
Other	783	
	<u>337,113</u>	<u>349,609</u>
Public health and welfare services:		
Public health	6,225	1,773
Social assistance	11,893	11,893
	<u>18,118</u>	<u>13,666</u>
Regional planning and development:		
Planning and zoning	129,229	104,135
Urban renewal	9,540	2,499
Beautification and land rehabilitation	1,467	1,260
Other	34,413	458
	<u>174,649</u>	<u>108,352</u>
Sub-total	\$ 3,925,687	\$ 3,619,930

MUNICIPALITY OF HARRISON PARK
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)
For the year ended December 31, 2022

	2022	2021
	Actual	Actual
Sub-total (Carry forward)	\$ 3,925,687	\$ 3,619,930
Resource conservation and industrial development:		
Rural area weed control	850	
Veterinary services	4,420	4,387
Water resources and conservation	25,906	25,997
Tourism	345	
Other	13,221	23,662
	<u>44,742</u>	<u>54,046</u>
Recreation and cultural services:		
Administration	124,507	163,624
Swimming pools and beaches	5,160	11,380
Parks and playgrounds	8,669	7,178
Other recreational facilities	1,510	1,655
Museums	1,150	2,742
Other cultural facilities	5,000	5,000
	<u>145,996</u>	<u>191,579</u>
Water and sewer (Schedule 9)		
Municipal utility	739,415	731,574
	<u>739,415</u>	<u>731,574</u>
Total expenses	\$ 4,855,840	\$ 4,597,129

MUNICIPALITY OF HARRISON PARK
SCHEDULE 4 - 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
REVENUE										
Property taxes	\$ 3,577,136	\$ 3,478,969								
Grants in lieu of taxation	37,591	36,411								
User fees	13,616	14,638	63,702	73,735	61,713	59,225	132,676	135,036	10,315	10,315
Grants - other	91,258	194,228					10,315			
Permits, licences and fines	31,504	1,400								
Investment income	313,635	125,915								
Other revenue	155,112	92,713								
Water and sewer										
Prov of MB - unconditional grants	212,844	204,572	28,269	65,832	344,569	337,337	3,694	2,893		
Prov of MB - conditional grants	21,869									
Total revenue	4,454,565	4,148,846	91,971	139,567	406,282	396,562	146,685	148,244		
EXPENSES										
Personnel services	523,095	509,548	43,461	45,219	540,647	503,339	146,913	144,743		
Contract services	153,805	138,533	48,521	37,923	329,634	462,116	126,532	118,192	18,118	13,666
Utilities	19,098	20,083	17,793	18,642	21,406	16,174	3,451	4,133		
Maintenance, materials and supplies	144,382	106,385	107,109	127,294	941,199	739,577	53,377	75,598		
Grants and contributions	78,627	19,985	1,720	2,655						
Amortization	10,552	9,351	123,146	138,074	248,170	235,113	5,317	6,219		
Interest on long term debt										
Other	40,100	17,369			3,342	923	1,523	724		
Total expenses	969,659	821,254	341,750	369,807	2,084,398	1,957,242	337,113	349,609	18,118	13,666
Surplus (Deficit)	\$ 3,484,906	\$ 3,327,592	(249,779)	(230,240)	(1,678,116)	(1,560,680)	(190,428)	(201,365)	(18,118)	(13,666)

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

MUNICIPALITY OF HARRISON PARK
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
REVENUE										
Property taxes							140,205	140,205	\$ 3,717,341	\$ 3,619,174
Grants in lieu of taxation									37,591	36,411
User fees	81,429	53,841		1,070	11,178				364,314	337,545
Grants - other									101,573	204,543
Permits, licences and fines									31,504	1,400
Investment income									313,635	125,915
Other revenue									155,112	92,713
Water and sewer							669,945	704,112	669,945	704,112
Prov of MB - unconditional grants									212,844	204,572
Prov of MB - conditional grants	10,453								408,854	406,062
Total revenue	91,882	53,841		1,070	11,178		810,150	844,317	6,012,713	5,732,447
EXPENSES										
Personnel services	77,710	74,034					45,680	45,480	1,377,506	1,322,363
Contract services	84,623	31,534	850	4,387	2,002	4,886	44,014	42,512	808,099	853,749
Utilities									61,748	59,032
Maintenance, materials and supplies	3,030	2,784	13,221	23,662	14,819	7,178	196,854	172,700	1,473,991	1,255,178
Grants and contributions			30,671	25,997	112,990	163,330	438		224,446	211,967
Amortization					16,185	16,185	204,568	195,257	607,938	600,199
Interest on long term debt							44,329	48,092	44,329	48,092
Other	9,286						203,532	227,533	257,783	246,549
Total expenses	174,649	108,352	44,742	54,046	145,996	191,579	739,415	731,574	4,855,840	4,597,129
Surplus (Deficit)	(82,767)	(54,511)	(44,742)	(52,976)	(134,818)	(191,579)	70,735	112,743	\$ 1,156,873	\$ 1,135,318

MUNICIPALITY OF HARRISON PARK
SCHEDULE 5 - 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
REVENUE								
Property taxes	\$ 3,717,341	\$ 3,619,174					\$ 3,717,341	\$ 3,619,174
Grants in lieu of taxation	37,591	36,411					37,591	36,411
User fees	363,088	336,179			1,226	1,366	364,314	337,545
Grants - other	91,258	194,228			10,315	10,315	101,573	204,543
Permits, licences and fines	31,504	1,400					31,504	1,400
Investment income	313,635	125,915					313,635	125,915
Other revenue	155,112	92,713					155,112	92,713
Water and sewer	669,945	704,112					669,945	704,112
Prov of MB - unconditional grants	212,844	204,572					212,844	204,572
Prov of MB - conditional grants	405,160	403,169			3,694	2,893	408,854	406,062
Total revenue	5,997,478	5,717,873			15,235	14,574	6,012,713	5,732,447
EXPENSES								
Personnel services	1,368,627	1,308,849			8,879	13,514	1,377,506	1,322,363
Contract services	804,198	850,438			3,901	3,311	808,099	853,749
Utilities	60,619	57,845			1,129	1,187	61,748	59,032
Maintenance, materials and supplies	1,473,580	1,254,769			411	409	1,473,991	1,255,178
Grants and contributions	224,446	211,967					224,446	211,967
Amortization	607,938	600,199					607,938	600,199
Interest on long term debt	44,329	48,092					44,329	48,092
Other	257,043	245,825			740	724	257,783	246,549
Total expenses	4,840,780	4,577,984			15,060	19,145	4,855,840	4,597,129
Surplus (Deficit)	\$ 1,156,698	\$ 1,139,889			175	(4,571)	\$ 1,156,873	\$ 1,135,318

MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2022

	2022							
	South Shore Replacement Reserve	Newdale Utility Reserve	Sandy Lake Utility Reserve	Village of Newdale Reserve	Village of Sandy Lake Reserve	Health Facility Reserve	Sub Total	
REVENUE								
Investment income	\$ 49	1,053	6,121	3,351	6,409	2,106	\$ 19,089	
Other income								
Total revenue	49	1,053	6,121	3,351	6,409	2,106	19,089	
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	49	1,053	6,121	3,351	6,409	2,106	19,089	
TRANSFERS								
Debt repayment								
Transfers from operating fund				21,500	50,000		71,500	
Transfers to operating fund	(12,731)						(12,731)	
Transfers from utility fund								
Transfers to utility fund				(43,995)	(299,687)		(343,682)	
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	(12,682)	1,053	6,121	(19,144)	(243,278)	2,106	(265,824)	
FUND SURPLUS, BEGINNING OF YEAR	12,682	52,953	102,763	137,361	331,605	67,376	704,740	
FUND SURPLUS, END OF YEAR	\$	54,006	108,884	118,217	88,327	69,482	\$ 438,916	

MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2022

	2022			
	Street Paving Reserve	Gas Tax Reserve	Onanole Water & Sewer Reserve	Sub Total
REVENUE				
Investment income				
Other income	5,825	15,297	11,908	33,030
Total revenue	5,825	15,297	11,908	33,030
EXPENSES				
Investment charges				
Other expenses				
Total expenses				
NET REVENUES	5,825	15,297	11,908	33,030
TRANSFERS				
Debt repayment				
Transfers from operating fund	200,000	91,258		291,258
Transfers to operating fund				
Transfers from utility fund		(233,096)		(233,096)
Transfers to utility fund				
Acquisition of tangible capital assets	(588,250)			(588,250)
CHANGE IN RESERVE FUND BALANCES	(382,425)	(126,541)	11,908	(497,058)
FUND SURPLUS, BEGINNING OF YEAR	391,024	767,443	79,570	1,238,037
FUND SURPLUS, END OF YEAR	8,599	640,902	91,478	740,979

MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2022

	2022							
	Park Southwest Reserve	Park Southeast Reserve	Waste Disposal Reserve	Public Works Shop Reserve	Bridge Reserve	Recreation Reserve	Administration Reserve Surplus	Sub Total
REVENUE								
Investment income	15	27	3,767	11,406	7,685	105	18,698	\$ 41,703
Other income								
Total revenue	15	27	3,767	11,406	7,685	105	18,698	41,703
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	15	27	3,767	11,406	7,685	105	18,698	41,703
TRANSFERS								
Debt repayment								
Transfers from operating fund			35,000	113,000	40,000		267,500	455,500
Transfers to operating fund	(2,902)	(4,997)					(120,050)	(127,949)
Transfers from utility fund								
Transfers to utility fund				(601,000)				(601,000)
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	(2,887)	(4,970)	38,767	(476,594)	47,685	105	166,148	(231,746)
FUND SURPLUS, BEGINNING OF YEAR	2,887	4,970	106,934	493,697	286,359	3,289	995,905	1,894,041
FUND SURPLUS, END OF YEAR	\$		145,701	17,103	334,044	3,394	1,162,053	\$ 1,662,295

MUNICIPALITY OF HARRISON PARK
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES (continued)
For the year ended December 31, 2022

	2022						2021	
	General Reserve	Machinery Reserve	Capital Reserve	Fire Reserve	Veterinary Reserve	Park North General Reserve	Total	Total
REVENUE								
Investment income	\$ 12,323	22,012	2,206	13,534	201	28	\$ 144,126	\$ 53,259
Other income								
Total revenue	12,323	22,012	2,206	13,534	201	28	144,126	53,259
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	12,323	22,012	2,206	13,534	201	28	144,126	53,259
TRANSFERS								
Debt repayment								
Transfers from operating fund	25,908	203,100		203,000		(5,278)	1,250,266	1,052,255
Transfers to operating fund							(145,958)	40,000
Transfers from utility fund							(233,096)	(10,922)
Transfers to utility fund							(1,697,675)	(140,310)
Acquisition of tangible capital assets		(80,404)		(84,339)				
CHANGE IN RESERVE FUND BALANCES	38,231	144,708	2,206	132,195	201	(5,250)	(682,337)	994,282
FUND SURPLUS, BEGINNING OF YEAR	317,691	424,619	69,290	287,337	6,318	5,250	4,947,323	3,953,041
FUND SURPLUS, END OF YEAR	\$ 355,922	569,327	71,496	419,532	6,519		\$ 4,264,986	\$ 4,947,323

MUNICIPALITY OF HARRISON PARK
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Sandy Lake
For the year ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Taxation	\$ 184,764	\$ 184,764	\$ 188,176
Other revenue	6,180	12,144	5,225
Total revenue	<u>190,944</u>	<u>196,908</u>	193,401
EXPENSES			
General government			
Indemnities	3,830	3,920	6,342
Other	3,000	2,731	4,621
Transportation services			
Road and street maintenance	110,701	103,001	93,625
Street lighting	9,000	7,584	7,936
Environmental health			
Waste collection and disposal	14,904	14,904	18,064
Regional planning and development			
Urban area weed control	3,900	3,852	
Recreation and cultural services			
Swimming pools and beaches	6,385	3,983	8,149
Parks and playgrounds	6,230	6,575	6,119
Total expenses	<u>157,950</u>	<u>146,550</u>	144,856
NET REVENUES	32,994	50,358	48,545
TRANSFERS			
Transfers to reserves	(50,000)	(50,000)	(37,000)
Transfer to capital	(7,000)	(7,000)	
CHANGES IN L.U.D. BALANCES	\$ (24,006)	(6,642)	11,545
UNEXPENDED BALANCE, BEGINNING OF YEAR		16,112	4,567
UNEXPENDED BALANCE, END OF YEAR		\$ 9,470	\$ 16,112

MUNICIPALITY OF HARRISON PARK
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Newdale
For the year ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Taxation	\$ 34,999	\$ 34,999	\$ 36,198
Other revenue	13,920	13,243	9,400
Total revenue	<u>48,919</u>	<u>48,242</u>	45,598
EXPENSES			
General government			
Indemnities	4,800	4,025	4,200
Other		1,313	1,627
Transportation services			
Road and street maintenance	24,850	25,735	25,614
Street lighting	3,250	3,130	3,104
Regional planning and development			
Urban area weed control	4,650		4,275
Recreation and cultural services			
Parks and playgrounds	370	2,778	1,059
Total expenses	<u>37,920</u>	<u>36,981</u>	39,879
NET REVENUES	10,999	11,261	5,719
TRANSFERS			
Transfers to L.U.D. reserves	(21,500)	(21,500)	(12,000)
CHANGES IN L.U.D. BALANCES	<u>\$ (10,501)</u>	<u>(10,239)</u>	(6,281)
UNEXPENDED BALANCE, BEGINNING OF YEAR		<u>18,404</u>	24,685
UNEXPENDED BALANCE, END OF YEAR		<u>\$ 8,165</u>	\$ 18,404

MUNICIPALITY OF HARRISON PARK
SCHEDULE 8 - SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2022

	2022			2021	
	Onanole	Newdale	Sandy Lake	Total	Total
FINANCIAL ASSETS					
Amounts receivable (Note 4)	\$ 26,319	\$ 12,055	\$ 61,661	\$ 100,035	\$ 226,731
Due from other funds	26,319	45,079	463,663	508,742	411,314
		57,134	525,324	608,777	638,045
LIABILITIES					
Long-term debt (Note 8)	986,002		20,768	1,006,770	1,102,645
Due to other funds	292,810			292,810	221,558
	1,278,812		20,768	1,299,580	1,324,203
	(1,252,493)	57,134	504,556	(690,803)	(686,158)
NET FINANCIAL ASSETS (NET DEBT)					
	6,849,147	36,468	1,084,536	7,970,151	7,661,675
NON-FINANCIAL ASSETS					
Tangible capital assets (Schedule 1)	5,596,654	93,602	1,589,092	7,279,348	6,975,517
FUND SURPLUS					
COMMITMENTS (Note 10)					

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Onanole
For the year ended December 31, 2022

REVENUE	Budget	2022	2021
Water			
Water fees	\$ 240,000	\$ 101,084	\$ 144,212
Bulk water fees	3,000	3,892	3,150
Sub-Total - Water	<u>243,000</u>	<u>104,976</u>	<u>147,362</u>
Sewer			
Sewer fees		53,236	197,785
Lagoon tipping fees	30,000	23,660	31,080
Sub-Total - Sewer	<u>30,000</u>	<u>76,896</u>	<u>228,865</u>
Property taxes	<u>132,489</u>	<u>132,490</u>	<u>132,490</u>
Government transfers	<u>248,000</u>	<u>99,898</u>	<u>5,250</u>
Other			
Hydrant rentals	2,400	2,400	2,400
Connection charges	30,000	120,479	40,419
Penalties	200	395	182
Sub-Total - Other	<u>32,600</u>	<u>123,274</u>	<u>43,001</u>
Total revenue	<u><u>\$ 686,089</u></u>	<u><u>\$ 537,534</u></u>	<u><u>\$ 556,968</u></u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Onanole (continued)
For the year ended December 31, 2022

	Budget	2022	2021
EXPENSES			
General			
Administration	\$ 32,000	\$ 31,514	\$ 31,039
Water General			
Water purchases	175,000	236,220	160,447
Connection costs		438	
Sub-Total - Water General	175,000	236,658	160,447
Water Amortization and Interest			
Amortization		150,620	151,879
Interest on long term debt		42,812	46,246
Sub-Total - Water Amortization & Interest		193,432	198,125
Sewer General			
Treatment and disposal cost	86,000	50,048	82,795
Lift station costs	6,000	10,079	11,473
Sub-Total - Sewer General	92,000	60,127	94,268
Total expenses	299,000	521,731	483,879
NET OPERATING SURPLUS	\$ 387,089	15,803	73,089
TRANSFERS			
Transfers from reserve funds		233,096	10,922
CHANGE IN UTILITY FUND BALANCE		248,899	84,011
FUND SURPLUS, BEGINNING OF YEAR		5,347,755	5,263,744
FUND SURPLUS, END OF YEAR		\$ 5,596,654	\$ 5,347,755

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Newdale
For the year ended December 31, 2022

	Budget	2022	2021
REVENUE			
Sewer			
Sewer fees	\$ 34,500	\$ 34,484	\$ 34,484
Total revenue	<u>34,500</u>	<u>34,484</u>	<u>34,484</u>
EXPENSES			
Sewer General			
Collection system costs	<u>24,500</u>	<u>13,791</u>	<u>12,008</u>
Sewer Amortization & Interest			
Amortization		<u>4,677</u>	<u>4,677</u>
Total expenses	<u>24,500</u>	<u>18,468</u>	<u>16,685</u>
NET OPERATING SURPLUS	<u>\$ 10,000</u>	<u>16,016</u>	<u>17,799</u>
TRANSFERS			
Transfers to reserve funds			<u>(10,000)</u>
CHANGE IN UTILITY FUND BALANCE		<u>16,016</u>	<u>7,799</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>77,586</u>	<u>69,787</u>
FUND SURPLUS, END OF YEAR	<u>\$ 93,602</u>	<u>\$ 77,586</u>	

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Sandy Lake
For the year ended December 31, 2022

	Budget	2022	2021
REVENUE			
Water			
Water fees	\$ 218,000	\$ 170,042	\$ 180,929
Bulk water fees	14,000	15,042	15,956
Sub-Total - Water	232,000	185,084	196,885
Sewer			
Sewer fees		37,620	39,641
Property taxes	7,155	7,715	7,716
Government transfers			718
Other			
Hydrant rentals	3,500	3,500	3,500
Penalties	700	2,523	745
Other income	1,000	1,690	3,660
Sub-Total - Other	5,200	7,713	7,905
Total revenue	\$ 244,355	\$ 238,132	\$ 252,865

MUNICIPALITY OF HARRISON PARK
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Sandy Lake (continued)
For the year ended December 31, 2022

	Budget	2022	2021
EXPENSES			
General			
Administration	\$ 50,000	\$ 45,681	\$ 45,480
Water General			
Purification and treatment	90,000	57,756	115,788
Water Amortization & Interest			
Amortization		23,829	24,349
Sewer General			
Lift station costs	55,000	44,991	29,195
Sewer Amortization & Interest			
Amortization		25,442	14,351
Interest on long term debt		1,517	1,847
Sub-Total - Sewer Amortization & Interest		26,959	16,198
Total expenses	195,000	199,216	231,010
NET OPERATING SURPLUS	\$ 49,355	38,916	21,855
TRANSFERS			
Transfers to reserve funds			(30,000)
CHANGE IN UTILITY FUND BALANCE		38,916	(8,145)
FUND SURPLUS, BEGINNING OF YEAR		1,550,176	1,558,321
FUND SURPLUS, END OF YEAR	\$ 1,589,092	\$ 1,550,176	

MUNICIPALITY OF HARRISON PARK
SCHEDULE 10 - 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	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 3,564,379	139,644					\$ 3,704,023
Grants in lieu of taxation	37,591						37,591
User fees	325,996					1,226	327,222
Grants - Province of Manitoba	587,471					3,693	591,164
Grants - other	91,258					15,472	106,730
Permits, licences and fines	20,000						20,000
Investment income	60,000						60,000
Other revenue	35,000						35,000
Water and sewer		825,300					825,300
Transfers from accumulated surplus	338,000				(338,000)		
Transfers from reserves	23,000				(23,000)		
Total revenue	5,082,695	964,944			(361,000)	20,391	5,707,030
EXPENSES							
General government services	777,682		10,552		4,337		792,571
Protective services	221,926		123,146				345,072
Transportation services	2,063,713		248,170				2,311,883
Environmental health services	361,416		5,317			15,058	381,791
Public health and welfare services	22,200						22,200
Regional planning and development	184,687		16,185				184,687
Resource cons and industrial dev	47,851						47,851
Recreation and cultural services	165,219						181,404
Water and sewer services		518,500	204,568	44,329			767,397
Fiscal services:							
Transfer to capital	7,000						
Debt charges	2,284						
Short term interest							
Transfer to reserves	1,224,358		(255,000)	(142,489)			
Allowance for tax assets	4,337						
Total expenses	5,082,673	946,705	352,938	(98,160)	(1,264,358)	15,058	5,034,856
Surplus (Deficit)	\$ 22	18,239	(352,938)	98,160	903,358	5,333	\$ 672,174

MUNICIPALITY OF HARRISON PARK
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2022

	2022	2021
Balance, beginning of year	\$ 432,981	\$ 496,333
Add:		
Tax levy (Schedule 12)	6,407,967	6,274,261
Taxes added	51,480	60,225
Penalties or interest	33,931	37,446
Other accounts added	4,402	13,989
Tax adjustments (tax sale cost)	35,445	
Sub-total	6,533,225	6,385,921
Deduct:		
Cash collections - current	5,871,061	5,692,884
Cash collections - arrears	361,708	449,494
Writeoffs	10,972	12,885
Title value of tax titles acquired	4,503	4,260
E.P.T.C. - cash advance	241,360	289,750
Sub-total	6,489,604	6,449,273
Balance, end of year	\$ 476,602	\$ 432,981

MUNICIPALITY OF HARRISON PARK
SCHEDULE 12 - ANALYSIS OF TAX LEVY
For the year ended December 31, 2022

	2022		2021	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D of Newdale	2,607,440	13.419	\$ 34,989	\$ 36,188
L.U.D of Sandy Lake	19,827,340	9.168	181,777	185,082
Sub-Total - L.U.D			<u>216,766</u>	<u>221,270</u>
Debt charges:				
L.I.D.	19,548,360	0.388	7,585	7,581
Other (Bylaw 1238 and 1340)			133,698	134,774
Sub-Total - Debt charges			<u>141,283</u>	<u>142,355</u>
General Municipal - At Large	242,119,880	12.866	<u>3,115,114</u>	<u>2,861,530</u>
Special levies:				
Plan 812 Waste Disposal			3,096	3,096
Ag & Com. District of Newdale	13,130,400	0.650	8,535	8,534
Ward 1	54,170,290	3.335	180,658	206,394
Ward 2	165,514,810			115,770
Sub-Total - Special levies			<u>192,289</u>	<u>333,794</u>
Business tax			<u>409</u>	
Total municipal taxes (Schedule 2)			<u>3,665,861</u>	<u>3,558,949</u>
Education support levy	12,312,310	8.713	<u>107,277</u>	<u>108,048</u>
Special levy:				
Park West	28,728,060	9.830	282,397	277,046
Rolling River	211,663,820	11.114	2,352,432	2,330,218
Sub-Total - Special levies			<u>2,634,829</u>	<u>2,607,264</u>
Total education taxes			<u>2,742,106</u>	<u>2,715,312</u>
Total tax levy (Schedule 11)			<u>\$ 6,407,967</u>	<u>\$ 6,274,261</u>

MUNICIPALITY OF HARRISON PARK
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the year ended December 31, 2022

	2022	2021
General government services:		
Legislative	\$ 118,409	\$ 97,348
General administrative	823,851	703,823
Other	27,399	20,083
	969,659	821,254
Protective services:		
Fire	242,110	273,323
Emergency measures	28,990	14,683
Other	70,650	81,801
	341,750	369,807
Transportation services:		
Road transport		
Administration and engineering	570,177	515,910
Road and street maintenance	1,454,842	1,390,261
Bridge maintenance	2,422	5,830
Street lighting	40,840	40,814
Other	16,117	3,504
Loss on disposal of tangible capital assets		923
	2,084,398	1,957,242
Environmental health services:		
Waste collection and disposal	290,537	314,070
Recycling	35,891	21,552
Other	783	
	327,211	335,622
Public health and welfare services:		
Public health	6,225	1,773
Social assistance	11,893	11,893
	18,118	13,666
Regional planning and development:		
Planning and zoning	129,229	104,135
Urban renewal	9,540	2,499
Beautification and land rehabilitation	1,467	1,260
Other	34,413	458
	174,649	108,352
Sub-total	\$ 3,915,785	\$ 3,605,943

MUNICIPALITY OF HARRISON PARK
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES (continued)
For the year ended December 31, 2022

	2022	2021
Sub-total (carry forward)	\$ 3,915,785	\$ 3,605,943
Resource conservation and industrial development:		
Rural area weed control	850	
Veterinary services	4,420	4,387
Water resources and conservation	25,906	25,997
Tourism	345	
Other	13,221	23,662
	44,742	54,046
Recreation and cultural services:		
Administration	124,507	163,624
Swimming pools and beaches	5,160	11,380
Parks and playgrounds	8,669	7,178
Other recreational facilities	1,510	1,655
Museums	1,150	2,742
Other cultural facilities	5,000	5,000
	145,996	191,579
Total expenses	\$ 4,106,523	\$ 3,851,568

MUNICIPALITY OF HARRISON PARK
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2022

	2022		2021	
	General	Utility	Total	Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 469,079	(100,521) \$	\$ 368,558	\$ 570,252
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,250,266		1,250,266	1,092,255
Eliminate revenue - transfers from reserves	(1,843,633)	(233,096)	(2,076,729)	(151,232)
Increase revenue - reserve funds interest	144,126		144,126	53,259
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	5,333		5,333	587
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	61,619		61,619	54,264
Eliminate revenue - transfer from nominal surplus	(303,500)		(303,500)	(226,942)
Increase expense - amortization of tangible capital assets	(403,370)	(204,568)	(607,938)	(600,199)
Decrease expense - principal portion of debenture debt		95,876	95,876	92,114
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	2,335		2,335	(16,356)
Eliminate revenue - proceeds on sale of tangible capital assets	(187,000)		(187,000)	(78,130)
Eliminate expense - acquisitions of tangible capital assets	1,890,883	513,044	2,403,927	345,446
NET SURPLUS PER STATEMENT OF OPERATIONS	\$ 1,086,138	70,735 \$	\$ 1,156,873	\$ 1,135,318