

Town of Neepawa

Consolidated Financial Statements
Year ended December 31, 2017


STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Neepawa and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Chambers, Fraser & Co. as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.

Neepawa, Manitoba
November 20, 2018


Colleen Sychyshyn
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the
Town of Neepawa

We have audited the accompanying financial statements of the Town of Neepawa, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Town of Neepawa as at December 31, 2017 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.



Winnipeg, Canada
November 20, 2018

Chambers Fraser
Chartered Professional Accountants

Town of Neepawa

Consolidated Financial Statements

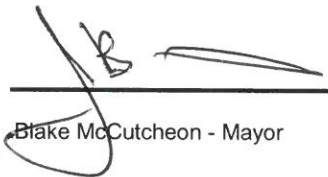
Year ended December 31, 2017

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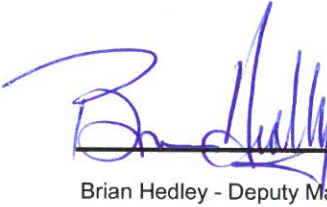
Town of Neepawa
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 11,065,060	\$ 8,490,756
Amounts receivable (Note 4)	1,665,875	2,791,011
Loans and advances	108,381	108,381
Real estate properties held for sale	558,075	534,563
Other assets	618	588
	<u>\$ 13,398,009</u>	<u>\$ 11,925,299</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 853,298	\$ 1,161,129
Deferred revenue (Note 6)	704,548	613,657
Landfill closure and post closure liabilities (Note 7)	730,643	729,923
Long-term debt (Note 8)	3,669,791	4,039,427
Deposits	55,189	55,794
	<u>6,013,469</u>	<u>6,599,930</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 7,384,540</u>	<u>\$ 5,325,369</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 32,241,564	32,200,894
Prepaid expenses	33,857	79,510
	<u>32,275,421</u>	<u>32,280,404</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 12)	<u>\$ 39,659,961</u>	<u>\$ 37,605,773</u>

Approved on behalf of Council:



 Blake McCutcheon - Mayor



 Brian Hedley - Deputy Mayor

Town of Neepawa
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
REVENUE			
Property taxes	\$ 4,245,146	\$ 4,353,472	\$ 4,109,085
Grants in lieu of taxation	119,213	119,213	113,279
User fees	583,826	529,997	551,914
Grants - Province of Manitoba	1,213,826	1,407,359	1,759,741
Grants - other	544,711	447,358	971,848
Permits, licences and fines	23,150	39,676	24,369
Investment income	50,449	124,626	114,913
Other revenue	156,841	104,378	252,238
Water and sewer	12,487,677	2,013,493	1,803,050
Total revenue (Schedules 2, 4 and 5)	19,424,839	9,139,571	9,700,437
EXPENSES			
General government services	899,976	927,027	924,620
Protective services	1,006,498	920,022	937,211
Transportation services	1,347,389	1,271,273	1,203,181
Environmental health services	570,941	484,417	641,097
Public health and welfare services	268,796	272,314	257,504
Regional planning and development	124,019	137,191	112,614
Resource conservation and industrial development	358,765	320,653	181,764
Recreation and cultural services	604,848	557,772	557,899
Water and sewer services	2,143,780	2,194,714	2,016,259
Total expenses (Schedules 3, 4 and 5)	7,325,012	7,085,383	6,832,149
ANNUAL SURPLUS (DEFICIT)	\$ 12,099,827	2,054,188	2,868,288
ACCUMULATED SURPLUS, BEGINNING OF YEAR		37,605,773	34,737,486
ACCUMULATED SURPLUS, END OF YEAR		\$ 39,659,961	\$ 37,605,773

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2017

	<u>2017 Budget (Note 12)</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 12,099,827</u>	<u>\$ 2,054,188</u>	<u>\$ 2,868,288</u>
Acquisition of tangible capital assets	(2,985,080)	(1,472,100)	(3,244,383)
Amortization of tangible capital assets	1,362,130	1,362,130	1,320,364
Loss (Gain) on sale of tangible capital assets		11,041	3,784
Proceeds on sale of tangible capital assets		58,262	16,372
Decrease (increase) in prepaid expense		<u>45,650</u>	<u>(42,269)</u>
	<u>(1,622,950)</u>	<u>4,983</u>	<u>(1,946,132)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 10,476,877</u>	2,059,171	922,156
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>5,325,369</u>	<u>4,403,214</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 7,384,540</u>	<u>\$ 5,325,369</u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,054,188	\$ 2,868,288
Changes in non-cash items:		
Amounts receivable	1,125,136	(1,937,832)
Inventories	-	435
Prepays	45,650	(42,269)
Other assets	(30)	-
Accounts payable and accrued liabilities	(307,831)	111,366
Deferred revenue	90,891	121,890
Landfill closure and post closure liabilities	720	89,740
Other liabilities	(605)	(86)
Loss (Gain) on sale of tangible capital asset	11,041	3,784
Amortization	1,362,130	1,320,364
Cash provided by (applied to) operating transactions	<u>4,381,290</u>	<u>2,535,679</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	58,262	16,372
Cash used to acquire tangible capital assets	<u>(1,472,100)</u>	<u>(3,244,383)</u>
Cash provided by (applied to) capital transactions	<u>(1,413,838)</u>	<u>(3,228,011)</u>
INVESTING TRANSACTIONS		
Acquisition of real estate properties	<u>(23,512)</u>	<u>13,809</u>
Cash provided by (applied to) investing transactions	<u>(23,512)</u>	<u>13,809</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>(369,636)</u>	<u>(353,195)</u>
Cash provided by (applied to) financing transactions	<u>(369,636)</u>	<u>(353,195)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	2,574,304	(1,031,718)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>8,490,756</u>	<u>9,522,474</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 11,065,060</u></u>	<u><u>\$ 8,490,756</u></u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

1. Status of the Town of Neepawa

The incorporated Town of Neepawa is a municipal government that was created in 1883 pursuant to the Manitoba Municipal Act. 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 a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in a variety of municipal services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered 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 Municipality.

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:

Beautiful Plains County Court (consolidated 33.33 %) (2016 - consolidated 33.33 %)
Neepawa Area Development Corporation Ltd. (consolidated 25 %) (2016 - consolidated 25 %)
Evergreen Environmental Technologies Ltd. (consolidated 26.8 %) (2016 - consolidated 26.8%)
Neepawa and Area Planning District Board (consolidated 67 %) (2016 - consolidated 67 %)
Neepawa & District Disabled Persons Association Inc. (consolidated 68 %) (2016 - consolidated 68 %)
Western Manitoba Regional Library (consolidated 5.4 %) (2016 - consolidated 5.4 %)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal 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 Schedule 7 - Schedule of Trust Funds.

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) 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.

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

f) Non-Financial Assets

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

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition per acceptance by Town. 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 capitalize internal finance charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over its useful life. Assets under construction are not amortized until put into use.

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 40 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 to 10 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 to 40 years
Underground networks	15 to 50 years
Machinery and equipment	5 to 10 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.

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

h) 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.

i) Inventories

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

j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Certain government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the acquisition of tangible capital assets. In addition, certain user charges and fees are collected for which the related service have yet to be performed. Revenue is recognized in the fiscal year when the related costs are incurred, services performed or the tangible capital assets are acquired.

In accordance with PSAB guidelines, government transfers, as well as revenue from contributed assets, are required to be recognized as revenue in the consolidated financial statements in the fiscal year in which the tangible capital assets are acquired.

k) 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.

These financial statements include the existence of measurement uncertainty in the accrual of the landfill closure, post closure and environmental 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.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2017</u>	<u>2016</u>
Cash	<u>\$ 11,065,059</u>	<u>\$ 8,490,756</u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.

Designated Reserve Funds	<u>\$ 9,314,765</u>	<u>\$ 7,447,484</u>
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Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2017</u>	<u>2016</u>
Taxes on roll (Schedule 11)	\$ 205,089	\$ 174,937
Government grants	665,278	1,925,538
Utility customers	461,867	356,691
Organizations and individuals	248,719	370,104
Other governments	150,415	23,182
	<u>1,731,368</u>	<u>2,850,452</u>
Less allowances for doubtful amounts	<u>(65,492)</u>	<u>(59,441)</u>
	<u><u>\$ 1,665,876</u></u>	<u><u>\$ 2,791,011</u></u>

5. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 267,070	\$ 592,261
Accrued expenses	181,844	330,758
School levies (Schedule 13)	52,313	36,820
Other governments	352,071	201,290
	<u>853,298</u>	<u>1,161,129</u>
	<u><u>\$ 853,298</u></u>	<u><u>\$ 1,161,129</u></u>

6. Deferred Revenue:

	<u>2017</u>	<u>2016</u>
Federal Gas Tax Funding	\$ 687,307	\$ 590,196
Handi Transit Funding	-	4,210
	<u>687,307</u>	<u>594,406</u>
Other	17,241	19,251
	<u>704,548</u>	<u>613,657</u>
	<u><u>\$ 704,548</u></u>	<u><u>\$ 613,657</u></u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

7. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

Evergreen Environmental Technologies Ltd. is currently operating a Class 1 landfill site in the Rural Municipality of Odanah (Note 1). The municipality, along with three neighbouring municipalities, is a shareholder in the corporation. 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.

	<u>2017</u>	<u>2016</u>
Estimated closure and post closure costs over the next 85 years	<u>\$ 854,675</u>	<u>\$ 854,675</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 37,759</u>	<u>\$ 35,824</u>
Expected year capacity will be reached	2094	2094
Capacity (tonnes):		
Used to date	97,500	91,000
Remaining	487,500	494,000
Total	585,000	585,000
Percent utilized	<u>16.67%</u>	<u>15.56%</u>
Liability based on percentage	<u>\$ 6,293</u>	<u>\$ 5,573</u>
b) Closed Municipal Landfill Site		
Estimated closure and post closure costs	<u>\$ 724,350</u>	<u>\$ 724,350</u>
Total landfill closure and post closure liabilities	<u>\$ 730,643</u>	<u>\$ 729,923</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

8. Long Term Debt

	<u>2017</u>	<u>2016</u>
General Authority:		
Debenture for personal care home, at 2.50%, \$138,681 annually including interest, maturing December, 2017	\$ -	\$ 129,269
	<u>\$ -</u>	<u>\$ 129,269</u>
Utility Funds:		
Debenture for waste water treatment facility, at 5.625%, \$126,824 annually including interest, maturing 2029	\$ 1,085,477	\$ 1,147,740
Debenture for waste water treatment plant and raw water line, at 4.6250%, \$268,301 annually including interest, maturing 2030	2,578,188	2,720,659
	<u>\$ 3,663,665</u>	<u>\$ 3,868,399</u>
Debenture long term debt	\$ 3,663,665	\$ 3,997,668
The debentures of the Municipality have been issued with a maximum term of 20 years to maturity.		
Other long term debt - Government Partnerships		
Loan with Beautiful Plains Credit Union Ltd., at prime plus 1%, \$8,267 annual including interest, maturing April 2019.	6,126	11,298
Loan with Minnedosa Credit Union Ltd., at 4%, \$7,000 monthly including interest, maturing April 2017.	-	30,461
	<u>\$ 3,669,791</u>	<u>\$ 4,039,427</u>

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

2018	\$ 217,889
2019	228,482
2020	236,539
2021	248,212
2022	260,469

9. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees are expected to be \$59,617 (2016 - \$96,063) and are included in the statement of operations.

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

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, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 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, 2016.

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

10. Financial Instruments

The 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.

11. 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.

12. Accumulated Surplus

	<u>2017</u>	<u>2016</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	1,805,854	1,805,853
Utility operating fund - Nominal surplus	309,207	309,207
General capital fund - Capital surplus	4,608,438	4,310,604
Utility capital fund - Capital surplus	23,190,841	23,170,987
Reserve funds	9,314,765	7,617,485
	39,229,105	37,214,136
Deferred revenue - Reserves	(687,307)	(594,406)
Accumulated surplus of municipality unconsolidated	38,541,798	36,619,730
Accumulated surpluses of consolidated entities	1,118,163	986,043
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 39,659,961</u>	<u>\$ 37,605,773</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

13. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2017:

- a) Compensation paid to members of council amounted to \$64,702 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Adrian DeGroot	\$ 11,262	\$ 1,636	\$ 12,898
Isobel Jarema	10,087	1,157	11,244
Bill Stilwell	9,120	1,972	11,092
James Cockburn	8,546	1,418	9,964
Darryl Gerrard	9,229	144	9,373
Murray Parrott	8,345	796	9,141
Dean Dietrich	8,113	897	9,010
	<u>\$ 64,702</u>	<u>\$ 8,020</u>	<u>\$ 72,722</u>

- c) The following officers received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Howard Buffi	Water Plant Supervisor	\$ 91,199
Colleen Synchyshyn	Chief Administrative Officer	90,222
Denis Saquet	Manager of Operations	77,036
Keith Dahmer	Public Works Supervisor	63,075
Marilyn Crewe	Economic Development Office	62,578
Jamie Davie	Director of Finance	56,155
Chris Doble	Public Works Foreman	55,294
Robert Bell	WTP Operator	53,704
Dwayne Crandell	Public Works Operator	51,919

14. 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 Municipality 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:

<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>
Water treatment plant	\$ 1,212,192	\$ -	\$ 88,362	\$ 1,123,830
Waste water treatment facility	10,325,000	-	295,000	10,030,000
Water mains	6,025,495	529,139	162,482	6,392,152
	-	-	-	-
	<u>\$ 17,562,687</u>	<u>\$ 529,139</u>	<u>\$ 545,844</u>	<u>\$ 17,545,982</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

15. Trust Funds

The Town of Neepawa administers the following trust:

<u>List Trust Funds</u>	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
Cemetery	\$ 1,504,965	\$ 24,167	\$ 1,529,132
Veterans Walk	3,877	48	3,925
	<u>\$ 1,508,842</u>	<u>\$ 24,215</u>	<u>\$ 1,533,057</u>

Town of Neepawa

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2017

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2017	2016
Cost										
Opening costs	1,400,156	3,654,412	3,235,291	203,668	53,717	5,290,594	43,221,261	-	57,059,099	53,840,970
Additions during the year	153,530	157,146	190,077	1,102	-	209,477	760,768	-	1,472,100	3,244,383
Transfer during the year	-	53,717	-	-	(53,717)	-	-	-	-	-
Disposals and write downs	-	-	(124,328)	(1,442)	-	-	-	-	(125,770)	(26,254)
Closing costs	<u>1,553,686</u>	<u>3,865,275</u>	<u>3,301,040</u>	<u>203,328</u>	<u>-</u>	<u>5,500,071</u>	<u>43,982,029</u>	<u>-</u>	<u>58,405,429</u>	<u>57,059,099</u>
Accumulated Amortization										
Opening accum'd amortization	792,014	1,907,304	2,214,283	193,148	-	3,568,512	16,182,944	-	24,858,205	23,543,938
Amortization	14,331	97,127	190,945	5,269	-	108,808	945,650	-	1,362,130	1,320,364
Disposals and write downs	-	-	(55,028)	(1,442)	-	-	-	-	(56,470)	(6,097)
Closing accum'd amortization	<u>806,345</u>	<u>2,004,431</u>	<u>2,350,200</u>	<u>196,975</u>	<u>-</u>	<u>3,677,320</u>	<u>17,128,594</u>	<u>-</u>	<u>26,163,865</u>	<u>24,858,205</u>
Net Book Value of Tangible Capital Assets	<u>747,341</u>	<u>1,860,844</u>	<u>950,840</u>	<u>6,353</u>	<u>-</u>	<u>1,822,751</u>	<u>26,853,435</u>	<u>-</u>	<u>32,241,564</u>	<u>32,200,894</u>

CONSOLIDATED SCHEDULE OF REVENUES

Year Ended December 31, 2017

	2017 Actual	2016 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 4,195,728	\$ 4,077,884
Taxes added	157,744	31,201
	<u>4,353,472</u>	<u>4,109,085</u>
Grants in lieu of taxation:		
Federal government enterprises	6,570	5,491
Provincial government	75,537	71,515
Provincial government enterprises	37,106	36,273
Other local governments	-	-
	<u>119,213</u>	<u>113,279</u>
User fees		
Sales of service	230,205	228,500
Rentals	142,664	170,029
Facility use fees	157,128	153,385
	<u>529,997</u>	<u>551,914</u>
Grants - Province of Manitoba		
General assistance payment	775,149	575,678
VLT revenues	-	57,562
Conditional grants - Trunk line	264,570	828,064
Conditional grants - Other	367,640	298,437
	<u>1,407,359</u>	<u>1,759,741</u>
Grants - other		
Federal government - Gas tax Funding	108,654	76,230
Federal government - Trunk line	264,570	828,064
Other local governments	74,134	67,554
	<u>447,358</u>	<u>971,848</u>
Permits, licences and fines		
Licences	2,577	3,127
Fines	37,099	21,242
	<u>39,676</u>	<u>24,369</u>
Investment income:		
Cash and temporary investments	124,626	114,913
	<u>124,626</u>	<u>114,913</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(11,041)	(3,784)
Gain on sale of real estate held for sale	-	47,750
Penalties and interest	24,730	25,783
Cemetery expense recoveries - cemetery trust	20,580	17,768
Recoveries	32,501	146,003
Miscellaneous	37,608	18,718
	<u>104,378</u>	<u>252,238</u>
Water and sewer (Schedule 4)	<u>2,013,493</u>	<u>1,803,050</u>
Total revenue	<u><u>9,139,571</u></u>	<u><u>9,700,437</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 64,703	\$ 63,560
General administrative	629,426	600,330
Other	232,898	260,730
	<u>927,027</u>	<u>924,620</u>
Protective services:		
Police	615,961	582,372
Fire	146,609	208,125
Emergency measures	123,482	113,667
Other protection	33,970	33,047
	<u>920,022</u>	<u>937,211</u>
Transportation services:		
Road transport		
Administration and engineering	170,071	160,578
Road and street maintenance	930,350	914,403
Street lighting	88,039	83,602
Other	45,299	18,838
Air transport	37,514	25,760
	<u>1,271,273</u>	<u>1,203,181</u>
Environmental health services:		
Waste collection and disposal	484,417	641,097
	<u>484,417</u>	<u>641,097</u>
Public health and welfare services:		
Public health	259,147	244,337
Social assistance	13,167	13,167
	<u>272,314</u>	<u>257,504</u>
Regional planning and development		
Planning and zoning	115,642	97,044
Urban area weed control	4,238	5,010
Other	17,311	10,560
	<u>137,191</u>	<u>112,614</u>
Resource conservation and industrial development		
Drainage of land	8,492	9,602
Veterinary services	11,790	7,860
Regional development	297,441	161,372
Other	2,930	2,930
	<u>320,653</u>	<u>181,764</u>
Sub-totals forward	<u>4,332,897</u>	<u>4,257,991</u>

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2017

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Sub-totals forward	<u>4,332,897</u>	<u>4,257,991</u>
Recreation and cultural services:		
Community centers and halls	89,103	114,165
Swimming pools and beaches	113,577	118,739
Skating and curling rinks	85,000	85,000
Parks and playgrounds	102,321	78,204
Other recreational facilities	81,891	88,797
Libraries	85,156	71,974
Other cultural facilities	724	1,020
	<u>557,772</u>	<u>557,899</u>
Water and sewer services (Schedule 4)	<u>2,194,714</u>	<u>2,016,259</u>
Total expenses	<u><u>7,085,383</u></u>	<u><u>6,832,149</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2017

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$4,022,907	\$3,781,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	119,213	113,279	-	-	-	-	-	-	-	-
User fees	121,532	147,617	42,695	49,153	-	-	141,493	133,281	-	-
Prov of MB - Unconditional Grants	775,149	633,240	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	82,787	21,867	50,400	50,400	11,717	11,717	112,850	111,643	-	-
Grants - other	51,639	6,181	58,190	58,453	108,654	76,230	-	-	-	-
Permits, licences and fines	487	317	37,389	21,452	-	-	-	-	-	-
Investment income	121,177	110,419	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(11,041)	(2,664)	-	-	-	-	-	(204)	-	-
Other revenue	70,378	211,155	3,896	8,701	-	-	2,647	1,324	-	-
Water and sewer										
Total revenue	\$ 5,354,228	\$ 5,023,247	\$ 192,570	\$ 188,159	\$ 120,371	\$ 87,947	\$ 256,990	\$ 246,044	\$ -	\$ -
EXPENSES										
Personnel services	\$ 401,699	\$ 388,020	\$ 141,265	\$ 195,662	\$ 497,029	\$ 470,175	\$ 74,692	\$ 71,954	\$ 168,694	\$ 199,097
Contract services	291,247	255,086	578,377	531,400	194,191	125,383	349,275	369,325	17,573	13,167
Utilities	101,045	115,684	65,062	68,414	117,761	109,633	7,306	6,667	7,809	6,730
Maintenance materials and supplies	17,810	18,707	59,067	70,362	196,753	255,662	12,428	143,819	66,243	29,073
Grants and contributions	75,839	86,681	48,482	43,863	-	-	11,121	13,092	-	-
Amortization	25,223	39,330	27,768	27,510	265,539	242,331	27,765	28,901	11,996	9,437
Interest on long term debt	97	6,535	-	-	-	-	728	1,553	-	-
Other	14,064	14,574	-	-	-	-	1,103	5,787	-	-
Total expenses	\$ 927,024	\$ 924,617	\$ 920,021	\$ 937,211	\$ 1,271,273	\$ 1,203,184	\$ 484,418	\$ 641,098	\$ 272,315	\$ 257,504
Surplus (Deficit)	\$ 4,427,204	\$ 4,098,630	\$ (727,451)	\$ (749,052)	\$ (1,150,902)	\$ (1,115,237)	\$ (227,428)	\$ (395,054)	\$ (272,315)	\$ (257,504)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2017

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,565	\$ 327,249	\$ 4,353,472	\$ 4,109,085
Grants in lieu of taxation	-	-	-	-	-	-	-	-	119,213	113,279
User fees	62,115	63,012	-	-	162,162	158,851	-	-	529,997	551,914
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	775,149	633,240
Prov of MB - Conditional Grants	21,263	44,390	-	-	43,400	58,420	-	-	322,417	298,437
Grants - other	5,589	-	-	-	3,939	2,920	529,139	1,656,127	757,150	1,799,911
Permits, licences and fines	-	-	1,800	2,600	-	-	-	-	39,676	24,369
Investment income	3,272	4,313	-	-	177	181	-	-	124,626	114,913
Gain (loss) on sale of assets	-	(916)	-	-	-	-	-	-	(11,041)	(3,784)
Other revenue	38,038	34,690	-	-	460	153	-	-	115,419	256,023
Water and sewer							2,013,493	1,803,050	2,013,493	1,803,050
Total revenue	\$ 130,277	\$ 145,489	\$ 1,800	\$ 2,600	\$ 210,138	\$ 220,525	\$ 2,873,197	\$ 3,786,426	\$ 9,139,571	\$ 9,700,437
EXPENSES										
Personnel services	\$ 47,640	\$ 41,584	\$ 72,676	\$ 85,728	\$ 269,301	\$ 280,145	\$ 324,424	\$ 323,681	\$ 1,997,420	\$ 2,056,046
Contract services	74,257	50,594	197,321	50,991	131,035	117,495	84,605	85,127	1,917,881	1,598,568
Utilities	1,842	1,752	4,729	5,958	50,826	54,215	141,115	122,079	497,495	491,132
Maintenance materials and supplies	12,175	11,114	5,621	8,509	57,340	55,607	571,973	430,000	999,410	1,022,853
Grants and contributions	1	741	26,532	17,462	2,903	-	-	-	164,878	161,839
Amortization	1,277	6,828	11,274	10,290	45,640	49,391	945,649	906,346	1,362,131	1,320,364
Interest on long term debt	-	-	-	-	3	26	125,830	132,128	126,658	140,242
Other	-	-	2,500	2,826	724	1,020	1,118	16,898	19,509	41,105
Total expenses	\$ 137,192	\$ 112,613	\$ 320,653	\$ 181,764	\$ 557,772	\$ 557,899	\$ 2,194,714	\$ 2,016,259	\$ 7,085,382	\$ 6,832,149
Surplus (Deficit)	\$ (6,915)	\$ 32,876	\$ (318,853)	\$ (179,164)	\$ (347,634)	\$ (337,374)	\$ 678,483	\$ 1,770,167	\$ 2,054,189	\$ 2,868,288

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Property taxes	\$ 4,353,472	\$ 4,109,085	\$ -	\$ -	\$ -	\$ -	\$ 4,353,472	\$ 4,109,085
Grants in lieu of taxation	119,213	113,279	-	-	-	-	119,213	113,279
User fees	392,331	445,939	-	-	137,666	105,975	529,997	551,914
Prov of MB - Unconditional Grants	775,149	633,240	-	-	-	-	775,149	633,240
Prov of MB - Conditional Grants	264,057	216,876	-	-	58,360	81,561	322,417	298,437
Grants - other	747,622	1,796,991	-	-	9,528	2,920	757,150	1,799,911
Permits, licences and fines	39,676	24,369	-	-	-	-	39,676	24,369
Investment income	121,177	110,419	-	-	3,449	4,494	124,626	114,913
Gain (loss) on sale of assets	(11,041)	(3,784)	-	-	-	-	(11,041)	(3,784)
Other revenue	70,378	212,275	-	-	45,041	43,748	115,419	256,023
Water and sewer	2,013,493	1,803,050	-	-	-	-	2,013,493	1,803,050
Total revenue	\$ 8,885,527	\$ 9,461,739	\$ -	\$ -	\$ 254,044	\$ 238,698	\$ 9,139,571	\$ 9,700,437
EXPENSES								
Personnel services	\$ 1,833,205	\$ 1,894,934	\$ -	\$ -	\$ 164,215	\$ 161,112	\$ 1,997,420	\$ 2,056,046
Contract services	1,754,561	1,425,670	-	-	163,320	172,898	1,917,881	1,598,568
Utilities	468,050	462,791	-	-	29,445	28,341	497,495	491,132
Maintenance materials and supplies	954,507	974,823	-	-	44,903	48,030	999,410	1,022,853
Grants and contributions	147,507	148,006	-	-	17,371	13,833	164,878	161,839
Amortization	1,319,301	1,271,800	-	-	42,830	48,564	1,362,131	1,320,364
Interest on long term debt	125,927	138,663	-	-	731	1,579	126,658	140,242
Other	18,406	39,992	-	-	1,103	1,113	19,509	41,105
Total expenses	\$ 6,621,464	\$ 6,356,679	\$ -	\$ -	\$ 463,918	\$ 475,470	\$ 7,085,382	\$ 6,832,149
Surplus (Deficit)	\$ 2,264,063	\$ 3,105,060	\$ -	\$ -	\$ (209,874)	\$ (236,772)	\$ 2,054,189	\$ 2,868,288

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2017

	2017								
	General	Landfill	Municipality facility	Fire	Utility	Public Works and Enviroment	Highway	Recreation and culture	Building and land
REVENUE									
Investment income	\$ 10,066	\$ -	\$ -	\$ 3,418	\$ 20,072	\$ 17,857	\$ -	\$ 2,053	\$ 28,853
Other income									
Total revenue	<u>10,066</u>	<u>-</u>	<u>-</u>	<u>3,418</u>	<u>20,072</u>	<u>17,857</u>	<u>-</u>	<u>2,053</u>	<u>28,853</u>
NET REVENUES	10,066	-	-	3,418	20,072	17,857	-	2,053	28,853
TRANSFERS									
Combine reserves		(218,395)	(1,862,362)			1,022,010	(581,661)	30,746	1,862,362
Transfers from general operating	10,000	-	-	53,515	118,627	180,000	-	30,000	539,670
Transfers to general operating	-	-	-	-	-	-	-	-	-
Transfers from utility operating					690,008				
Acquisition of tangible capital assets				-	-				
CHANGE IN RESERVE FUND BALANCES	<u>20,066</u>	<u>(218,395)</u>	<u>(1,862,362)</u>	<u>56,933</u>	<u>828,707</u>	<u>1,219,867</u>	<u>(581,661)</u>	<u>62,799</u>	<u>2,430,885</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>805,153</u>	<u>218,395</u>	<u>1,862,362</u>	<u>244,913</u>	<u>1,626,367</u>	<u>307,083</u>	<u>581,661</u>	<u>128,587</u>	<u>356,291</u>
FUND SURPLUS, END OF YEAR	<u>\$ 825,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,846</u>	<u>\$ 2,455,074</u>	<u>\$ 1,526,950</u>	<u>\$ -</u>	<u>\$ 191,385</u>	<u>\$ 2,787,176</u>

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2017

SCHEDULE 6

	2017								2016	
	Lagoon	Culvert	Gas Tax	Health Care	Mobility	Sewer	Recreation	Airport	Total	Total
REVENUE										
Investment income	\$ -	\$ -	\$ 7,396	\$ 737	\$ -	\$ 5,293	\$ -	\$ -	\$ 95,746	\$ 85,380
Other income									-	
Total revenue	-	-	7,396	737	-	5,293	-	-	95,746	85,380
NET REVENUES	-	-	7,396	737	-	5,293	-	-	95,746	85,380
TRANSFERS										
Combine reserves	(211,997)	(120,147)		4,210	(4,210)	211,996	(30,746)	(101,806)	-	-
Transfers from general operating	-	-	198,369	40,000	-	-	-	-	1,170,181	987,010
Transfers to general operating	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	20,000	-	-	710,008	66,250
Acquisition of tangible capital assets			(108,654)	-	-	-	-	-	(108,654)	(614,813)
CHANGE IN RESERVE FUND BALANCES	(211,997)	(120,147)	97,111	44,947	(4,210)	237,289	(30,746)	(101,806)	1,867,281	523,827
FUND SURPLUS, BEGINNING OF YEAR	211,997	120,147	590,196	55,213	4,210	202,358	30,746	101,806	7,447,484	6,923,657
FUND SURPLUS, END OF YEAR	\$ -	\$ -	\$ 687,307	\$ 100,161	\$ -	\$ 439,647	\$ -	\$ -	\$ 9,314,765	\$ 7,447,484

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 1,066,623	\$ 2,148,853
Due from other funds	-	-
	<u>\$ 1,066,623</u>	<u>\$ 2,148,853</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,000	\$ -
Water meter deposits	55,189	55,794
Long-term debt (Note 9)	3,663,665	3,868,400
Due to other funds	699,235	1,783,854
	<u>4,421,089</u>	<u>5,708,048</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (3,354,466)</u>	<u>\$ (3,559,195)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 26,854,506	\$ 27,039,387
Prepaid expenses	-	-
	<u>26,854,506</u>	<u>27,039,387</u>
FUND SURPLUS (DEFICIT)	<u>\$ 23,500,040</u>	<u>\$ 23,480,192</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2017

SCHEDULE 8

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUE			
Water			
Water fees	\$ 1,451,824	\$ 1,464,301	\$ 1,319,550
Bulk Water fees	75,000	69,217	103,123
sub-total- water	<u>1,526,824</u>	<u>1,533,518</u>	<u>1,422,673</u>
Sewer			
Sewer fees	297,105	322,892	174,988
Lagoon tipping fees	6,000	18,643	6,455
sub-total- sewer	<u>303,105</u>	<u>341,535</u>	<u>181,443</u>
Property taxes	<u>330,565</u>	<u>330,565</u>	<u>327,249</u>
Government transfers			
Capital	10,349,871	529,139	1,656,127
sub-total- government transfers	<u>10,349,871</u>	<u>529,139</u>	<u>1,656,127</u>
Other			
Hydrant rentals	46,250	46,250	46,250
Connection charges	89,000	82,099	12,500
Penalties	3,000	10,091	4,147
Other income	169,627	-	136,037
sub-total- other	<u>307,877</u>	<u>138,440</u>	<u>198,934</u>
Total revenue	<u>12,818,242</u>	<u>2,873,197</u>	<u>3,786,426</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS (cont'd)
Year Ended December 31, 2017

SCHEDULE 9

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
EXPENSES			
General			
Administration	73,850	47,855	44,549
Billing and collection	365,000	330,766	328,860
sub-total- general	<u>438,850</u>	<u>378,621</u>	<u>373,409</u>
Water General			
Purification and treatment	304,700	294,450	318,255
Transmission and distribution	86,250	235,267	94,752
Connection costs	32,000	40,837	35,716
sub-total- water general	<u>422,950</u>	<u>570,554</u>	<u>448,723</u>
Water Amortization & Interest			
Amortization	870,186	870,186	857,068
Interest on long term debt	125,830	125,830	132,128
sub-total- water amortization & interest	<u>996,016</u>	<u>996,016</u>	<u>989,196</u>
Sewer General			
Collection system costs	38,500	91,143	32,299
Treatment and disposal cost	115,000	65,313	107,098
Lift Station costs	57,000	17,604	16,256
sub-total- sewer general	<u>210,500</u>	<u>174,060</u>	<u>155,653</u>
Sewage Amortization & Interest			
Amortization	75,463	75,463	49,278
sub-total- sewer amortization & interest	<u>75,463</u>	<u>75,463</u>	<u>49,278</u>
Total expenses	<u>2,143,779</u>	<u>2,194,714</u>	<u>2,016,259</u>
NET OPERATING SURPLUS	10,674,463	678,483	1,770,167
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	(658,635)	76,616
CHANGE IN UTILITY FUND BALANCE	<u>\$ 10,674,463</u>	19,848	1,846,783
FUND SURPLUS, BEGINNING OF YEAR (Note 19)		<u>23,480,192</u>	<u>21,633,409</u>
FUND SURPLUS, END OF YEAR		<u>\$ 23,500,040</u>	<u>\$ 23,480,192</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 4,245,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,245,146
Grants in lieu of taxation	119,213	-	-	-	-	-	-	119,213
User fees	446,160	-	-	-	-	-	137,666	583,826
Grants - Province of Manitoba	890,896	-	264,570	-	-	-	58,360	1,213,826
Grants - other	270,613	-	264,570	-	-	-	9,528	544,711
Permits, licences and fines	23,150	-	-	-	-	-	-	23,150
Investment income	47,000	-	-	-	-	-	3,449	50,449
Other revenue	111,800	-	-	-	-	-	45,041	156,841
Water and sewer	-	12,487,677	-	-	-	-	-	12,487,677
Transfers from accumulated surplus	2,248,500	-	-	-	(2,248,500)	-	-	-
Transfers from General	-	268,302	-	-	(268,302)	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	\$ 8,402,478	\$ 12,755,979	\$ 529,140	\$ -	\$ (2,516,802)	\$ -	\$ 254,044	\$ 19,424,839
EXPENSES								
General government services	\$ 861,283	\$ -	\$ 25,223	\$ 97	\$ 8,358	\$ -	\$ 5,015	\$ 899,976
Protective services	910,914	-	27,768	-	-	-	67,816	1,006,498
Transportation services	1,081,850	-	265,539	-	-	-	-	1,347,389
Environmental health services	638,100	-	27,765	728	-	-	(95,652)	570,941
Public health and welfare services	256,800	-	11,996	-	-	-	-	268,796
Regional planning and development	43,325	-	1,277	-	-	-	79,417	124,019
Resource cons and industrial dev	316,925	-	11,274	-	-	-	30,566	358,765
Recreation and cultural services	524,443	-	45,640	3	-	-	34,762	604,848
Water and sewer services	-	1,072,301	945,649	125,830	-	-	-	2,143,780
Fiscal services:								-
Transfer to capital	2,784,500	11,230,500	(14,015,000)	-	-	-	-	-
Debt charges	256,190	268,301	-	(524,491)	-	-	-	-
Short term interest	5,500	-	-	(5,500)	-	-	-	-
Transfer to Utility	268,302	-	-	-	(268,302)	-	-	-
Transfer to reserves	445,988	184,877	-	-	(630,865)	-	-	-
Allowance for tax assets	8,358	-	-	-	(8,358)	-	-	-
Total expenses	\$ 8,402,478	\$ 12,755,979	\$ (12,652,869)	\$ (403,333)	\$ (899,167)	\$ -	\$ 121,924	\$ 7,325,012
Surplus (Deficit)	\$ -	\$ -	\$ 13,182,009	\$ 403,333	\$ (1,617,635)	\$ -	\$ 132,120	\$ 12,099,827

Town of Neepawa
ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2017

SCHEDULE 10

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 154,937	\$ 188,032
Add:		
Tax levy (Schedule 12)	6,428,525	6,191,803
Taxes added	157,744	31,201
Penalties or interest	24,730	26,416
Other accounts added	12,859	76,147
Refunds	12,187	10,899
Tax Adjustments - tax sale costs	-	-
Sub-total	<u>6,636,045</u>	<u>6,336,466</u>
Deduct:		
Cash collections	5,883,454	5,647,185
Write-offs	2,307	-
M.P.T.C. - cash advance	720,300	722,376
Sub-total	<u>6,606,061</u>	<u>6,369,561</u>
Balance, end of year	<u><u>\$ 184,921</u></u>	<u><u>\$ 154,937</u></u>

Town of Neepawa
ANALYSIS OF TAX LEVY
 Year Ended December 31, 2017

SCHEDULE 11

	2017			2016
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D. General & Utility	186,397,720	2.08	387,707	368,678
At large	167,299,980	0.75	125,475	136,011
General municipal	167,299,980	18.60	3,111,780	2,967,362
Reserves:				
Various	167,299,980	1.49	248,608	275,339
Special levies:				
Whitemud watershed	28,555,570	0.30	8,567	9,442
Scavenging	-	-	304,671	292,776
Cable Fees - unbudgeted			8,753	8,276
Adjustments from school levy below			-	-
Total municipal taxes (Schedule 2)			4,195,560	4,057,884
Education support levy	40,989,340	10.51	430,798	414,379
Special levy:				
Beautiful Plains SD #31	151,569,960	11.890	1,802,167	1,719,540
Total education taxes			2,232,965	2,133,919
			\$ 6,428,525	\$ 6,191,803

SCHEDULE OF GENERAL OPERATING EXPENSES
Year Ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 64,703	\$ 63,560
General administrative	624,411	594,031
Other	232,903	260,731
	<u>922,016</u>	<u>918,323</u>
Protective services:		
Police	615,961	582,372
Fire	146,609	208,125
Emergency measures	55,666	45,323
Other protection	33,970	33,047
	<u>852,206</u>	<u>868,867</u>
Transportation services:		
Road transport		
Administration and engineering	170,072	160,578
Road and street maintenance	930,350	914,403
Street lighting	88,039	83,602
Other	45,299	18,838
Air transport	37,514	25,760
	<u>1,271,274</u>	<u>1,203,182</u>
Environmental health services:		
Waste collection and disposal	580,069	711,411
	<u>580,069</u>	<u>711,411</u>
Public health and welfare services:		
Public health	259,147	244,337
Social assistance	13,167	13,167
	<u>272,314</u>	<u>257,505</u>
Regional planning and development		
Planning and zoning	36,225	17,325
Urban area weed control	4,238	5,010
Other	17,311	10,560
	<u>57,774</u>	<u>32,895</u>
Resource conservation and industrial development		
Drainage of land	8,492	9,602
Veterinary services	11,790	7,860
Regional development	266,875	119,877
Other	2,930	2,930
	<u>290,088</u>	<u>140,269</u>
Recreation and cultural services:		
Community centers and halls	89,103	114,165
Swimming pools and beaches	113,577	118,739
Skating and curling rinks	85,000	85,000
Parks and playgrounds	102,321	78,204
Other recreational facilities	81,891	88,797
Libraries	50,394	42,676
Other cultural facilities	724	1,020
	<u>523,010</u>	<u>528,601</u>
Total expenses	<u><u>4,768,752</u></u>	<u><u>4,661,053</u></u>

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2017

	General	2017 Utility	Total	2016 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ -
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - net book value of assets disposed of	(40,568)	-	(40,568)	(3,764)
Increase expense - amortization of tangible capital assets	(373,652)	(945,650)	(1,319,302)	(1,271,801)
Eliminate expense - acquisitions of tangible capital assets	582,785	760,768	1,343,553	3,334,580
Reserve:				
Increase revenue - reserve funds interest	95,751	-	95,751	85,383
Eliminate expense - transfers to reserves	1,055,765	658,635	1,714,400	1,053,260
Eliminate revenue - transfers from reserves to operating funds	(108,654)	-	(108,654)	(614,813)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas Tax	(97,111)	-	(97,111)	(125,681)
Other:				
Eliminate expense - principal portion of long term debt	129,268	204,731	333,999	327,267
	1,243,584	678,484	1,922,068	2,784,431
Increase revenue - Net surplus of consolidated entities	132,120	-	132,120	83,857
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,375,704	\$ 678,484	\$ 2,054,188	\$ 2,868,288