

Town of Neepawa

Consolidated Financial Statements
Year ended December 31, 2016


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
December 5, 2017


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, 2016 and the consolidated statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2016, 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, 2016 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.



Winnipeg, Canada
December 5, 2017

Chambers Fraser
Chartered Professional Accountants

Town of Neepawa

Consolidated Financial Statements

Year ended December 31, 2016

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Town of Neepawa
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 8,490,756	\$ 9,522,474
Amounts receivable (Note 4)	2,791,011	853,179
Loans and advances	108,381	108,381
Real estate properties held for sale	534,563	548,372
Other inventories for sale (Note 5)	-	435
Other assets	<u>588</u>	<u>588</u>
	<u>\$ 11,925,299</u>	<u>\$ 11,033,429</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 1,161,129	\$ 1,049,763
Deferred revenue (Note 7)	613,657	491,766
Landfill closure and post closure liabilities (Note 8)	729,923	640,183
Long-term debt (Note 9)	4,039,427	4,392,623
Deposits	<u>55,794</u>	<u>55,880</u>
	<u>6,599,930</u>	<u>6,630,215</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 5,325,369</u>	<u>\$ 4,403,214</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 32,200,894	30,297,031
Prepaid expenses	<u>79,510</u>	<u>37,241</u>
	<u>32,280,404</u>	<u>30,334,272</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 13)	<u>\$ 37,605,773</u>	<u>\$ 34,737,486</u>

Approved on behalf of Council:



Adrian DeGroot - Mayor



Darryl Gerrard - Deputy Mayor

Town of Neepawa
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2016

	<u>2016 Budget (Note 12)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 4,108,388	\$ 4,109,085	\$ 3,967,560
Grants in lieu of taxation	113,279	113,279	107,916
User fees	624,190	551,914	603,067
Grants - Province of Manitoba	894,520	1,759,741	918,319
Grants - other	269,020	971,848	223,179
Permits, licences and fines	21,870	24,369	23,170
Investment income	53,494	114,913	115,211
Other revenue	299,248	252,238	127,664
Water and sewer	<u>3,958,034</u>	<u>1,803,050</u>	<u>1,649,670</u>
Total revenue (Schedules 2, 4 and 5)	<u>10,342,043</u>	<u>9,700,436</u>	<u>7,735,756</u>
EXPENSES			
General government services	948,120	924,620	871,256
Protective services	1,002,839	937,211	1,009,851
Transportation services	1,256,431	1,203,181	1,070,480
Environmental health services	695,734	641,097	666,232
Public health and welfare services	262,937	257,504	271,908
Regional planning and development	113,131	112,614	80,970
Resource conservation and industrial development	446,608	181,764	243,990
Recreation and cultural services	604,855	557,899	582,527
Water and sewer services	<u>2,069,174</u>	<u>2,016,259</u>	<u>1,936,591</u>
Total expenses (Schedules 3, 4 and 5)	<u>7,399,829</u>	<u>6,832,149</u>	<u>6,733,805</u>
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 2,942,214</u></u>	<u>2,868,287</u>	1,001,951
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>34,737,486</u>	<u>33,735,535</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$37,605,773</u></u>	<u><u>\$ 34,737,486</u></u>

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, 2016

	<u>2016 Budget (Note 12)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 2,942,214</u>	<u>\$ 2,868,287</u>	<u>\$ 1,001,951</u>
Acquisition of tangible capital assets	(2,985,080)	(3,244,384)	(1,027,369)
Amortization of tangible capital assets	1,320,364	1,320,364	1,205,507
Loss (Gain) on sale of tangible capital assets		3,784	109
Proceeds on sale of tangible capital assets		16,372	148,050
Decrease (increase) in prepaid expense		(42,268)	6,982
	<u>(1,664,716)</u>	<u>(1,946,132)</u>	<u>333,279</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 1,277,498</u>	922,155	1,335,230
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>4,403,214</u>	<u>3,067,984</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 5,325,369</u>	<u>\$ 4,403,214</u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,868,287	\$ 1,001,951
Changes in non-cash items:		
Amounts receivable	(1,937,832)	55,800
Inventories	435	44
Prepays	(42,268)	6,982
Other assets	-	(20)
Accounts payable and accrued liabilities	111,366	88,578
Deferred revenue	121,891	57,984
Landfill closure and post closure liabilities	89,740	(58,577)
Other liabilities	(86)	710
Loss (Gain) on sale of tangible capital asset	3,784	109
Amortization	<u>1,320,364</u>	<u>1,205,507</u>
Cash provided by (applied to) operating transactions	<u>2,535,681</u>	<u>2,359,068</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	16,372	148,050
Cash used to acquire tangible capital assets	<u>(3,244,384)</u>	<u>(1,027,369)</u>
Cash provided by (applied to) capital transactions	<u>(3,228,012)</u>	<u>(879,319)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	22,950
Purchase of portfolio investments	-	(22,950)
Acquisition of real estate properties	<u>13,809</u>	<u>-</u>
Cash provided by (applied to) investing transactions	<u>13,809</u>	<u>-</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>(353,196)</u>	<u>(368,150)</u>
Cash provided by (applied to) financing transactions	<u>(353,196)</u>	<u>(368,150)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(1,031,718)	1,111,599
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>9,522,474</u>	<u>8,410,875</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 8,490,756</u></u>	<u><u>\$ 9,522,474</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, 2016

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 %) (2015 - consolidated 33.33 %)
Neepawa Area Development Corporation Ltd. (consolidated 25 %) (2015 - consolidated 25 %)
Evergreen Environmental Technologies Ltd. (consolidated 26.8 %) (2015 - consolidated 26.8%)
Neepawa and Area Planning District Board (consolidated 67 %) (2015 - consolidated 67 %)
Neepawa & District Disabled Persons Association Inc. (consolidated 68 %) (2015 - consolidated 68 %)
Western Manitoba Regional Library (consolidated 5.4 %) (2015 - 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, 2016

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, 2016

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>2016</u>	<u>2015</u>
Cash	<u>\$ 8,490,755</u>	<u>\$ 9,522,474</u>

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

Designated Reserve Funds	<u>\$ 7,447,484</u>	<u>\$ 6,923,657</u>
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Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 174,937	\$ 188,032
Government grants	1,925,538	129,351
Utility customers	356,691	361,082
Organizations and individuals	370,104	162,644
Other governments	23,182	67,285
	<u>2,850,452</u>	<u>908,394</u>
Less allowances for doubtful amounts	<u>(59,441)</u>	<u>(55,215)</u>
	<u><u>\$ 2,791,011</u></u>	<u><u>\$ 853,179</u></u>

5. Inventories

Inventories for sale:

	<u>2016</u>	<u>2015</u>
History books	\$ -	\$ 435

6. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 592,261	\$ 320,206
Accrued expenses	330,758	169,085
School levies (Schedule 13)	36,820	50,651
Other governments	201,290	509,821
	<u>1,161,129</u>	<u>1,049,763</u>

7. Deferred Revenue:

	<u>2016</u>	<u>2015</u>
Federal Gas Tax Funding	\$ 590,196	\$ 464,564
Handi Transit Funding	4,210	4,161
	<u>594,406</u>	<u>468,725</u>
Other	19,251	23,041
	<u><u>\$ 613,657</u></u>	<u><u>\$ 491,766</u></u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

8. 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>2016</u>	<u>2015</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>\$ 35,824</u>	<u>\$ 36,910</u>
Expected year capacity will be reached	2094	2094
Capacity (tonnes):		
Used to date	91,000	84,500
Remaining	494,000	500,500
Total	585,000	585,000
Percent utilized	<u>15.56%</u>	<u>14.44%</u>
Liability based on percentage	<u>\$ 5,573</u>	<u>\$ 5,331</u>
b) Closed Municipal Landfill Site		
Estimated closure and post closure costs	<u>\$ 724,350</u>	<u>\$ 634,852</u>
Total landfill closure and post closure liabilities	<u>\$ 729,923</u>	<u>\$ 640,183</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

9. Long Term Debt

	<u>2016</u>	<u>2015</u>
General Authority:		
Debenture for personal care home, at 2.50%, \$138,681 annually including interest, maturing December, 2017	\$ 129,269	\$ 261,415
	<u>\$ 129,269</u>	<u>\$ 261,415</u>
Utility Funds:		
Debenture for waste water treatment facility, at 5.625%, \$126,824 annually including interest, maturing 2029	\$ 1,147,740	\$ 1,206,688
Debenture for waste water treatment plant and raw water line, at 4.6250%, \$268,301 annually including interest, maturing 2030	2,720,659	2,856,832
	<u>\$ 3,868,399</u>	<u>\$ 4,063,520</u>
Debenture long term debt	\$ 3,997,668	\$ 4,324,935
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.	11,298	16,267
Loan with Minnedosa Credit Union Ltd., at 4%, \$7,000 monthly including interest, maturing April 2018.	<u>30,461</u>	<u>51,421</u>
	<u>\$ 4,039,427</u>	<u>\$ 4,392,623</u>

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

2017	\$ 359,959
2018	222,020
2019	215,811
2020	217,762
2021	218,311

10. 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 amounted to \$96,063 (2015 - \$95,190) and are included in the statement of operations.

Town of Neepawa
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As at December 31, 2016

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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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.

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.

12. 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.

13. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	1,805,851	1,805,851
Utility operating fund - Nominal surplus	309,207	309,207
General capital fund - Capital surplus	4,310,604	3,771,101
Utility capital fund - Capital surplus	23,170,988	21,494,210
Reserve funds	<u>7,617,485</u>	<u>6,923,656</u>
	37,214,135	34,304,025
Deferred revenue - Reserves	<u>(594,406)</u>	<u>(468,725)</u>
Accumulated surplus of municipality unconsolidated	36,619,729	33,835,300
Accumulated surpluses of consolidated entities	<u>986,043</u>	<u>902,186</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 37,605,772</u>	<u>\$ 34,737,486</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

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 \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2016:

- a) Compensation paid to members of council amounted to \$63,563 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	\$ 11,048	\$ -	\$ 11,048
Bill Stilwell	9,189	123	9,312
Darryl Gerrard	8,058	-	8,058
Dean Dietrich	9,663	-	9,663
Isobel Jarema	9,651	73	9,724
James Cockburn	8,162	142	8,304
Murray Parrott	7,792	-	7,792
	<u>\$ 63,563</u>	<u>\$ 338</u>	<u>\$ 63,901</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Colleen Synchyshyn	Chief Administrative Officer	\$ 90,222
Denis Saquet	Manager of Operations	75,185
Howard Buffi	Water Plant Supervisor	71,747
Robert Bell	WTP Operator	65,991
Keith Dahmer	Public Works Supervisor	62,135
Marilyn Crewe	Economic Development Office	61,590
Jamie Davie	Director of Finance	55,315
Bradford Zubert	WTP Operator	54,916
Chris Doble	Public Works Foreman	53,597
Scott Gibson	Fire Chief	52,918
Dwayne Crandell	Public Works Operator	51,608
Amanda Novak	Leisure Service Manager	50,082

15. 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	\$ 1,300,554	\$ -	\$ 88,362	\$ 1,212,192
Waste water treatment facility	10,620,000	-	295,000	10,325,000
Water mains	4,515,516	1,656,127	146,148	6,025,495
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,436,070</u>	<u>\$ 1,656,127</u>	<u>\$ 529,510</u>	<u>\$ 17,562,687</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2016

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2016	2015
Cost										
Opening costs	1,343,665	3,575,664	2,777,817	203,212	23,772	5,083,582	40,833,257	-	53,840,969	52,995,367
Additions during the year	56,490	78,748	483,729	456	29,945	207,012	2,388,004	-	3,244,384	1,027,369
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	(26,254)	-	-	-	-	-	(26,254)	(181,767)
Closing costs	<u>1,400,155</u>	<u>3,654,412</u>	<u>3,235,292</u>	<u>203,668</u>	<u>53,717</u>	<u>5,290,594</u>	<u>43,221,261</u>	<u>-</u>	<u>57,059,099</u>	<u>53,840,969</u>
Accumulated Amortization										
Opening accum'd amortization	780,240	1,812,086	2,033,124	171,774	-	3,470,116	15,276,598	-	23,543,938	22,372,039
Amortization	11,773	95,219	187,255	21,374	-	98,396	906,347	-	1,320,364	1,205,507
Disposals and write downs	-	-	(6,097)	-	-	-	-	-	(6,097)	(33,608)
Closing accum'd amortization	<u>792,013</u>	<u>1,907,305</u>	<u>2,214,282</u>	<u>193,148</u>	<u>-</u>	<u>3,568,512</u>	<u>16,182,945</u>	<u>-</u>	<u>24,858,205</u>	<u>23,543,938</u>
Net Book Value of Tangible Capital Assets	<u><u>608,142</u></u>	<u><u>1,747,107</u></u>	<u><u>1,021,010</u></u>	<u><u>10,520</u></u>	<u><u>53,717</u></u>	<u><u>1,722,082</u></u>	<u><u>27,038,316</u></u>	<u><u>-</u></u>	<u><u>32,200,894</u></u>	<u><u>30,297,031</u></u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2016

SCHEDULE 2

	<u>2016 Actual</u>	<u>2015 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 4,077,884	\$ 3,901,760
Taxes added	31,201	65,800
	<u>4,109,085</u>	<u>3,967,560</u>
Grants in lieu of taxation:		
Federal government enterprises	5,491	6,461
Provincial government	71,515	61,872
Provincial government enterprises	36,273	34,783
Other local governments	-	4,800
	<u>113,279</u>	<u>107,916</u>
User fees		
Sales of service	228,500	278,593
Rentals	170,029	176,556
Facility use fees	153,385	147,918
	<u>551,914</u>	<u>603,067</u>
Grants - Province of Manitoba		
General assistance payment	575,678	575,678
VLT revenues	57,562	57,562
Conditional grants - Trunk line	828,064	-
Conditional grants - Other	298,437	285,079
	<u>1,759,741</u>	<u>918,319</u>
Grants - other		
Federal government - Gas tax Funding	76,230	148,795
Federal government - Trunk line	828,064	-
Other local governments	67,554	74,384
	<u>971,848</u>	<u>223,179</u>
Permits, licences and fines		
Licences	3,127	1,717
Fines	21,242	21,453
	<u>24,369</u>	<u>23,170</u>
Investment income:		
Cash and temporary investments	114,913	115,211
	<u>114,913</u>	<u>115,211</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(3,784)	(109)
Gain on sale of real estate held for sale	47,750	-
Penalties and interest	25,783	23,428
Cemetery expense recoveries - cemetery trust	17,768	19,217
Recoveries	146,003	25,855
Miscellaneous	18,718	59,273
	<u>252,238</u>	<u>127,664</u>
Water and sewer (Schedule 4)	<u>1,803,050</u>	<u>1,649,670</u>
Total revenue	<u><u>9,700,436</u></u>	<u><u>7,735,756</u></u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016

SCHEDULE 3

	<u>2016 Actual</u>	<u>2015 Actual</u>
General government services:		
Legislative	\$ 63,560	\$ 61,994
General administrative	600,330	514,979
Other	260,730	294,283
	<u>924,620</u>	<u>871,256</u>
Protective services:		
Police	582,372	634,759
Fire	208,125	210,647
Emergency measures	113,667	120,533
Other protection	33,047	43,912
	<u>937,211</u>	<u>1,009,851</u>
Transportation services:		
Road transport		
Administration and engineering	160,578	153,909
Road and street maintenance	914,403	800,811
Street lighting	83,602	78,942
Other	18,838	10,252
Air transport	25,760	26,566
	<u>1,203,181</u>	<u>1,070,480</u>
Environmental health services:		
Waste collection and disposal	641,097	666,232
	<u>641,097</u>	<u>666,232</u>
Public health and welfare services:		
Public health	244,337	258,741
Social assistance	13,167	13,167
	<u>257,504</u>	<u>271,908</u>
Regional planning and development		
Planning and zoning	97,044	63,923
Urban area weed control	5,010	5,263
Other	10,560	11,784
	<u>112,614</u>	<u>80,970</u>
Resource conservation and industrial development		
Drainage of land	9,602	9,569
Veterinary services	7,860	7,860
Regional development	161,372	223,631
Other	2,930	2,930
	<u>181,764</u>	<u>243,990</u>
Sub-totals forward	<u>4,257,991</u>	<u>4,214,687</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016

SCHEDULE 3

	<u>2016 Actual</u>	<u>2015 Actual</u>
Sub-totals forward	<u>4,257,991</u>	<u>4,214,687</u>
Recreation and cultural services:		
Community centers and halls	114,165	132,387
Swimming pools and beaches	118,739	132,805
Skating and curling rinks	85,000	75,000
Parks and playgrounds	78,204	81,054
Other recreational facilities	88,797	86,513
Libraries	71,974	73,423
Other cultural facilities	1,020	1,345
	<u>557,899</u>	<u>582,527</u>
Water and sewer services (Schedule 4)	<u>2,016,259</u>	<u>1,936,591</u>
Total expenses	<u><u>6,832,149</u></u>	<u><u>6,733,805</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ 3,781,836	\$ 3,545,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	113,279	107,916	-	-	-	-	-	-	-	-
User fees	147,617	155,872	49,153	47,503	-	-	133,281	150,916	-	-
Prov of MB - Unconditional Grants	633,240	633,240	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	21,867	20,645	50,400	50,400	11,717	11,717	111,643	92,501	-	-
Grants - other	6,181	10,000	58,453	60,902	76,230	148,795	-	-	-	-
Permits, licences and fines	317	227	21,452	21,743	-	-	-	-	-	-
Investment income	110,419	112,261	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(2,664)	(9,913)	-	-	-	-	(204)	136	-	-
Other revenue	211,154	93,793	8,701	6,847	-	-	1,324	1,607	-	-
Water and sewer										
Total revenue	<u>\$ 5,023,246</u>	<u>\$ 4,669,502</u>	<u>\$ 188,159</u>	<u>\$ 187,395</u>	<u>\$ 87,947</u>	<u>\$ 160,512</u>	<u>\$ 246,044</u>	<u>\$ 245,160</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 388,020	\$ 347,662	\$ 195,662	\$ 207,479	\$ 470,175	\$ 457,281	\$ 71,954	\$ 73,551	\$ 199,097	\$ 209,429
Contract services	255,086	223,964	531,400	577,736	125,383	124,526	369,325	395,380	13,167	13,167
Utilities	115,684	102,724	68,414	67,145	109,633	106,941	6,667	6,266	6,730	6,691
Maintenance materials and supplies	18,707	18,478	70,362	69,791	255,662	250,093	143,819	145,284	29,073	32,691
Grants and contributions	86,681	106,432	43,863	43,210	-	-	13,092	11,720	-	-
Amortization	39,330	51,175	27,510	44,493	242,331	131,639	28,901	30,747	9,437	9,930
Interest on long term debt	6,535	9,758	-	-	-	-	1,553	2,397	-	-
Other	14,574	11,062	-	-	-	-	5,787	887	-	-
Total expenses	<u>\$ 924,617</u>	<u>\$ 871,255</u>	<u>\$ 937,211</u>	<u>\$ 1,009,854</u>	<u>\$ 1,203,184</u>	<u>\$ 1,070,480</u>	<u>\$ 641,098</u>	<u>\$ 666,232</u>	<u>\$ 257,504</u>	<u>\$ 271,908</u>
Surplus (Deficit)	<u>\$ 4,098,629</u>	<u>\$ 3,798,247</u>	<u>\$ (749,052)</u>	<u>\$ (822,459)</u>	<u>\$ (1,115,237)</u>	<u>\$ (909,968)</u>	<u>\$ (395,054)</u>	<u>\$ (421,072)</u>	<u>\$ (257,504)</u>	<u>\$ (271,908)</u>

* 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, 2016

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,249	\$ 422,099	\$ 4,109,085	\$ 3,967,560
Grants in lieu of taxation	-	-	-	-	-	-	-	-	113,279	107,916
User fees	63,012	64,545	-	-	158,851	184,231	-	-	551,914	603,067
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	633,240	633,240
Prov of MB - Conditional Grants	44,390	65,555	-	-	58,420	44,261	-	-	298,437	285,079
Grants - other	-	-	-	-	2,920	3,482	1,656,127	-	1,799,911	223,179
Permits, licences and fines	-	-	2,600	1,200	-	-	-	-	24,369	23,170
Investment income	4,313	2,687	-	-	181	263	-	-	114,913	115,211
Gain (loss) on sale of assets	(916)	-	-	-	-	-	-	9,668	(3,784)	(109)
Other revenue	34,690	25,526	-	-	153	-	-	-	256,022	127,773
Water and sewer	-	-	-	-	-	-	1,803,050	1,649,670	1,803,050	1,649,670
Total revenue	\$ 145,489	\$ 158,313	\$ 2,600	\$ 1,200	\$ 220,525	\$ 232,237	\$ 3,786,426	\$ 2,081,437	\$ 9,700,436	\$ 7,735,756
EXPENSES										
Personnel services	\$ 41,584	\$ 40,376	\$ 85,728	\$ 111,482	\$ 280,145	\$ 286,870	\$ 323,681	\$ 371,412	\$ 2,056,046	\$ 2,105,542
Contract services	50,594	17,815	50,991	64,530	117,495	108,478	85,127	78,465	1,598,568	1,604,061
Utilities	1,752	1,451	5,958	12,780	54,215	42,003	122,079	121,068	491,132	467,069
Maintenance materials and supplies	11,114	14,501	8,509	23,880	55,607	93,380	430,000	271,115	1,022,853	919,213
Grants and contributions	741	-	17,462	17,427	-	-	-	-	161,839	178,789
Amortization	6,828	6,827	10,290	10,880	49,391	50,432	906,346	869,387	1,320,364	1,205,510
Interest on long term debt	-	-	-	-	26	17	132,128	209,233	140,242	221,405
Other	-	-	2,826	3,011	1,020	1,345	16,898	15,911	41,105	32,216
Total expenses	\$ 112,613	\$ 80,970	\$ 181,764	\$ 243,990	\$ 557,899	\$ 582,525	\$ 2,016,259	\$ 1,936,591	\$ 6,832,149	\$ 6,733,805
Surplus (Deficit)	\$ 32,876	\$ 77,343	\$ (179,164)	\$ (242,790)	\$ (337,374)	\$ (350,288)	\$ 1,770,167	\$ 144,846	\$ 2,868,287	\$ 1,001,951

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 4,109,085	\$ 3,967,560	\$ -	\$ -	\$ -	\$ -	\$ 4,109,085	\$ 3,967,560
Grants in lieu of taxation	113,279	107,916	-	-	-	-	113,279	107,916
User fees	445,939	494,771	-	-	105,975	108,296	551,914	603,067
Prov of MB - Unconditional Grants	633,240	633,240	-	-	-	-	633,240	633,240
Prov of MB - Conditional Grants	216,876	181,949	-	-	81,561	103,130	298,437	285,079
Grants - other	1,796,991	219,697	-	-	2,920	3,482	1,799,911	223,179
Permits, licences and fines	24,369	23,170	-	-	-	-	24,369	23,170
Investment income	110,419	112,261	-	-	4,494	2,950	114,913	115,211
Gain (loss) on sale of assets	(3,784)	(109)	-	-	-	-	(3,784)	(109)
Other revenue	212,274	93,657	-	-	43,748	34,116	256,022	127,773
Water and sewer	1,803,050	1,649,670	-	-	-	-	1,803,050	1,649,670
Total revenue	\$ 9,461,738	\$ 7,483,782	\$ -	\$ -	\$ 238,698	\$ 251,974	\$ 9,700,436	\$ 7,735,756
EXPENSES								
Personnel services	\$ 1,894,934	\$ 1,919,287	\$ -	\$ -	\$ 161,112	\$ 186,255	\$ 2,056,046	\$ 2,105,542
Contract services	1,425,670	1,455,756	-	-	172,898	148,305	1,598,568	1,604,061
Utilities	462,791	438,758	-	-	28,341	28,311	491,132	467,069
Maintenance materials and supplies	974,823	863,747	-	-	48,030	55,466	1,022,853	919,213
Grants and contributions	148,006	167,069	-	-	13,833	11,720	161,839	178,789
Amortization	1,271,800	1,149,802	-	-	48,564	55,708	1,320,364	1,205,510
Interest on long term debt	138,663	218,991	-	-	1,579	2,414	140,242	221,405
Other	39,992	36,450	-	-	1,113	(4,234)	41,105	32,216
Total expenses	\$ 6,356,679	\$ 6,249,860	\$ -	\$ -	\$ 475,470	\$ 483,945	\$ 6,832,149	\$ 6,733,805
Surplus (Deficit)	\$ 3,105,059	\$ 1,233,922	\$ -	\$ -	\$ (236,772)	\$ (231,971)	\$ 2,868,287	\$ 1,001,951

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2016

	2016								
	General	Landfill	Municipality facility	Fire	Utility	Machinery	Highway	Pool/Arena	Town Development
REVENUE									
Investment income	\$ 9,355	\$ 2,551	\$ 15,893	\$ 7,151	\$ 20,466	\$ 3,490	\$ 6,648	\$ 1,453	\$ 4,161
Other income									
Total revenue	9,355	2,551	15,893	7,151	20,466	3,490	6,648	1,453	4,161
NET REVENUES	9,355	2,551	15,893	7,151	20,466	3,490	6,648	1,453	4,161
TRANSFERS									
Transfers from general operating	10,000	-	653,365	57,656	-	20,000	30,000	10,000	-
Transfers to general operating	-	-	-	-	-	-	-	-	-
Transfers from utility operating					46,250				
Acquisition of tangible capital assets				(395,722)	(142,861)				
CHANGE IN RESERVE FUND BALANCES	19,355	2,551	669,258	(330,915)	(76,145)	23,490	36,648	11,453	4,161
FUND SURPLUS, BEGINNING OF YEAR	785,798	215,845	1,193,104	575,828	1,702,512	283,593	545,013	117,133	352,130
FUND SURPLUS, END 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>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2016

	2016									2015
	Lagoon	Culvert	Gas Tax	PCH	Mobility	Sewer	Recreation	Airport	Total	Total
REVENUE										
Investment income	\$ 2,379	\$ 1,355	\$ 5,874	\$ 645	\$ 49	\$ 2,363	\$ 359	\$ 1,189	\$ 85,381	\$ 81,874
Other income									-	
Total revenue	<u>2,379</u>	<u>1,355</u>	<u>5,874</u>	<u>645</u>	<u>49</u>	<u>2,363</u>	<u>359</u>	<u>1,189</u>	<u>85,381</u>	<u>81,874</u>
NET REVENUES	2,379	1,355	5,874	645	49	2,363	359	1,189	85,381	81,874
TRANSFERS										
Transfers from general operating	-	10,000	195,988	-	-	-	-	-	987,010	711,301
Transfers to general operating	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	20,000	-	-	-	-	-	-	-	66,250	304,754
Acquisition of tangible capital assets			(76,230)	-	-	-	-	-	(614,813)	(148,818)
CHANGE IN RESERVE FUND BALANCES	22,379	11,355	125,632	645	49	2,363	359	1,189	523,828	949,111
FUND SURPLUS, BEGINNING OF YEAR	189,617	108,792	464,564	54,569	4,161	199,994	30,386	100,617	6,923,657	5,974,545
FUND SURPLUS, END OF YEAR	<u>\$ 211,997</u>	<u>\$ 120,147</u>	<u>\$ 590,196</u>	<u>\$ 55,213</u>	<u>\$ 4,210</u>	<u>\$ 202,358</u>	<u>\$ 30,746</u>	<u>\$ 101,806</u>	<u>\$ 7,447,484</u>	<u>\$ 6,923,657</u>

Town of Neepawa
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2016

SCHEDULE 7

	<u>Cemetery</u>	<u>Veterans Walk</u>	Total	
			<u>2016</u>	<u>2015</u>
ASSETS				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-
Due from Municipality	1,504,965	3,877	1,508,842	1,483,869
	<u>\$ 1,504,965</u>	<u>\$ 3,877</u>	<u>\$ 1,508,842</u>	<u>\$ 1,483,869</u>
LIABILITIES AND FUND BALANCES				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Contributions, user fees and donations	\$ 24,928	\$ -	\$ 24,928	\$ 46,285
Investment income	20,092	45	20,137	22,142
	<u>45,020</u>	<u>45</u>	<u>45,065</u>	<u>68,427</u>
EXPENDITURES				
Cemetery maintenance	20,092	-	20,092	22,098
Distribution to beneficiaries	-	-	-	-
Other - paving	-	-	-	-
	<u>20,092</u>	<u>-</u>	<u>20,092</u>	<u>22,098</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	24,928	45	24,973	46,329
FUND BALANCE, BEGINNING OF YEAR				
	1,480,037	3,832	1,483,869	1,437,540
FUND BALANCE, END OF YEAR				
	<u>\$ 1,504,965</u>	<u>\$ 3,877</u>	<u>\$ 1,508,842</u>	<u>\$ 1,483,869</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 2,148,856	\$ 361,078
Due from other funds	-	4,005
	<u>\$ 2,148,856</u>	<u>\$ 365,083</u>
LIABILITIES		
Temporary borrowing	\$ -	\$ -
Accounts payable and accrued liabilities	-	-
Water meter deposits	55,794	55,880
Long-term debt (Note 9)	3,868,399	4,063,520
Due to other funds	1,783,854	-
	<u>5,708,047</u>	<u>4,119,400</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (3,559,191)</u>	<u>\$ (3,754,317)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 27,039,387	\$ 25,557,730
Prepaid expenses	-	-
	<u>27,039,387</u>	<u>25,557,730</u>
FUND SURPLUS (DEFICIT)	<u>\$ 23,480,196</u>	<u>\$ 21,803,413</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2016

SCHEDULE 9

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Water			
Water fees	\$ 1,332,470	\$ 1,319,550	\$ 1,335,415
Bulk Water fees	66,000	103,123	84,510
sub-total- water	<u>1,398,470</u>	<u>1,422,673</u>	<u>1,419,925</u>
Sewer			
Sewer fees	171,314	174,988	171,314
Lagoon tipping fees	5,500	6,455	6,564
sub-total- sewer	<u>176,814</u>	<u>181,443</u>	<u>177,878</u>
Property taxes	<u>327,249</u>	<u>327,249</u>	<u>422,099</u>
Government transfers			
Capital	<u>2,330,000</u>	<u>1,656,127</u>	-
sub-total- government transfers	<u>2,330,000</u>	<u>1,656,127</u>	<u>-</u>
Other			
Hydrant rentals	46,250	46,250	46,250
Connection charges	4,000	12,500	2,000
Penalties	2,500	4,147	3,617
Gain on sale of tangible capital assets	-	-	9,668
Other income	-	136,037	-
sub-total- other	<u>52,750</u>	<u>198,934</u>	<u>61,535</u>
Total revenue	<u>4,285,283</u>	<u>3,786,426</u>	<u>2,081,437</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS (cont'd)
Year Ended December 31, 2016

SCHEDULE 9

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
EXPENSES			
General			
Administration	84,350	44,549	40,384
Billing and collection	364,700	328,860	377,745
sub-total- general	<u>449,050</u>	<u>373,409</u>	<u>418,129</u>
Water General			
Purification and treatment	291,200	318,255	301,823
Transmission and distribution	65,750	94,752	48,367
Connection costs	32,000	35,716	7,376
sub-total- water general	<u>388,950</u>	<u>448,723</u>	<u>357,566</u>
Water Amortization & Interest			
Amortization	857,068	857,068	845,152
Interest on long term debt	132,128	132,128	209,233
sub-total- water amortization & interest	<u>989,196</u>	<u>989,196</u>	<u>1,054,385</u>
Sewer General			
Collection system costs	38,500	32,299	17,146
Treatment and disposal cost	97,200	107,098	53,149
Lift Station costs	57,000	16,256	11,981
sub-total- sewer general	<u>192,700</u>	<u>155,653</u>	<u>82,276</u>
Sewage Amortization & Interest			
Amortization	49,278	49,278	24,235
sub-total- sewer amortization & interest	<u>49,278</u>	<u>49,278</u>	<u>24,235</u>
Total expenses	<u>2,069,174</u>	<u>2,016,259</u>	<u>1,936,591</u>
NET OPERATING SURPLUS	2,216,109	1,770,167	144,846
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	76,616	(304,754)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 2,216,109</u>	1,846,783	(159,908)
FUND SURPLUS, BEGINNING OF YEAR (Note 19)		<u>21,803,413</u>	<u>21,963,321</u>
FUND SURPLUS, END OF YEAR		<u>\$ 23,650,196</u>	<u>\$ 21,803,413</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 4,108,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,108,388
Grants in lieu of taxation	113,279	-	-	-	-	-	-	113,279
User fees	377,971	-	-	-	-	-	246,219	624,190
Grants - Province of Manitoba	812,959	-	-	-	-	-	81,561	894,520
Grants - other	266,841	-	-	-	-	-	2,179	269,020
Permits, licences and fines	21,870	-	-	-	-	-	-	21,870
Investment income	49,000	-	-	-	-	-	4,494	53,494
Other revenue	255,500	-	-	-	-	-	43,748	299,248
Water and sewer	-	3,958,034	-	-	-	-	-	3,958,034
Transfers from accumulated surplus	699,222	-	-	-	(699,222)	-	-	-
Transfers from General	-	268,302	-	-	(268,302)	-	-	-
Transfers from reserves	950,000	821,415	-	-	(1,771,415)	-	-	-
Total revenue	\$ 7,655,030	\$ 5,047,751	\$ -	\$ -	\$ (2,738,939)	\$ -	\$ 378,201	\$ 10,342,043
EXPENSES								
General government services	\$ 886,479	\$ -	\$ 39,330	\$ 6,535	\$ 9,477	\$ -	\$ 6,299	\$ 948,120
Protective services	906,985	-	27,510	-	-	-	68,344	1,002,839
Transportation services	1,014,100	-	242,331	-	-	-	-	1,256,431
Environmental health services	595,350	-	28,901	1,553	-	-	69,930	695,734
Public health and welfare services	253,500	-	9,437	-	-	-	-	262,937
Regional planning and development	27,325	-	6,828	-	-	-	78,978	113,131
Resource cons and industrial dev	394,823	-	10,290	-	-	-	41,495	446,608
Recreation and cultural services	526,140	-	49,391	26	-	-	29,298	604,855
Water and sewer services	-	1,030,700	906,346	132,128	-	-	-	2,069,174
Fiscal services:								-
Transfer to capital	2,025,055	3,682,500	(5,707,555)	-	-	-	-	-
Debt charges	265,506	268,301	-	(533,807)	-	-	-	-
Short term interest	6,000	-	-	(6,000)	-	-	-	-
Transfer to Utility	268,302	-	-	-	(268,302)	-	-	-
Transfer to reserves	475,988	66,250	-	-	(542,238)	-	-	-
Allowance for tax assets	9,477	-	-	-	(9,477)	-	-	-
Total expenses	\$ 7,655,030	\$ 5,047,751	\$ (4,387,191)	\$ (399,565)	\$ (810,540)	\$ -	\$ 294,344	\$ 7,399,829
Surplus (Deficit)	\$ -	\$ -	\$ 4,387,191	\$ 399,565	\$ (1,928,399)	\$ -	\$ 83,857	\$ 2,942,214

Town of Neepawa
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2016

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 188,032	\$ 185,519
Add:		
Tax levy (Schedule 12)	6,211,803	6,104,010
Taxes added	31,201	65,800
Penalties or interest	26,416	23,428
Other accounts added	76,147	29,905
Refunds	10,899	13,058
Tax Adjustments - tax sale costs	-	2,264
Sub-total	<u>6,356,466</u>	<u>6,238,465</u>
Deduct:		
Cash collections	5,647,185	5,539,629
Write-offs	-	-
M.P.T.C. - cash advance	722,376	696,323
Sub-total	<u>6,369,561</u>	<u>6,235,952</u>
Balance, end of year	<u><u>\$ 174,937</u></u>	<u><u>\$ 188,032</u></u>

Town of Neepawa
ANALYSIS OF TAX LEVY
Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	165,867,100	0.82	136,011	163,691
At large	185,084,720	2.10	388,678	388,583
General municipal	165,867,100	17.89	2,967,362	2,742,023
Reserves:				
Various	165,867,100	1.66	275,339	324,500
Special levies:				
Whitemud watershed	28,611,070	0.33	9,442	10,284
Scavenging	-	-	292,776	265,144
Cable Fees - unbudgeted			8,276	7,535
Total municipal taxes (Schedule 2)			4,077,884	3,901,760
Education support levy	39,464,710	10.50	414,379	409,272
Special levy:				
Beautiful Plains SD #31	150,151,900	11.452	1,719,540	1,792,978
Total education taxes			2,133,919	2,202,250
			\$ 6,211,803	\$ 6,104,010

Town of Neepawa
ANALYSIS OF SCHOOL ACCOUNTS
Year Ended December 31, 2016

SCHEDULE 13

	2016				2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 13,530	\$ 441,443	\$ (444,378)	\$ 10,595	\$ 13,530
Special levies					
Beautiful Plains SD #31	37,121	1,784,371	(1,795,266)	26,226	37,121
Total	<u>\$ 50,651</u>	<u>\$ 2,225,814</u>	<u>\$ (2,239,645)</u>	<u>\$ 36,820</u>	<u>\$ 50,651</u>

Town of Neepawa
SCHEDULE OF GENERAL OPERATING EXPENSES
Year Ended December 31, 2016

SCHEDULE 14

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
General government services:		
Legislative	\$ 63,560	\$ 61,994
General administrative	594,031	508,175
Other	260,731	294,283
	<u>918,323</u>	<u>864,452</u>
Protective services:		
Police	582,372	634,759
Fire	208,125	210,647
Emergency measures	45,323	44,398
Other protection	33,047	43,912
	<u>868,867</u>	<u>933,717</u>
Transportation services:		
Road transport		
Administration and engineering	160,578	153,909
Road and street maintenance	914,403	800,811
Street lighting	83,602	78,942
Other	18,838	10,252
Air transport	25,760	26,566
	<u>1,203,182</u>	<u>1,070,479</u>
Environmental health services:		
Waste collection and disposal	711,411	718,566
	<u>711,411</u>	<u>718,566</u>
Public health and welfare services:		
Public health	244,337	258,741
Social assistance	13,167	13,167
	<u>257,505</u>	<u>271,908</u>
Regional planning and development		
Planning and zoning	17,325	17,325
Urban area weed control	5,010	5,263
Other	10,560	11,784
	<u>32,895</u>	<u>34,372</u>
Resource conservation and industrial development		
Drainage of land	9,602	9,569
Veterinary services	7,860	7,860
Regional development	119,877	146,606
Other	2,930	2,930
	<u>140,269</u>	<u>166,965</u>
Recreation and cultural services:		
Community centers and halls	114,165	132,387
Swimming pools and beaches	118,739	132,805
Skating and curling rinks	85,000	75,000
Parks and playgrounds	78,204	81,054
Other recreational facilities	88,797	86,513
Libraries	42,676	41,165
Other cultural facilities	1,020	1,345
	<u>528,601</u>	<u>550,269</u>
Total expenses	<u><u>4,661,053</u></u>	<u><u>4,610,728</u></u>

Town of Neepawa
SCHEDULE OF DEBENTURES PENDING
 Year Ended December 31, 2016

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			<u>\$ -</u>	<u>\$ -</u>

Town of Neepawa
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2015

SCHEDULE 16

	General	2016 Utility	Total	2015 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	(3,764)	-	(3,764)	(134,024)
Increase expense - amortization of tangible capital assets	(365,454)	(906,347)	(1,271,801)	(1,149,806)
Eliminate expense - acquisitions of tangible capital assets	776,576	2,558,004	3,334,580	972,621
Reserve:				
Increase revenue - reserve funds interest	85,382	-	85,382	81,875
Eliminate expense - transfers to reserves	987,010	66,250	1,053,260	1,016,055
Eliminate revenue - transfers from reserves to operating funds	(471,952)	(142,861)	(614,813)	(148,818)
Deferred Revenue:				
Increase expense - decrease in deferred revenue - Gas Tax	(125,681)	-	(125,681)	(43,228)
Other:				
Eliminate expense - principal portion of long term debt	132,146	195,121	327,267	341,788
	1,014,263	1,770,167	2,784,430	936,463
Increase revenue - Net surplus of consolidated entities	83,857	-	83,857	65,488
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,098,120	\$ 1,770,167	\$ 2,868,287	\$ 1,001,951