

Town of Neepawa

**Consolidated Financial Statements
Year ended December 31, 2013**

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

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, 2013 and the consolidated statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2013, 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, 2013 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2013 in accordance with Canadian public sector accounting standards.

Winnipeg, Canada

Chambers Fraser
Professional Accountants

Town of Neepawa

Consolidated Financial Statements

Year ended December 31, 2013

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Town of Neepawa
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2013

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 7,458,785	\$ 7,313,957
Amounts receivable (Note 4)	1,220,012	915,529
Loans and advances	108,381	108,381
Other inventories for sale (Note 5)	496	87
Other assets	<u>557</u>	<u>546</u>
	<u>\$ 8,788,231</u>	<u>\$ 8,338,500</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 960,915	\$ 1,675,945
Deferred revenue (Note 7)	435,624	451,705
Landfill closure and post closure liabilities (Note 8)	572,506	503,320
Long-term debt (Note 9)	5,118,318	5,407,225
Deposits	<u>53,312</u>	<u>51,872</u>
	<u>7,140,675</u>	<u>8,090,067</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 1,647,556</u>	<u>\$ 248,433</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 31,053,029	30,817,020
Prepaid expenses	<u>25,143</u>	<u>22,219</u>
	<u>31,078,172</u>	<u>30,839,239</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 13)	<u>\$ 32,725,728</u>	<u>\$ 31,087,672</u>

Approved on behalf of Council:

Adrian DeGroot - Mayor

Isobel Jarema - Deputy Mayor

Town of Neepawa
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2013

	<u>2013 Budget (Note 12)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
REVENUE			
Property taxes	\$ 3,701,107	\$ 3,771,798	\$ 3,637,834
Grants in lieu of taxation	103,116	103,116	99,772
User fees	475,301	570,753	521,316
Grants - Province of Manitoba	1,344,144	1,405,126	1,983,353
Grants - other	266,028	281,447	162,584
Permits, licences and fines	22,350	26,579	30,136
Investment income	27,994	76,617	69,811
Other revenue	81,590	247,746	236,273
Water and sewer	1,426,533	1,668,669	1,370,110
	<u>7,448,163</u>	<u>8,151,851</u>	<u>8,111,189</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	979,261	960,060	867,330
Protective services	1,018,824	907,761	929,002
Transportation services	942,084	938,104	775,781
Environmental health services	445,088	591,624	541,367
Public health and welfare services	245,532	234,873	219,596
Regional planning and development	109,445	100,192	101,264
Resource conservation and industrial development	247,334	220,810	207,741
Recreation and cultural services	569,320	663,812	562,974
Water and sewer services	1,950,013	1,896,559	1,790,691
	<u>6,506,901</u>	<u>6,513,795</u>	<u>5,995,746</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 941,262</u></u>	<u>1,638,056</u>	<u>2,115,443</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>31,087,672</u>	<u>28,972,229</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$ 32,725,728</u></u>	<u><u>\$ 31,087,672</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, 2013

	<u>2013 Budget (Note 12)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 941,262	\$ 1,638,056	\$ 2,115,443
Acquisition of tangible capital assets	(1,036,652)	(1,444,163)	(3,546,604)
Amortization of tangible capital assets	1,173,988	1,173,988	998,502
Loss (Gain) on sale of tangible capital assets		(110,003)	(1,514)
Proceeds on sale of tangible capital assets		144,173	3,261
Decrease (increase) in prepaid expense		(2,928)	(875)
	<u>137,337</u>	<u>(238,933)</u>	<u>(2,547,230)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 1,078,599</u>	1,399,123	(431,787)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>248,433</u>	<u>680,220</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 1,647,556</u>	<u>\$ 248,433</u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,638,056	\$ 2,115,443
Changes in non-cash items:		
Amounts receivable	(304,483)	263,546
Inventories	(409)	-
Prepays	(2,928)	(875)
Other assets	(11)	(17)
Accounts payable and accrued liabilities	(715,030)	1,115,299
Deferred revenue	(16,081)	101,440
Landfill closure and post closure liabilities	69,186	110,401
Other liabilities	1,440	1,327
Loss (Gain) on sale of tangible capital asset	(110,003)	(1,514)
Amortization	1,173,988	998,502
Cash provided by (applied to) operating transactions	<u>1,733,725</u>	<u>4,703,552</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	144,173	3,261
Cash used to acquire tangible capital assets	(1,444,163)	(3,546,604)
Cash provided by (applied to) capital transactions	<u>(1,299,990)</u>	<u>(3,543,343)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	16,200	487,217
Purchase of portfolio investments	(16,200)	(18,900)
Cash provided by (applied to) investing transactions	<u>-</u>	<u>468,317</u>
FINANCING TRANSACTIONS		
Temporary borrowing repayment	-	(1,811,201)
Proceeds of long-term debt	47,301	3,397,532
Debt repayment	(336,208)	(366,781)
Cash provided by (applied to) financing transactions	<u>(288,907)</u>	<u>1,219,550</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	144,828	2,848,076
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,313,957</u>	<u>4,465,881</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 7,458,785</u></u>	<u><u>\$ 7,313,957</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, 2013

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 %) (2012 - consolidated 33.33 %)
Neepawa Area Development Corporation Ltd. (consolidated 25 %) (2012 - consolidated 25 %)
Evergreen Environmental Technologies Ltd. (consolidated 26.8 %) (2012 - consolidated 26.8%)
Neepawa and Area Planning District Board (consolidated 67 %) (2012 - consolidated 67 %)
Neepawa & District Disabled Persons Association Inc. (consolidated 68 %) (2012 - consolidated 68 %)
Western Manitoba Regional Library (consolidated 5.4 %) (2012 - 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, 2013

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, 2013

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>2013</u>	<u>2012</u>
Cash	<u>\$ 7,458,785</u>	<u>\$ 7,313,957</u>

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

Designated Reserve Funds	<u>\$ 5,502,278</u>	<u>\$ 4,218,963</u>
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Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2013</u>	<u>2012</u>
Taxes on roll (Schedule 11)	\$ 322,498	\$ 341,378
Government grants	225,891	100,557
Utility customers	357,489	330,184
Accrued interest	1,374	1,400
Organizations and individuals	287,399	112,307
Other governments	60,474	55,772
	<u>1,255,125</u>	<u>941,598</u>
Less allowances for doubtful amounts	<u>(35,116)</u>	<u>(26,065)</u>
	<u><u>\$ 1,220,009</u></u>	<u><u>\$ 915,533</u></u>

5. Inventories

Inventories for sale:

	<u>2013</u>	<u>2012</u>
History books	<u>\$ 496</u>	<u>\$ 87</u>

6. Accounts Payable and Accrued Liabilities

	<u>2013</u>	<u>2012</u>
Accounts payable	\$ 443,869	\$ 272,775
Accrued expenses	142,456	161,391
School levies (Schedule 13)	41,038	58,638
Other governments	333,553	1,183,141
	<u>960,916</u>	<u>1,675,945</u>
	<u><u>\$ 960,916</u></u>	<u><u>\$ 1,675,945</u></u>

7. Deferred Revenue:

	<u>2013</u>	<u>2012</u>
Federal Gas Tax Funding	\$ 429,189	\$ 444,089
Handi Transit Funding	4,066	4,017
	<u>433,255</u>	<u>448,106</u>
Other	2,368	3,600
	<u>435,623</u>	<u>451,706</u>
	<u><u>\$ 435,623</u></u>	<u><u>\$ 451,706</u></u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

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>2013</u>	<u>2012</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>\$ 31,669</u>	<u>\$ 29,876</u>
Expected year capacity will be reached	2094	2094
Capacity (tonnes):		
Used to date	71,500	65,000
Remaining	513,500	520,000
Total	585,000	585,000
Percent utilized	<u>12.22%</u>	<u>11.11%</u>
Liability based on percentage	<u>\$ 3,871</u>	<u>\$ 3,320</u>
b) Closed Municipal Landfill Site		
Estimated closure and post closure costs	<u>\$ 568,635</u>	<u>\$ 500,000</u>
Total landfill closure and post closure liabilities	<u>\$ 572,506</u>	<u>\$ 503,320</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

9. Long Term Debt

	<u>2013</u>	<u>2012</u>
General Authority:		
Debenture for personal care home, at 2.50%, \$138,681 annually including interest, maturing December, 2017	\$ 516,116	\$ 638,827
	<u>\$ 516,116</u>	<u>\$ 638,827</u>
Utility Funds:		
Debenture for water and sewer line, at 2.50%, \$50,299 annually including interest, maturing December, 2015	\$ 75,319	\$ 122,555
Debenture for waste water treatment facility, at 5.625%, \$126,824 annually including interest, maturing 2029	1,317,996	1,365,356
Debenture for waste water treatment plant and raw water line, at 4.6250%, \$268,301 annually including interest, maturing 2030	3,111,386	3,230,286
	<u>\$ 4,504,701</u>	<u>\$ 4,718,197</u>
Debenture long term debt	\$ 5,020,817	\$ 5,357,024

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 Minnedosa Credit Union Ltd., at 4%, \$7,000 monthly including interest, maturing April 2014.	<u>97,502</u>	<u>50,201</u>
	<u>\$ 5,118,319</u>	<u>\$ 5,407,225</u>

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

2014	\$ 311,626
2015	313,034
2016	296,573
2017	313,496
2018	320,397

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 \$85,212 (2012 - \$64,101) and are included in the statement of operations.

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

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, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 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, 2012.

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>2013</u>	<u>2012</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	1,259,510	1,259,507
Utility operating fund - Nominal surplus	309,207	309,206
General capital fund - Capital surplus	3,761,954	3,348,859
Utility capital fund - Capital surplus	21,527,071	21,633,176
Reserve funds	<u>5,502,277</u>	<u>4,218,963</u>
	32,360,019	30,769,711
Deferred revenue - Reserves	<u>(433,256)</u>	<u>(448,108)</u>
Accumulated surplus of municipality unconsolidated	31,926,763	30,321,603
Accumulated surpluses of consolidated entities	<u>798,967</u>	<u>766,069</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 32,725,730</u>	<u>\$ 31,087,672</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

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, 2013:

- a) Compensation paid to members of council amounted to \$65,717 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>
Ken Waddell	\$ 13,355	\$ 1,576	\$ 14,931
Bill Stilwell	10,626	2,147	12,773
Monty Simon	5,063	210	5,273
Sherilyn Grant	635	55	690
Robyn Copeland	9,493	1,335	10,828
Lisa Pottinger	9,213	1,563	10,776
Dean Dietrich	8,378	1,168	9,546
Allan Drysdale	8,954	768	9,722
	<u>\$ 65,717</u>	<u>\$ 8,822</u>	<u>\$ 74,539</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Richard Beachey	Chief Administrative Officer	\$ 98,717
Robert Bell	WTP Operator	69,924
Bradford Zubert	WTP Operator	67,549
Howard Buffi	Water Plant Supervisor	66,369
Denis Saquet	Manager of Operations	61,020
Keith Dahmer	Public Works Supervisor	58,468
Jamie Davie	Director of Finance	53,085
Scott Gibson	Fire Chief	53,033
Chris Doble	Public Works Foreman	51,954
Dwayne Craddell	Public works Operator	50,425

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	\$ 1,565,640	\$ -	\$ 88,362	\$ 1,477,278
Waste water treatment facility	11,406,666	-	196,666	11,210,000
Water mains	4,456,629	330,871	122,139	4,665,361
	-	-	-	-
	<u>\$ 17,428,935</u>	<u>\$ 330,871</u>	<u>\$ 407,167</u>	<u>\$ 17,352,639</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

16. Prior Period Adjustment

In prior years financial statements the assets of trusts under the administration of the municipality (Schedule 7) were reflected on the consolidated statement of financial position along with a corresponding trust liability. The consolidated financial statements have been revised to remove these assets and the corresponding liability.

The effect of this change on the 2012 comparative figures is as follows:

	<u>Revised</u>	<u>Orginal</u>	<u>Change</u>
Cash and temporay investments	\$ 7,313,957	\$ 7,630,372	\$ 316,415
Portifolo investments	-	1,175,863	1,175,863
Trust payable	-	1,383,897	(1,383,897)

17. Comparative Figures

Certain comparative figures have been revised to conform with current years presentation.

Town of Neepawa

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2013

	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	2013	2012
Cost										
Opening costs	1,795,002	3,366,098	2,449,479	144,238	26,304	4,190,516	38,919,075	-	50,890,712	47,353,286
Additions during the year	62,880	78,630	182,456	44,086	74,444	309,100	692,567	-	1,444,163	3,546,604
Transfer during the year	-	100,748	-	-	(100,748)	-	-	-	-	-
Disposals and write downs	(1,189)	-	(63,179)	-	-	-	-	-	(64,368)	(9,180)
Closing costs	<u>1,856,693</u>	<u>3,545,476</u>	<u>2,568,756</u>	<u>188,324</u>	<u>-</u>	<u>4,499,616</u>	<u>39,611,642</u>	<u>-</u>	<u>52,270,507</u>	<u>50,890,710</u>
Accumulated Amortization										
Opening accum'd amortization	747,248	1,526,412	1,682,279	83,889	-	3,288,722	12,745,139	-	20,073,689	19,082,620
Amortization	10,936	100,932	147,931	25,844	-	52,542	835,803	-	1,173,988	998,502
Disposals and write downs	-	-	(30,199)	-	-	-	-	-	(30,199)	(7,432)
Closing accum'd amortization	<u>758,184</u>	<u>1,627,344</u>	<u>1,800,011</u>	<u>109,733</u>	<u>-</u>	<u>3,341,264</u>	<u>13,580,942</u>	<u>-</u>	<u>21,217,478</u>	<u>20,073,690</u>
Net Book Value of Tangible Capital Assets	<u>1,098,509</u>	<u>1,918,132</u>	<u>768,745</u>	<u>78,591</u>	<u>-</u>	<u>1,158,352</u>	<u>26,030,700</u>	<u>-</u>	<u>31,053,029</u>	<u>30,817,020</u>

CONSOLIDATED SCHEDULE OF REVENUES

Year Ended December 31, 2013

	2013 Actual	2012 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,657,327	\$ 3,385,778
Taxes added	114,471	252,056
	<u>3,771,798</u>	<u>3,637,834</u>
Grants in lieu of taxation:		
Federal government enterprises	6,461	6,305
Provincial government	61,872	60,898
Provincial government enterprises	34,783	32,569
	<u>103,116</u>	<u>99,772</u>
User fees		
Sales of service	253,104	209,423
Sales of goods	15,519	16,000
Rentals	173,369	156,008
Facility use fees	128,761	139,885
	<u>570,753</u>	<u>521,316</u>
Grants - Province of Manitoba		
General assistance payment	575,678	577,431
VLT revenues	57,562	58,962
Conditional grants - WTP Upgrade & Water Line	330,871	1,041,103
Conditional grants - Other	441,015	305,857
	<u>1,405,126</u>	<u>1,983,353</u>
Grants - other		
Federal government - Gas tax Funding	200,626	83,352
Federal government - Airport	-	20,300
Other local governments	80,821	58,932
	<u>281,447</u>	<u>162,584</u>
Permits, licences and fines		
Licences	2,256	2,689
Fines	24,323	27,447
	<u>26,579</u>	<u>30,136</u>
Investment income:		
Cash and temporary investments	76,617	69,811
	<u>76,617</u>	<u>69,811</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	110,003	1,514
Penalties and interest	31,840	43,662
Cemetery expense recoveries - cemetery trust	23,646	30,384
Donations - Sportsman dinner	32,855	29,802
Donations - Personal care home	-	69,250
Recoveries	18,799	17,752
Miscellaneous	30,603	43,909
	<u>247,746</u>	<u>236,273</u>
Water and sewer (Schedule 4)	<u>1,668,669</u>	<u>1,370,110</u>
Total revenue	<u><u>8,151,851</u></u>	<u><u>8,111,189</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2013

	2013 Actual	2012 Actual
General government services:		
Legislative	\$ 66,332	\$ 64,582
General administrative	515,150	487,019
Other	378,578	315,729
	<u>960,060</u>	<u>867,330</u>
Protective services:		
Police	544,839	569,408
Fire	169,973	179,467
Emergency measures	113,984	113,743
Other protection	78,965	66,384
	<u>907,761</u>	<u>929,002</u>
Transportation services:		
Road transport		
Administration and engineering	154,343	102,521
Road and street maintenance	696,357	574,213
Street lighting	67,633	71,838
Other	6,747	8,580
Air transport	13,024	18,629
	<u>938,104</u>	<u>775,781</u>
Environmental health services:		
Waste collection and disposal	591,624	541,367
Other	-	-
	<u>591,624</u>	<u>541,367</u>
Public health and welfare services:		
Public health	221,706	206,429
Social assistance	13,167	13,167
	<u>234,873</u>	<u>219,596</u>
Regional planning and development		
Planning and zoning	93,895	94,586
Urban area weed control	5,057	5,378
Other	1,240	1,300
	<u>100,192</u>	<u>101,264</u>
Resource conservation and industrial development		
Drainage of land	9,423	9,216
Veterinary services	7,860	7,860
Regional development	200,597	187,735
Other	2,930	2,930
	<u>220,810</u>	<u>207,741</u>
Sub-totals forward	<u>3,953,424</u>	<u>3,642,081</u>

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2013

	<u>2013 Actual</u>	<u>2012 Actual</u>
Sub-totals forward	<u>3,953,424</u>	<u>3,642,081</u>
Recreation and cultural services:		
Community centers and halls	133,929	112,730
Swimming pools and beaches	140,178	128,548
Skating and curling rinks	73,000	73,000
Parks and playgrounds	140,939	66,555
Other recreational facilities	74,475	67,812
Libraries	82,536	86,871
Other cultural facilities	18,755	27,458
	<u>663,812</u>	<u>562,974</u>
Water and sewer services (Schedule 4)	<u>1,896,559</u>	<u>1,790,691</u>
Total expenses	<u>6,513,795</u>	<u>5,995,746</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2013

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE										
Property taxes	\$3,326,374	\$3,192,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	103,116	99,772	-	-	-	-	-	-	-	-
User fees	171,457	157,066	32,938	44,062	-	-	118,915	56,964	-	-
Prov of MB - Unconditional Grants	633,240	636,393	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	5,874	7,146	50,400	50,400	118,796	30,333	111,558	98,797	-	-
Grants - other	10,000	10,000	56,666	45,527	200,626	103,652	-	-	-	-
Permits, licences and fines	206	219	24,773	27,717	-	-	-	-	-	-
Investment income	53,067	49,780	5,278	4,057	10,056	8,926	1,161	731	1,441	1,228
Gain (loss) on sale of assets	128,646	1,514	-	-	-	-	(18,643)	-	-	-
Other revenue	89,010	170,048	9,297	8,316	-	-	519	355	-	-
Water and sewer										
Total revenue	\$ 4,520,990	\$ 4,324,348	\$ 179,352	\$ 180,079	\$ 329,478	\$ 142,911	\$ 213,510	\$ 156,847	\$ 1,441	\$ 1,228
EXPENSES										
Personnel services	\$ 331,481	\$ 315,727	\$ 185,596	\$ 181,762	\$ 403,125	\$ 318,379	\$ 70,376	\$ 76,772	\$ 174,634	\$ 165,171
Contract services	206,381	211,649	494,037	508,914	194,763	107,482	320,092	285,868	13,167	13,167
Utilities	129,313	123,967	67,499	65,166	92,432	92,015	7,552	7,097	3,846	3,616
Maintenance materials and supplies	28,237	26,731	44,541	69,720	140,500	161,454	12,227	12,398	33,545	27,424
Grants and contributions	187,576	115,860	40,851	40,851	-	-	8,430	8,980	-	-
Amortization	46,162	41,686	75,240	62,590	107,284	96,454	36,325	38,619	9,682	10,219
Interest on long term debt	15,971	18,964	-	-	-	-	2,137	719	-	-
Other	14,931	12,733	-	-	-	-	134,485	110,915	-	-
Total expenses	\$ 960,052	\$ 867,317	\$ 907,764	\$ 929,003	\$ 938,104	\$ 775,784	\$ 591,624	\$ 541,368	\$ 234,874	\$ 219,597
Surplus (Deficit)	\$ 3,560,938	\$ 3,457,031	\$ (728,412)	\$ (748,924)	\$ (608,626)	\$ (632,873)	\$ (378,114)	\$ (384,521)	\$ (233,433)	\$ (218,369)

* 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, 2013

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445,424	\$ 445,424	\$ 3,771,798	\$ 3,637,834
Grants in lieu of taxation	-	-	-	-	-	-	-	-	103,116	99,772
User fees	80,115	87,811	-	-	167,328	175,413	-	-	570,753	521,316
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	633,240	636,393
Prov of MB - Conditional Grants	57,240	34,748	-	-	97,147	84,433	330,871	1,041,103	771,886	1,346,960
Grants - other	12,515	2,490	-	-	1,640	915	-	-	281,447	162,584
Permits, licences and fines	-	-	1,600	2,200	-	-	-	-	26,579	30,136
Investment income	4,336	4,020	-	-	1,278	1,069	-	-	76,617	69,811
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	110,003	1,514
Other revenue	38,856	37,760	-	-	61	18,280	-	-	137,743	234,759
Water and sewer							1,668,669	1,370,110	1,668,669	1,370,110
Total revenue	\$ 193,062	\$ 166,829	\$ 1,600	\$ 2,200	\$ 267,454	\$ 280,110	\$ 2,444,964	\$ 2,856,637	\$ 8,151,851	\$ 8,111,189
EXPENSES										
Personnel services	\$ 65,414	\$ 73,677	\$ 55,212	\$ 94,665	\$ 278,785	\$ 256,190	\$ 365,159	\$ 335,576	\$ 1,929,782	\$ 1,817,919
Contract services	11,951	6,169	77,040	53,406	148,041	101,466	60,623	72,747	1,526,095	1,360,868
Utilities	1,832	1,965	14,700	12,950	49,932	47,177	119,903	88,240	487,009	442,193
Maintenance materials and supplies	15,445	19,453	20,613	18,118	124,208	93,726	275,084	354,255	694,400	783,279
Grants and contributions	-	-	17,283	17,076	9,374	17,875	-	-	263,514	200,642
Amortization	5,550	-	9,723	7,128	48,218	41,083	835,802	700,724	1,173,986	998,503
Interest on long term debt	-	-	-	-	-	-	231,929	238,339	250,037	258,022
Other	-	-	26,241	4,402	5,257	5,458	8,059	812	188,973	134,320
Total expenses	\$ 100,192	\$ 101,264	\$ 220,812	\$ 207,745	\$ 663,815	\$ 562,975	\$ 1,896,559	\$ 1,790,693	\$ 6,513,796	\$ 5,995,746
Surplus (Deficit)	\$ 92,870	\$ 65,565	\$ (219,212)	\$ (205,545)	\$ (396,361)	\$ (282,865)	\$ 548,405	\$ 1,065,944	\$ 1,638,055	\$ 2,115,443

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2013

	Core Government		Controlled Entities		Government Partnerships		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE								
Property taxes	\$ 3,771,798	\$ 3,637,834	\$ -	\$ -	\$ -	\$ -	\$ 3,771,798	\$ 3,637,834
Grants in lieu of taxation	103,116	99,772	-	-	-	-	103,116	99,772
User fees	455,989	400,924	-	-	114,764	120,392	570,753	521,316
Prov of MB - Unconditional Grants	633,240	636,393	-	-	-	-	633,240	636,393
Prov of MB - Conditional Grants	670,608	1,271,883	-	-	101,278	75,077	771,886	1,346,960
Grants - other	267,292	159,179	-	-	14,155	3,405	281,447	162,584
Permits, licences and fines	26,579	30,136	-	-	-	-	26,579	30,136
Investment income	73,623	66,304	-	-	2,994	3,507	76,617	69,811
Gain (loss) on sale of assets	110,003	1,514	-	-	-	-	110,003	1,514
Other revenue	107,653	187,921	-	-	30,090	46,838	137,743	234,759
Water and sewer	1,668,669	1,370,110	-	-	-	-	1,668,669	1,370,110
Total revenue	\$ 7,888,570	\$ 7,861,970	\$ -	\$ -	\$ 263,281	\$ 249,219	\$ 8,151,851	\$ 8,111,189
EXPENSES								
Personnel services	\$ 1,727,578	\$ 1,604,082	\$ -	\$ -	\$ 202,204	\$ 213,837	\$ 1,929,782	\$ 1,817,919
Contract services	1,385,423	1,224,732	-	-	140,672	136,136	1,526,095	1,360,868
Utilities	456,229	411,974	-	-	30,780	30,219	487,009	442,193
Maintenance materials and supplies	633,388	737,468	-	-	61,012	45,811	694,400	783,279
Grants and contributions	255,084	191,662	-	-	8,430	8,980	263,514	200,642
Amortization	1,114,062	944,424	-	-	59,924	54,079	1,173,986	998,503
Interest on long term debt	247,900	257,303	-	-	2,137	719	250,037	258,022
Other	185,771	131,755	-	-	3,202	2,565	188,973	134,320
Total expenses	\$ 6,005,435	\$ 5,503,400	\$ -	\$ -	\$ 508,361	\$ 492,346	\$ 6,513,796	\$ 5,995,746
Surplus (Deficit)	\$ 1,883,135	\$ 2,358,570	\$ -	\$ -	\$ (245,080)	\$ (243,127)	\$ 1,638,055	\$ 2,115,443

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2013

SCHEDULE 6

	2013								
	General	Landfill	Municipality facility	Fire	Utility	Machinery	Highway	Pool/Arena	Town Development
REVENUE									
Investment income	\$ 8,685	\$ 1,161	\$ 7,135	\$ 5,278	\$ 11,615	\$ 2,167	\$ 5,631	\$ 1,066	\$ 1,554
Other income									
Total revenue	<u>8,685</u>	<u>1,161</u>	<u>7,135</u>	<u>5,278</u>	<u>11,615</u>	<u>2,167</u>	<u>5,631</u>	<u>1,066</u>	<u>1,554</u>
NET REVENUES	8,685	1,161	7,135	5,278	11,615	2,167	5,631	1,066	1,554
TRANSFERS									
Transfers from general operating	50,936	10,000	300,000	40,000	-	50,000	20,000	10,000	170,000
Transfers to general operating	-	-	-	-	-	-	-	-	-
Transfers from utility operating					387,511				
Transfers to utility operating									
Acquisition of tangible capital assets									
CHANGE IN RESERVE FUND BALANCES	59,621	11,161	307,135	45,278	399,127	52,167	25,631	11,066	171,554
FUND SURPLUS, BEGINNING OF YEAR	<u>687,197</u>	<u>91,540</u>	<u>495,127</u>	<u>418,589</u>	<u>941,952</u>	<u>155,603</u>	<u>457,605</u>	<u>83,630</u>	<u>104,752</u>
FUND SURPLUS, END OF YEAR	<u>\$ 746,818</u>	<u>\$ 102,702</u>	<u>\$ 802,262</u>	<u>\$ 463,866</u>	<u>\$ 1,341,078</u>	<u>\$ 207,770</u>	<u>\$ 483,236</u>	<u>\$ 94,696</u>	<u>\$ 276,306</u>

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2013

SCHEDULE 6

	2013								2012	
	Lagoon	Culvert	Gas Tax	PCH	Mobility	Sewer	Recreation	Airport	Total	Total
REVENUE										
Investment income	\$ 424	\$ 1,087	\$ 5,725	\$ 635	\$ 48	\$ 333	\$ -	\$ 1,170	\$ 53,716	\$ 41,710
Other income									-	
Total revenue	<u>424</u>	<u>1,087</u>	<u>5,725</u>	<u>635</u>	<u>48</u>	<u>333</u>	<u>-</u>	<u>1,170</u>	<u>53,716</u>	<u>41,710</u>
NET REVENUES	424	1,087	5,725	635	48	333	-	1,170	53,716	41,710
TRANSFERS										
Transfers from general operating	-	10,000	180,002	-	-	-	4,026	-	844,964	598,880
Transfers to general operating	-	-	-	(69,250)	-	-	-	-	(69,250)	(362,501)
Transfers from utility operating	110,000	-	-	-	-	157,000	-	-	654,511	216,005
Transfers to utility operating	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets			(200,626)						(200,626)	-
CHANGE IN RESERVE FUND BALANCES	110,424	11,087	(14,900)	(68,615)	48	157,333	4,026	1,170	1,283,315	494,094
FUND SURPLUS, BEGINNING OF YEAR	30,364	85,399	444,090	121,941	4,018	-	-	97,157	4,218,963	3,724,869
FUND SURPLUS, END OF YEAR	<u>\$ 140,789</u>	<u>\$ 96,487</u>	<u>\$ 429,190</u>	<u>\$ 53,326</u>	<u>\$ 4,066</u>	<u>\$ 157,333</u>	<u>\$ 4,026</u>	<u>\$ 98,327</u>	<u>\$ 5,502,278</u>	<u>\$ 4,218,963</u>

Town of Neepawa
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2013

SCHEDULE 7

	<u>Cemetery</u>	<u>Veterans Walk</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
ASSETS				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-
Due from Municipality	1,401,576	5,714	1,407,290	1,383,897
	<u>\$ 1,401,576</u>	<u>\$ 5,714</u>	<u>\$ 1,407,290</u>	<u>\$ 1,383,897</u>
LIABILITIES AND FUND BALANCES				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Contributions, user fees and donations	\$ 23,325	\$ -	\$ 23,325	\$ 25,973
Investment income	23,646	68	23,714	30,503
	<u>46,971</u>	<u>68</u>	<u>47,039</u>	<u>56,476</u>
EXPENDITURES				
Cemetery maintenance	23,646	-	23,646	30,384
Distribution to beneficiaries	-	-	-	-
Other - paving	-	-	-	-
	<u>23,646</u>	<u>-</u>	<u>23,646</u>	<u>30,384</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	23,325	68	23,393	26,092
FUND BALANCE, BEGINNING OF YEAR				
	1,378,251	5,646	1,383,897	1,357,805
FUND BALANCE, END OF YEAR				
	<u>\$ 1,401,576</u>	<u>\$ 5,714</u>	<u>\$ 1,407,290</u>	<u>\$ 1,383,897</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 357,489	\$ 330,185
Due from other funds	<u>5,029</u>	<u>217,258</u>
	<u>\$ 362,518</u>	<u>\$ 547,443</u>
LIABILITIES		
Temporary borrowing	\$ -	\$ -
Accounts payable and accrued liabilities	-	10,000
Water meter deposits	53,312	51,872
Long-term debt (Note 9)	4,504,702	4,718,197
	<u>4,558,014</u>	<u>4,780,069</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (4,195,496)</u>	<u>\$ (4,232,626)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 26,031,770</u>	<u>\$ 26,175,006</u>
FUND SURPLUS (DEFICIT)	<u>\$ 21,836,274</u>	<u>\$ 21,942,380</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2013

SCHEDULE 9

	<u>2013 Budget</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
REVENUE			
Water			
Water fees	\$ 971,257	\$ 1,246,950	\$ 1,076,019
Bulk Water fees	45,000	51,876	59,321
sub-total- water	<u>1,016,257</u>	<u>1,298,826</u>	<u>1,135,340</u>
Sewer			
Sewer fees	179,026	162,677	155,914
Lagoon tipping fees	5,500	7,307	6,941
sub-total- sewer	<u>184,526</u>	<u>169,984</u>	<u>162,855</u>
Property taxes	<u>445,424</u>	<u>445,424</u>	<u>445,424</u>
Government transfers			
Capital	<u>330,871</u>	<u>330,871</u>	1,041,103
sub-total- government transfers	<u>330,871</u>	<u>330,871</u>	<u>1,041,103</u>
Other			
Hydrant rentals	45,250	45,250	45,250
Connection charges	4,000	8,320	13,065
Penalties	2,500	5,793	5,100
Other income	174,000	140,496	8,500
sub-total- other	<u>225,750</u>	<u>199,859</u>	<u>71,915</u>
Total revenue	<u>2,202,828</u>	<u>2,444,964</u>	<u>2,856,637</u>

Town of Neepawa
 SCHEDULE OF UTILITY OPERATIONS (cont'd)
 Year Ended December 31, 2013

SCHEDULE 9

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
EXPENSES			
General			
Administration	34,000	53,191	67,658
Billing and collection	367,083	370,397	339,216
sub-total- general	<u>401,083</u>	<u>423,588</u>	<u>406,874</u>
Water General			
Purification and treatment	256,700	231,473	303,205
Transmission and distribution	74,500	58,662	31,681
Connection costs	30,000	26,589	31,039
sub-total- water general	<u>361,200</u>	<u>316,724</u>	<u>365,925</u>
Water Amortization & Interest			
Amortization	811,634	811,634	679,383
Interest on long term debt	231,929	231,929	238,339
sub-total- water amortization & interest	<u>1,043,563</u>	<u>1,043,563</u>	<u>917,722</u>
Sewer General			
Collection system costs	70,000	51,624	62,026
Treatment and disposal cost	22,500	8,059	2,730
Lift Station costs	27,500	28,833	14,073
sub-total- sewer general	<u>120,000</u>	<u>88,516</u>	<u>78,829</u>
Sewage Amortization & Interest			
Amortization	24,168	24,168	21,341
sub-total- sewer amortization & interest	<u>24,168</u>	<u>24,168</u>	<u>21,341</u>
Total expenses	<u>1,950,014</u>	<u>1,896,559</u>	<u>1,790,691</u>
NET OPERATING SURPLUS	252,814	548,405	1,065,946
TRANSFERS			
Transfers from (to) reserve funds	<u>-</u>	<u>(654,511)</u>	<u>(216,005)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 252,814</u>	<u>(106,106)</u>	849,941
FUND SURPLUS, BEGINNING OF YEAR (Note 19)		<u>21,942,380</u>	<u>21,092,439</u>
FUND SURPLUS, END OF YEAR		<u>\$ 21,836,274</u>	<u>\$ 21,942,380</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2013

	<u>Financial Plan General</u>	<u>Financial Plan Utility(ies)</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Long Term Accruals</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
REVENUE								
Property taxes	\$ 3,701,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,701,107
Grants in lieu of taxation	103,116	-	-	-	-	-	-	103,116
User fees	360,537	-	-	-	-	-	114,764	475,301
Grants - Province of Manitoba	911,995	-	330,871	-	-	-	101,278	1,344,144
Grants - other	251,873	-	-	-	-	-	14,155	266,028
Permits, licences and fines	22,350	-	-	-	-	-	-	22,350
Investment income	25,000	-	-	-	-	-	2,994	27,994
Other revenue	51,500	-	-	-	-	-	30,090	81,590
Water and sewer	-	1,426,533	-	-	-	-	-	1,426,533
Transfers from accumulated surplus	(92,646)	-	-	-	92,646	-	-	-
Transfers from General		318,600			(318,600)			-
Transfers from reserves	409,141	-	-	-	(409,141)	-	-	-
Total revenue	\$ 5,743,973	\$ 1,745,133	\$ 330,871	\$ -	\$ (635,095)	\$ -	\$ 263,281	\$ 7,448,163
EXPENSES								
General government services	\$ 891,410	\$ -	\$ 46,162	\$ 15,971	\$ 9,339	\$ -	\$ 16,379	\$ 979,261
Protective services	873,151	-	75,240	-	-	-	70,433	1,018,824
Transportation services	834,800	-	107,284	-	-	-	-	942,084
Environmental health services	433,050	-	36,325	2,137	-	-	(26,424)	445,088
Public health and welfare services	235,850	-	9,682	-	-	-	-	245,532
Regional planning and development	26,500	-	5,550	-	-	-	77,395	109,445
Resource cons and industrial dev	175,403	-	9,723	-	-	-	62,208	247,334
Recreation and cultural services	490,710	-	48,218	-	-	-	30,392	569,320
Water and sewer services	-	882,282	835,802	231,929	-	-	-	1,950,013
Fiscal services:								-
Transfer to capital	604,652	432,000	(1,036,652)	-	-	-	-	-
Debt charges	265,506	318,601	-	(584,107)	-	-	-	-
Short term interest	5,000	-	-	(5,000)	-	-	-	-
Transfer to Utility	318,600				(318,600)			-
Transfer to reserves	580,002	112,250	-	-	(692,252)	-	-	-
Allowance for tax assets	9,339	-	-	-	(9,339)	-	-	-
Total expenses	\$ 5,743,973	\$ 1,745,133	\$ 137,334	\$ (339,070)	\$ (1,010,852)	\$ -	\$ 230,383	\$ 6,506,901
Surplus (Deficit)	\$ -	\$ -	\$ 193,537	\$ 339,070	\$ 375,757	\$ -	\$ 32,898	\$ 941,262

Town of Neepawa
ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2013

SCHEDULE 11

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 341,378	\$ 459,210
Add:		
Tax levy (Schedule 12)	5,610,270	5,180,422
Taxes added	126,253	252,056
Penalties or interest	40,982	43,662
Other accounts added	2,468	1,414
Refunds	26,250	3,556
Tax Adjustments - tax sale costs	6,051	-
Sub-total	<u>5,812,274</u>	<u>5,481,110</u>
Deduct:		
Cash collections	5,124,188	4,895,182
Writeoffs	11,783	9,088
M.P.T.C. - cash advance	695,184	694,672
Sub-total	<u>5,831,155</u>	<u>5,598,942</u>
Balance, end of year	<u><u>\$ 322,497</u></u>	<u><u>\$ 341,378</u></u>

Town of Neepawa
ANALYSIS OF TAX LEVY
Year Ended December 31, 2013

SCHEDULE 12

	2013			2012
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	123,782,667	1.50	185,674	185,283
				-
At large	135,923,250	2.86	388,740	388,337
General municipal	119,807,470	21.13	2,531,532	2,322,172
Reserves:				
Various	119,807,470	3.29	394,167	337,564
Special levies:				
Whitemud watershed	19,124,270	0.51	9,753	9,699
Scavenging	-	-	141,185	136,798
Cable Fees - unbudgeted			6,276	5,925
Total municipal taxes (Schedule 2)			3,657,327	3,385,778
Education support levy	32,318,800	11.83	382,331	333,010
Special levy:				
Beautiful Plains SD #31	106,309,120	14.77	1,570,611	1,461,634
Total education taxes			1,952,942	1,794,644
			\$ 5,610,270	\$ 5,180,422

Town of Neepawa
ANALYSIS OF SCHOOL ACCOUNTS
 Year Ended December 31, 2013

SCHEDULE 13

	2013				2012
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 23,992	\$ 405,657	\$ (417,886)	\$ 11,763	\$ 23,992
Special levies					
Beautiful Plains SD #31	<u>34,646</u>	<u>1,631,758</u>	<u>(1,637,129)</u>	<u>29,275</u>	<u>34,646</u>
Total	<u><u>\$ 58,638</u></u>	<u><u>\$ 2,037,415</u></u>	<u><u>\$ (2,055,015)</u></u>	<u><u>\$ 41,038</u></u>	<u><u>\$ 58,638</u></u>

SCHEDULE OF GENERAL OPERATING EXPENSES
Year Ended December 31, 2013

	2013 Actual	2012 Actual
General government services:		
Legislative	\$ 66,332	\$ 64,582
General administrative	498,771	480,773
Other	378,578	315,729
	<u>943,681</u>	<u>861,084</u>
Protective services:		
Police	544,839	569,408
Fire	169,973	179,467
Emergency measures	43,551	44,569
Other protection	78,965	66,384
	<u>837,329</u>	<u>859,828</u>
Transportation services:		
Road transport		
Administration and engineering	154,344	102,521
Road and street maintenance	696,357	574,213
Street lighting	67,633	71,838
Other	6,747	8,580
Air transport	13,024	18,629
	<u>938,105</u>	<u>775,782</u>
Environmental health services:		
Waste collection and disposal	618,048	527,609
	<u>618,048</u>	<u>527,609</u>
Public health and welfare services:		
Public health	221,706	206,429
Social assistance	13,167	13,167
	<u>234,873</u>	<u>219,596</u>
Regional planning and development		
Planning and zoning	16,500	16,500
Urban area weed control	5,057	5,378
Other	1,240	1,300
	<u>22,797</u>	<u>23,178</u>
Resource conservation and industrial development		
Drainage of land	9,423	9,216
Veterinary services	7,860	7,860
Regional development	138,389	144,680
Other	2,930	2,930
	<u>158,603</u>	<u>164,686</u>
Recreation and cultural services:		
Community centers and halls	133,929	112,730
Swimming pools and beaches	140,178	128,548
Skating and curling rinks	73,000	73,000
Parks and playgrounds	140,939	66,555
Other recreational facilities	74,475	67,812
Libraries	52,144	55,074
Other cultural facilities	18,755	27,458
	<u>633,420</u>	<u>531,176</u>
Total expenses	<u><u>4,386,855</u></u>	<u><u>3,962,939</u></u>

SCHEDULE OF DEBENTURES PENDING

Year Ended December 31, 2013

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

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2013

	General	2013 Utility	Total	2012 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ 71
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase revenue - capital grants	-	330,871	330,871	1,041,103
Increase expense - net book value of assets disposed of	(1,189)		(1,189)	(1,747)
Increase expense - amortization of tangible capital assets	(278,259)	(835,803)	(1,114,062)	(944,424)
Eliminate expense - acquisitions of tangible capital assets	569,832	185,333	755,165	1,383,915
Reserve:				
Increase revenue - reserve funds interest	52,488		52,488	41,709
Eliminate expense - transfers to reserves	844,964	654,511	1,499,475	814,885
Eliminate revenue - transfers from reserves to operating funds	(269,877)	-	(269,877)	(362,501)
Deferred Revenue:				
Increase revenue - decrease in deferred revenue - Gas Tax	16,081	-	16,081	(96,650)
Eliminate revenue - increase in deferred revenue - Handi Van	-	-	-	(4,416)
Other:				
Eliminate expense - principal portion of long term debt	122,711	213,495	336,206	326,805
Eliminate revenue - surplus appropriation	-	-	-	(90,410)
	1,056,751	548,407	1,605,158	2,108,340
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	32,898	-	32,898	7,103
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,089,649	\$ 548,407	\$ 1,638,056	\$ 2,115,443