

Town of Neepawa

Consolidated Financial Statements
Year ended December 31, 2020

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 Chartered Professional Accountants, 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.



Colleen Synchyshyn
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Winnipeg, Canada
September 7, 2021

Chambers Fraser
Chartered Professional Accountants

Town of Neepawa

Consolidated Financial Statements

Year ended December 31, 2020

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Town of Neepawa
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 12,050,422	\$ 11,391,857
Amounts receivable (Note 4)	1,807,935	1,432,421
Loans and advances	108,381	108,381
Real estate properties held for sale	605,897	605,897
Other assets	<u>744</u>	<u>704</u>
	<u>\$ 14,573,379</u>	<u>\$ 13,539,260</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 1,037,843	\$ 1,333,507
Deferred revenue (Note 6)	2,151,485	2,318,284
Landfill closure and post closure liabilities (Note 7)	236,401	238,517
Long-term debt (Note 8)	3,002,537	3,232,953
Deposits	<u>60,607</u>	<u>61,404</u>
	<u>6,488,873</u>	<u>7,184,665</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 8,084,506</u>	<u>\$ 6,354,595</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 42,091,142	40,830,432
Prepaid expenses	<u>51,258</u>	<u>52,309</u>
	<u>42,142,400</u>	<u>40,882,741</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 12)	<u>\$ 50,226,906</u>	<u>\$ 47,237,336</u>

Approved on behalf of Council:



 Blake McCutcheon - Mayor



 Brian Hedley - Deputy Mayor

Town of Neepawa
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2020

	<u>2020 Budget (Note 11)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Property taxes	\$ 4,479,661	\$ 4,470,216	\$ 4,492,025
Grants in lieu of taxation	174,766	174,767	187,404
User fees	609,298	584,833	615,612
Grants - Province of Manitoba	1,125,058	2,079,356	1,146,673
Grants - other	334,195	573,931	1,020,442
Permits, licences and fines	22,100	26,643	21,805
Investment income	44,930	144,267	184,462
Other revenue	898,541	536,694	1,358,139
Water and sewer	<u>2,875,678</u>	<u>2,598,963</u>	<u>2,872,221</u>
Total revenue (Schedules 2, 4 and 5)	<u>10,564,227</u>	<u>11,189,670</u>	<u>11,898,783</u>
EXPENSES			
General government services	1,034,913	1,002,470	981,510
Protective services	1,154,975	1,187,614	922,776
Transportation services	1,503,513	2,026,654	1,335,265
Environmental health services	566,112	513,885	669,494
Public health and welfare services	279,212	218,225	358,801
Regional planning and development	121,802	111,789	154,565
Resource conservation and industrial development	347,824	294,713	335,778
Recreation and cultural services	659,900	594,747	582,619
Water and sewer services	<u>2,376,042</u>	<u>2,250,003</u>	<u>2,434,780</u>
Total expenses (Schedules 3, 4 and 5)	<u>8,044,293</u>	<u>8,200,100</u>	<u>7,775,588</u>
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 2,519,934</u></u>	<u>2,989,570</u>	4,123,195
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>47,237,336</u>	<u>43,114,141</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$50,226,906</u></u>	<u><u>\$ 47,237,336</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, 2020

	<u>2020 Budget (Note 11)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 2,519,934</u>	<u>\$ 2,989,570</u>	<u>\$ 4,123,195</u>
Acquisition of tangible capital assets	(8,270,432)	(2,868,958)	(4,841,816)
Amortization of tangible capital assets	1,565,183	1,565,183	1,404,917
Loss (Gain) on sale of tangible capital assets		340	(2,517)
Proceeds on sale of tangible capital assets		42,723	48,448
Decrease (increase) in prepaid expense		1,053	(1,460)
	<u>(6,705,249)</u>	<u>(1,259,659)</u>	<u>(3,392,428)</u>
CHANGE IN NET FINANCIAL ASSETS	<u><u>\$ (4,185,315)</u></u>	1,729,911	730,767
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>6,354,595</u>	<u>5,623,828</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u><u>\$ 8,084,506</u></u>	<u><u>\$ 6,354,595</u></u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,989,570	\$ 4,123,195
Changes in non-cash items:		
Amounts receivable	(375,514)	949,345
Inventories - real estate	-	38,516
Prepays	1,053	(1,460)
Other assets	(40)	(48)
Accounts payable and accrued liabilities	(295,664)	(3,655,120)
Deferred revenue	(166,799)	1,510,681
Landfill closure and post closure liabilities	(2,116)	(492,910)
Other liabilities	(797)	2,980
Loss (Gain) on sale of tangible capital asset	340	(2,517)
Amortization	1,565,183	1,404,917
Cash provided by (applied to) operating transactions	<u>3,715,216</u>	<u>3,877,579</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	42,723	48,448
Cash used to acquire tangible capital assets	<u>(2,868,958)</u>	<u>(4,841,816)</u>
Cash provided by (applied to) capital transactions	<u>(2,826,235)</u>	<u>(4,793,368)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	10,200
Debt repayment	<u>(230,416)</u>	<u>(226,849)</u>
Cash provided by (applied to) financing transactions	<u>(230,416)</u>	<u>(216,649)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	658,565	(1,132,438)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>11,391,857</u>	<u>12,524,295</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$12,050,422</u></u>	<u><u>\$11,391,857</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, 2020

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 %) (2019 - consolidated 33.33 %)
Neepawa Area Development Corporation Ltd. (consolidated 25 %) (2019 - consolidated 25 %)
Evergreen Environmental Technologies Ltd. (consolidated 26.8 %) (2019 - consolidated 26.8%)
Neepawa and Area Planning District Board (consolidated 67 %) (2019 - consolidated 67 %)
Neepawa & District Disabled Persons Association Inc. (consolidated 68 %) (2019 - consolidated 68 %)
Western Manitoba Regional Library (consolidated 5.4 %) (2019 - 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, 2020

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, 2020

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>2020</u>	<u>2019</u>
Cash	<u>\$ 12,050,422</u>	<u>\$ 11,391,857</u>

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

Designated Reserve Funds	<u>\$ 10,982,900</u>	<u>\$ 9,570,590</u>
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Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 10)	\$ 220,300	\$ 275,903
Government grants	578,871	166,711
Utility customers	787,772	785,167
Organizations and individuals	238,147	273,021
Other governments	<u>78,521</u>	<u>17,073</u>
	1,903,611	1,517,875
Less allowances for doubtful amounts	<u>(95,676)</u>	<u>(85,454)</u>
	<u><u>\$ 1,807,935</u></u>	<u><u>\$ 1,432,421</u></u>

5. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 363,619	\$ 740,993
Accrued expenses	191,966	181,844
School levies	52,378	58,599
Other governments	<u>429,880</u>	<u>352,071</u>
	\$ 1,037,843	\$ 1,333,507
	<u><u>\$ 1,037,843</u></u>	<u><u>\$ 1,333,507</u></u>

6. Deferred Revenue:

	<u>2020</u>	<u>2019</u>
Federal Gas Tax Funding	\$ 1,045,121	\$ 1,031,876
Cemetery Maintenance Fees	1,066,867	1,218,223
Handi Transit Funding	<u>26,442</u>	<u>30,222</u>
	2,138,430	2,280,321
Other	<u>13,055</u>	<u>37,963</u>
	<u><u>\$ 2,151,485</u></u>	<u><u>\$ 2,318,284</u></u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

7. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

Evergreen Environmental Technologies Ltd. is currently operating a Class 1 landfill site in the Rural Municipality of Odanah (Note 1). The municipality, along with three neighbouring municipalities, is a shareholder in the corporation. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2020</u>	<u>2019</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>\$ 46,423</u>	<u>\$ 41,982</u>
Expected year capacity will be reached	2094	2094
Capacity (tonnes):		
Used to date	117,000	110,500
Remaining	468,000	474,500
Total	585,000	585,000
Percent utilized	<u>20.00%</u>	<u>18.89%</u>
Liability based on percentage	<u>\$ 9,285</u>	<u>\$ 7,930</u>

b) Closed Municipal Landfill Site

Estimated closure and post closure costs	<u>\$ 227,116</u>	<u>\$ 230,587</u>
Total landfill closure and post closure liabilities	<u>\$ 236,401</u>	<u>\$ 238,517</u>

Legislation requires the Municipality to monitor its closed landfill site(s). Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections, grounds maintenance and annual reports. Post closure care for the closed landfill site(s) is estimated to be required until 2049. Estimated post closure costs over the next 30 years is estimated to be \$450,000. The Municipality uses a discount rate of 5%.

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

8. Long Term Debt

	<u>2020</u>	<u>2019</u>
Utility Funds:		
Debenture for waste water treatment facility, at 5.625%, \$126,824 annually including interest, maturing 2029	\$ 876,874	\$ 950,245
Debenture for waste water treatment plant and raw water line, at 4.6250%, \$268,301 annually including interest, maturing 2030	2,110,006	2,273,174
	<u>\$ 2,986,880</u>	<u>\$ 3,223,419</u>
Debenture long term debt	\$ 2,986,880	\$ 3,223,419
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 4.7%, \$553 annual including interest.	15,658	9,534
	<u>\$ 3,002,538</u>	<u>\$ 3,232,953</u>

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

2021	\$ 248,587
2022	260,844
2023	273,707
2024	287,214
2025	301,394

9. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during 2019 by the municipality on behalf of its employees are expected to be **\$100,867** (2019 - \$90,414) and are included in the statement of operations.

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

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

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

10. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

11. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

12. Accumulated Surplus

	<u>2020</u>	<u>2019</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	9,205,783	8,159,842
Utility capital fund - Capital surplus	28,730,892	28,435,528
Reserve funds	<u>10,982,904</u>	<u>9,570,590</u>
	51,034,637	48,281,018
Deferred revenue - Reserves	<u>(2,111,988)</u>	<u>(2,249,999)</u>
Accumulated surplus of municipality unconsolidated	48,922,649	46,031,019
Accumulated surpluses of consolidated entities	<u>1,304,257</u>	<u>1,206,317</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 50,226,906</u>	<u>\$ 47,237,336</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

13. Public Sector Compensation Disclosure

It is a requirement of The Municipal Act that the annual financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the municipality. For the year ended December 31, 2020:

- a) Compensation paid to members of council amounted to \$64,155 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	Compensation	Expenses	Total
Jon McCutcheon	\$ 11,757	\$ 110	\$ 11,867
Darryl Gerrard	8,499	40	8,539
Murray Parrott	8,499	556	9,055
Brian Hedley	10,243	40	10,283
Darren Pudlo	8,499	40	8,539
Marijka Krostenchuk	8,499	40	8,539
Jason Nadeau	8,499	40	8,539
	-	-	-
	<u>\$ 64,495</u>	<u>\$ 866</u>	<u>\$ 65,361</u>

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2020:

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

Name	Position	Amount
Colleen Synchronyshyn	Chief Administrative Officer	\$ 110,046
Denis Saquet	Manager of Operations	80,533
Howard Buffi	Water Plant Supervisor	77,274

14. Public Utilities Board

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

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water treatment plant	\$ 947,110	\$ -	\$ 88,362	\$ 858,748
Waste water treatment facility	9,440,000	-	295,000	9,145,000
Water mains	6,056,608	-	167,772	5,888,836
Lagoon upgrade	2,129,433	-	55,082	2,074,351
	<u>\$ 18,573,151</u>	<u>\$ -</u>	<u>\$ 606,216</u>	<u>\$ 17,966,935</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

15. Trust Funds

The Town of Neepawa administers the following trust:

<u>List Trust Funds</u>	<u>Balance, beg. of the year</u>	<u>Net Receipts (Disbursements)</u>	<u>Balance, end of the year</u>
Veterans Walk	\$ 4,076	\$ -	\$ 4,076
	<u>\$ 4,076</u>	<u>\$ -</u>	<u>\$ 4,076</u>

16. Segmented Information

The Town of Neepawa provides a wide ranges of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

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

17. Government Partnerships

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

	<u>2020</u>	<u>2019</u>
Financial Position		
Financial assets	\$ 241,932	\$ 346,221
Financial liabilities	109,992	156,234
Net financial assets (liabilities)	<u>131,940</u>	<u>189,987</u>
Non financial assets	<u>1,172,317</u>	<u>1,016,330</u>
Accumulated surplus	<u>\$ 1,304,257</u>	<u>\$ 1,206,317</u>
Results of operations		
Revenues	\$ 330,884	\$ 264,781
Expenses	<u>232,944</u>	<u>213,709</u>
Consolidated annual surplus	<u>\$ 97,940</u>	<u>\$ 51,072</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2020

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	2020	2019
Cost										
Opening costs	1,785,436	4,181,473	3,378,649	216,421	2,998,746	6,340,027	45,239,434	5,471,535	69,611,721	64,868,771
Additions during the year	795,369	48,463	414,841	4,620	431,155	138,157	89,732	946,621	2,868,958	4,841,816
Transfer during the year	44,487	2,954,259			(2,998,746)				-	-
Disposals and write downs	(14,999)	(68,409)	(218,365)						(301,773)	(98,866)
Closing costs	<u>2,610,293</u>	<u>7,115,786</u>	<u>3,575,125</u>	<u>221,041</u>	<u>431,155</u>	<u>6,478,184</u>	<u>45,329,166</u>	<u>6,418,156</u>	<u>72,178,906</u>	<u>69,611,721</u>
Accumulated Amortization										
Opening accum'd amortization	837,721	2,217,800	2,550,539	195,497	-	3,926,640	19,053,092	-	28,781,289	27,429,307
Amortization	28,577	178,002	219,325	3,417		158,333	977,529		1,565,183	1,404,917
Disposals and write downs		(59,009)	(199,699)						(258,708)	(52,935)
Closing accum'd amortization	<u>866,298</u>	<u>2,336,793</u>	<u>2,570,165</u>	<u>198,914</u>	<u>-</u>	<u>4,084,973</u>	<u>20,030,621</u>	<u>-</u>	<u>30,087,764</u>	<u>28,781,289</u>
Net Book Value of Tangible Capital Assets	<u>1,743,995</u>	<u>4,778,993</u>	<u>1,004,960</u>	<u>22,127</u>	<u>431,155</u>	<u>2,393,211</u>	<u>25,298,545</u>	<u>6,418,156</u>	<u>42,091,142</u>	<u>40,830,432</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 11)	\$ 4,460,716	\$ 4,462,075
Taxes added	9,500	29,950
	<u>4,470,216</u>	<u>4,492,025</u>
Grants in lieu of taxation:		
Federal government enterprises	6,512	6,426
Provincial government	70,733	75,498
Provincial government enterprises	97,522	105,480
	<u>174,767</u>	<u>187,404</u>
User fees		
Sales of service	292,552	277,396
Rentals	163,671	161,371
Facility use fees	128,610	176,845
	<u>584,833</u>	<u>615,612</u>
Grants - Province of Manitoba		
General assistance payment	1,113,175	842,432
Conditional grants - Other	966,181	304,241
	<u>2,079,356</u>	<u>1,146,673</u>
Grants - other		
Federal government - Gas tax Funding	250,000	250,000
Federal government - Utility system upgrades	231,220	701,457
Other local governments	92,711	68,985
	<u>573,931</u>	<u>1,020,442</u>
Permits, licences and fines		
Licences	1,625	2,090
Fines	25,018	19,715
	<u>26,643</u>	<u>21,805</u>
Investment income:		
Cash and temporary investments	144,267	184,462
	<u>144,267</u>	<u>184,462</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(340)	2,517
Gain on sale of real estate held for sale	-	412,931
Penalties and interest	29,465	31,275
Cemetery maintenance fees	160,000	327,203
Donations	78,000	-
Recoveries	225,048	540,289
Miscellaneous	44,521	43,924
	<u>536,694</u>	<u>1,358,139</u>
Water and sewer (Schedule 4)	<u>2,598,963</u>	<u>2,872,221</u>
Total revenue	<u><u>11,189,670</u></u>	<u><u>11,898,783</u></u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2020

SCHEDULE 3

	<u>2020 Actual</u>	<u>2019 Actual</u>
General government services:		
Legislative	\$ 64,494	\$ 64,207
General administrative	678,406	656,642
Other	259,570	260,661
	<u>1,002,470</u>	<u>981,510</u>
Protective services:		
Police	627,254	586,057
Fire	322,726	163,709
Emergency measures	117,610	122,798
Other protection	120,024	50,212
	<u>1,187,614</u>	<u>922,776</u>
Transportation services:		
Road transport		
Administration and engineering	178,902	141,616
Road and street maintenance	1,704,194	1,066,592
Street lighting	101,810	84,514
Other	15,149	7,927
Air transport	26,599	34,616
	<u>2,026,654</u>	<u>1,335,265</u>
Environmental health services:		
Waste collection and disposal	513,885	669,494
	<u>513,885</u>	<u>669,494</u>
Public health and welfare services:		
Public health	205,058	345,634
Social assistance	13,167	13,167
	<u>218,225</u>	<u>358,801</u>
Regional planning and development		
Planning and zoning	101,789	90,624
Urban area weed control	4,616	6,234
Other	5,384	57,707
	<u>111,789</u>	<u>154,565</u>
Resource conservation and industrial development		
Drainage of land	7,963	7,649
Veterinary services	11,790	11,790
Regional development	273,740	313,409
Other	1,220	2,930
	<u>294,713</u>	<u>335,778</u>
Sub-totals forward	<u>5,355,350</u>	<u>4,758,189</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2020

SCHEDULE 3

	<u>2020 Actual</u>	<u>2019 Actual</u>
Sub-totals forward	<u>5,355,350</u>	<u>4,758,189</u>
Recreation and cultural services:		
Community centers and halls	85,104	102,399
Swimming pools and beaches	129,914	140,832
Skating and curling rinks	100,000	85,000
Parks and playgrounds	135,664	89,337
Other recreational facilities	48,466	69,635
Libraries	94,883	94,448
Other cultural facilities	716	968
	<u>594,747</u>	<u>582,619</u>
Water and sewer services (Schedule 4)	<u>2,250,003</u>	<u>2,434,780</u>
Total expenses	<u><u>8,200,100</u></u>	<u><u>7,775,588</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 4,075,091	\$ 4,096,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	174,767	187,404	-	-	-	-	-	-	-	-
User fees	134,330	136,740	30,602	52,954	-	-	129,698	149,603	-	-
Prov of MB - Unconditional Grants	1,113,175	842,432	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	178,047	78,665	50,400	50,400	11,717	11,717	667,415	110,080	-	-
Grants - other	5,651	-	74,362	59,251	250,000	250,000	-	-	-	-
Permits, licences and fines	315	500	25,328	20,095	-	-	-	-	-	-
Investment income	63,699	64,817	6,594	8,755	29,344	37,557	-	-	12,100	24,388
Gain (loss) on sale of assets	(398)	(800)	1,020	-	-	-	(962)	3,317	-	-
Other revenue	310,180	493,778	6,457	3,926	-	-	9,919	499,853	160,000	327,203
Water and sewer										
Total revenue	<u>\$ 6,054,857</u>	<u>\$ 5,900,436</u>	<u>\$ 194,763</u>	<u>\$ 195,381</u>	<u>\$ 291,061</u>	<u>\$ 299,274</u>	<u>\$ 806,070</u>	<u>\$ 762,853</u>	<u>\$ 172,100</u>	<u>\$ 351,591</u>
EXPENSES										
Personnel services	\$ 477,591	\$ 465,282	\$ 203,286	\$ 155,552	\$ 504,887	\$ 447,264	\$ 84,515	\$ 78,338	\$ 132,626	\$ 173,233
Contract services	237,004	243,200	558,933	537,743	250,559	161,767	347,491	514,559	21,199	18,126
Utilities	105,116	102,268	73,052	71,593	130,436	112,451	8,334	8,108	8,246	7,862
Maintenance materials and supplies	34,616	20,113	190,495	72,759	789,363	315,759	19,933	18,640	44,744	151,786
Grants and contributions	107,949	108,400	50,602	50,003	-	-	17,251	21,227	-	-
Amortization	23,348	24,577	111,095	34,711	351,413	298,023	34,694	27,491	11,410	7,796
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	16,838	17,665	150	415	-	-	1,667	1,132	-	-
Total expenses	<u>\$ 1,002,462</u>	<u>\$ 981,505</u>	<u>\$ 1,187,613</u>	<u>\$ 922,776</u>	<u>\$ 2,026,658</u>	<u>\$ 1,335,264</u>	<u>\$ 513,885</u>	<u>\$ 669,495</u>	<u>\$ 218,225</u>	<u>\$ 358,803</u>
Surplus (Deficit)	<u>\$ 5,052,395</u>	<u>\$ 4,918,931</u>	<u>\$ (992,850)</u>	<u>\$ (727,395)</u>	<u>\$ (1,735,597)</u>	<u>\$ (1,035,990)</u>	<u>\$ 292,185</u>	<u>\$ 93,358</u>	<u>\$ (46,125)</u>	<u>\$ (7,212)</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, 2020

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,125	\$ 395,125	\$ 4,470,216	\$ 4,492,025
Grants in lieu of taxation	-	-	-	-	-	-	-	-	174,767	187,404
User fees	155,314	93,678	-	-	134,889	182,637	-	-	584,833	615,612
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,113,175	842,432
Prov of MB - Conditional Grants	22,015	12,357	-	-	36,587	41,022	-	-	966,181	304,241
Grants - other	11,688	9,102	-	-	1,010	632	231,220	701,457	573,931	1,020,442
Permits, licences and fines	-	-	1,000	1,210	-	-	-	-	26,643	21,805
Investment income	28,454	43,777	-	-	4,076	5,168	-	-	144,267	184,462
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	(340)	2,517
Other revenue	50,451	30,862	-	-	27	-	-	-	537,034	1,355,622
Water and sewer	-	-	-	-	-	-	2,598,963	2,872,221	2,598,963	2,872,221
Total revenue	\$ 267,922	\$ 189,776	\$ 1,000	\$ 1,210	\$ 176,589	\$ 229,459	\$ 3,225,308	\$ 3,968,803	\$ 11,189,670	\$ 11,898,783
EXPENSES										
Personnel services	\$ 79,421	\$ 68,311	\$ 79,960	\$ 77,613	\$ 325,977	\$ 302,523	\$ 347,706	\$ 365,248	\$ 2,235,969	\$ 2,133,364
Contract services	11,056	63,374	145,607	175,083	128,490	119,570	137,210	113,930	1,837,549	1,947,352
Utilities	2,334	1,941	4,230	4,445	45,500	55,911	206,708	189,780	583,956	554,359
Maintenance materials and supplies	10,750	13,122	5,394	14,605	53,282	59,556	422,061	643,059	1,570,638	1,309,399
Grants and contributions	7,715	7,717	19,752	19,439	6,836	7,160	-	-	210,105	213,946
Amortization	513	101	21,238	22,367	33,940	36,923	977,528	952,927	1,565,179	1,404,916
Interest on long term debt	-	-	5,487	6,834	12	8	158,585	169,706	164,084	176,548
Other	-	-	13,044	15,394	716	968	205	130	32,620	35,704
Total expenses	\$ 111,789	\$ 154,566	\$ 294,712	\$ 335,780	\$ 594,753	\$ 582,619	\$ 2,250,003	\$ 2,434,780	\$ 8,200,100	\$ 7,775,588
Surplus (Deficit)	\$ 156,133	\$ 35,210	\$ (293,712)	\$ (334,570)	\$ (418,164)	\$ (353,160)	\$ 975,305	\$ 1,534,023	\$ 2,989,570	\$ 4,123,195

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 4,470,216	\$ 4,492,025	\$ -	\$ -	\$ -	\$ -	\$ 4,470,216	\$ 4,492,025
Grants in lieu of taxation	174,767	187,404	-	-	-	-	174,767	187,404
User fees	395,108	459,415	-	-	189,725	156,197	584,833	615,612
Prov of MB - Unconditional Grants	1,113,175	842,432	-	-	-	-	1,113,175	842,432
Prov of MB - Conditional Grants	914,392	253,017	-	-	51,789	51,224	966,181	304,241
Grants - other	544,096	1,010,708	-	-	29,835	9,734	573,931	1,020,442
Permits, licences and fines	26,643	21,805	-	-	-	-	26,643	21,805
Investment income	141,337	181,031	-	-	2,930	3,431	144,267	184,462
Gain (loss) on sale of assets	(340)	2,517	-	-	-	-	(340)	2,517
Other revenue	473,593	1,311,427	-	-	63,441	44,195	537,034	1,355,622
Water and sewer	2,598,963	2,872,221	-	-	-	-	2,598,963	2,872,221
Total revenue	\$ 10,851,950	\$ 11,634,002	\$ -	\$ -	\$ 337,720	\$ 264,781	\$ 11,189,670	\$ 11,898,783
EXPENSES								
Personnel services	\$ 2,028,818	\$ 1,944,098	\$ -	\$ -	\$ 207,151	\$ 189,266	\$ 2,235,969	\$ 2,133,364
Contract services	1,661,046	1,768,787	-	-	176,503	178,565	1,837,549	1,947,352
Utilities	547,510	521,930	-	-	36,446	32,429	583,956	554,359
Maintenance materials and supplies	1,528,761	1,243,319	-	-	41,877	66,080	1,570,638	1,309,399
Grants and contributions	186,018	192,719	-	-	24,087	21,227	210,105	213,946
Amortization	1,508,862	1,358,789	-	-	56,317	46,127	1,565,179	1,404,916
Interest on long term debt	158,585	169,706	-	-	5,499	6,842	164,084	176,548
Other	30,803	34,157	-	-	1,817	1,547	32,620	35,704
Total expenses	\$ 7,650,403	\$ 7,233,505	\$ -	\$ -	\$ 549,697	\$ 542,083	\$ 8,200,100	\$ 7,775,588
Surplus (Deficit)	\$ 3,201,547	\$ 4,400,497	\$ -	\$ -	\$ (211,977)	\$ (277,302)	\$ 2,989,570	\$ 4,123,195

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2020

SCHEDULE 6

	2020										2019	
	General	Gas Tax	Health Care	Cemetery	Fire	Utility	Sewer	Public Works and Environment	Recreation and culture	Building and land	Total	Total
REVENUE												
Investment income	\$ 11,691	\$ 15,204	\$ 3,158	\$ 7,968	\$ 6,594	\$ 17,153	\$ 973	\$ 29,344	\$ 3,917	\$ 25,684	\$ 121,686	\$ 179,276
Other income				775	9,715						10,490	7,008
Total revenue	11,691	15,204	3,158	8,743	16,309	17,153	973	29,344	3,917	25,684	132,176	186,284
NET REVENUES	11,691	15,204	3,158	8,743	16,309	17,153	973	29,344	3,917	25,684	132,176	186,284
TRANSFERS												
Transfers from general operating	15,000	248,041	93,680	-	65,000	-	-	150,000	75,000	587,719	1,234,440	3,600,508
Transfers to general operating	-	-	-	(160,000)	-	-	-	-	-	-	(160,000)	(301,895)
Transfers from utility operating	-	-	-	-	-	667,939	12,000	-	-	-	679,939	64,250
Transfers to utility operating	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(24,496)	(250,000)	(40,500)	-	(35,611)	-	-	-	-	(123,638)	(474,245)	(1,502,631)
CHANGE IN RESERVE FUND BALANCES	2,195	13,245	56,338	(151,257)	45,698	685,092	12,973	179,344	78,917	489,765	1,412,310	2,046,516
FUND SURPLUS, BEGINNING OF YEAR	868,928	1,031,876	206,249	1,218,123	464,203	1,258,778	67,466	2,368,162	259,963	1,826,842	9,570,590	7,524,074
FUND SURPLUS, END OF YEAR	<u>\$ 871,123</u>	<u>\$ 1,045,121</u>	<u>\$ 262,587</u>	<u>\$ 1,066,866</u>	<u>\$ 509,901</u>	<u>\$ 1,943,870</u>	<u>\$ 80,439</u>	<u>\$ 2,547,506</u>	<u>\$ 338,880</u>	<u>\$ 2,316,607</u>	<u>\$ 10,982,900</u>	<u>\$ 9,570,590</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 787,772	\$ 785,167
	<u>\$ 787,772</u>	<u>\$ 785,167</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,000	\$ 2,000
Water meter deposits	60,607	61,404
Long-term debt (Note 8)	2,986,879	3,223,420
Due to other funds	431,168	427,767
	<u>3,480,654</u>	<u>3,714,591</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (2,692,882)</u>	<u>\$ (2,929,424)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 31,716,701	\$ 31,657,877
Prepaid expenses	16,282	16,282
	<u>31,732,983</u>	<u>31,674,159</u>
FUND SURPLUS (DEFICIT)	<u>\$ 29,040,101</u>	<u>\$ 28,744,735</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2020

SCHEDULE 8

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Water			
Water fees	\$ 1,721,369	\$ 1,808,104	\$ 1,721,369
Bulk Water fees	8,000	7,488	7,755
sub-total- water	<u>1,729,369</u>	<u>1,815,592</u>	<u>1,729,124</u>
Sewer			
Sewer fees	523,059	541,397	523,059
Lagoon tipping fees	6,000	7,602	5,238
sub-total- sewer	<u>529,059</u>	<u>548,999</u>	<u>528,297</u>
Property taxes	<u>395,125</u>	<u>395,125</u>	<u>395,125</u>
Government transfers			
Capital	400,000	231,220	701,457
sub-total- government transfers	<u>400,000</u>	<u>231,220</u>	<u>701,457</u>
Other			
Hydrant rentals	52,250	52,250	52,250
Connection charges	20,000	41,056	410,093
Penalties	75,000	7,434	7,558
Administration fees	70,000	133,632	144,899
sub-total- other	<u>217,250</u>	<u>234,372</u>	<u>614,800</u>
Total revenue	<u>3,270,803</u>	<u>3,225,308</u>	<u>3,968,803</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS (cont'd)
Year Ended December 31, 2020

SCHEDULE 8

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	92,600	67,175	73,226
Billing and collection	414,078	353,420	369,952
sub-total- general	<u>506,678</u>	<u>420,595</u>	<u>443,178</u>
Water General			
Purification and treatment	319,500	340,180	544,509
Transmission and distribution	120,750	163,513	111,312
Connection costs	60,000	25,856	23,891
sub-total- water general	<u>500,250</u>	<u>529,549</u>	<u>679,712</u>
Water Amortization & Interest			
Amortization	915,700	915,700	891,099
Interest on long term debt	158,585	158,585	169,706
sub-total- water amortization & interest	<u>1,074,285</u>	<u>1,074,285</u>	<u>1,060,805</u>
Sewer General			
Collection system costs	88,000	44,713	13,053
Treatment and disposal cost	105,000	74,915	147,775
Lift Station costs	40,000	44,118	28,429
sub-total- sewer general	<u>233,000</u>	<u>163,746</u>	<u>189,257</u>
Sewage Amortization & Interest			
Amortization	61,828	61,828	61,828
Contribution to capital to be transferd to TCA		-	
sub-total- sewer amortization & interest	<u>61,828</u>	<u>61,828</u>	<u>61,828</u>
Total expenses	<u>2,376,041</u>	<u>2,250,003</u>	<u>2,434,780</u>
NET OPERATING SURPLUS	894,762	975,305	1,534,023
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	<u>(679,939)</u>	<u>347,355</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 894,762</u>	295,366	1,881,378
FUND SURPLUS, BEGINNING OF YEAR (Note 19)		<u>28,744,735</u>	<u>26,863,357</u>
FUND SURPLUS, END OF YEAR		<u>\$ 29,040,101</u>	<u>\$ 28,744,735</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 4,479,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,479,661
Grants in lieu of taxation	174,766	-	-	-	-	-	-	174,766
User fees	419,573	-	-	-	-	-	189,725	609,298
Grants - Province of Manitoba	1,073,269	-	-	-	-	-	51,789	1,125,058
Grants - other	311,196	-	-	-	-	-	22,999	334,195
Permits, licences and fines	22,100	-	-	-	-	-	-	22,100
Investment income	42,000	-	-	-	-	-	2,930	44,930
Other revenue	835,100	-	-	-	-	-	63,441	898,541
Water and sewer	-	2,875,678	-	-	-	-	-	2,875,678
Transfers from accumulated surplus	465,000	-	-	-	(465,000)	-	-	-
Transfers from General	-	395,126	-	-	(395,126)	-	-	-
Transfers from reserves	-	2,275,000	-	-	(2,275,000)	-	-	-
Total revenue	\$ 7,822,665	\$ 5,545,804	\$ -	\$ -	\$ (3,135,126)	\$ -	\$ 330,884	\$ 10,564,227
EXPENSES								
General government services	\$ 993,309	\$ -	\$ 23,348	\$ -	\$ 10,221	\$ -	\$ 8,035	\$ 1,034,913
Protective services	983,702	-	111,095	-	-	-	60,178	1,154,975
Transportation services	1,152,100	-	351,413	-	-	-	-	1,503,513
Environmental health services	513,500	-	34,694	-	-	-	17,918	566,112
Public health and welfare services	267,802	-	11,410	-	-	-	-	279,212
Regional planning and development	42,880	-	513	-	-	-	78,409	121,802
Resource cons and industrial dev	283,662	-	21,238	(1,347)	-	-	44,271	347,824
Recreation and cultural services	601,823	-	33,940	4	-	-	24,133	659,900
Water and sewer services	-	1,239,929	977,528	158,585	-	-	-	2,376,042
Fiscal services:								
Transfer to capital	1,469,000	1,571,500	(3,040,500)	-	-	-	-	-
Debt charges	395,125	395,125	-	(790,250)	-	-	-	-
Short term interest	6,500	-	-	(6,500)	-	-	-	-
Transfer to Utility	-	-	-	-	-	-	-	-
Transfer to reserves	1,103,041	64,250	-	-	(1,167,291)	-	-	-
Allowance for tax assets	10,221	-	-	-	(10,221)	-	-	-
Total expenses	\$ 7,822,665	\$ 3,270,804	\$ (1,475,321)	\$ (639,508)	\$ (1,167,291)	\$ -	\$ 232,944	\$ 8,044,293
Surplus (Deficit)	\$ -	\$ 2,275,000	\$ 1,475,321	\$ 639,508	\$ (1,967,835)	\$ -	\$ 97,940	\$ 2,519,934

Town of Neepawa
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2020

SCHEDULE 10

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 275,903	\$ 202,742
Add:		
Tax levy (Schedule 11)	6,849,464	6,867,597
Taxes added	9,499	29,949
Penalties or interest	29,518	31,275
Other accounts added	20,072	23,157
Refunds	-	19,934
Tax Adjustments - tax sale costs	-	-
Sub-total	<u>6,908,553</u>	<u>6,971,912</u>
Deduct:		
Cash collections	6,242,543	6,190,790
Write-offs	-	-
M.P.T.C. - cash advance	721,613	707,961
Sub-total	<u>6,964,156</u>	<u>6,898,751</u>
Balance, end of year	<u><u>\$ 220,300</u></u>	<u><u>\$ 275,903</u></u>

Town of Neepawa
ANALYSIS OF TAX LEVY
Year Ended December 31, 2020

SCHEDULE 11

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	206,936,890	1.86	384,903	385,915
At large	-	-	-	-
General municipal	187,792,570	15.46	2,903,273	3,185,605
Reserves:				
Various	187,792,570	4.40	826,287	532,449
Special levies:				
Whitemud watershed	28,846,950	0.27	7,789	7,480
Garbage	-	-	329,850	342,114
Cable Fees - unbudgeted			8,614	8,512
Total municipal taxes (Schedule 2)			4,460,716	4,462,075
Education support levy	43,503,320	8.83	461,470	504,069
Special levy:				
Beautiful Plains SD #31	162,391,270	11.260	1,927,278	1,901,453
Total education taxes			2,388,748	2,405,522
			\$ 6,849,464	\$ 6,867,597

Town of Neepawa
SCHEDULE OF GENERAL OPERATING EXPENSES
Year Ended December 31, 2020

SCHEDULE 12

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
General government services:		
Legislative	\$ 64,494	\$ 64,207
General administrative	670,371	650,426
Other	<u>259,566</u>	<u>260,657</u>
	<u>994,430</u>	<u>975,290</u>
Protective services:		
Police	627,254	586,057
Fire	322,576	163,294
Emergency measures	57,582	56,264
Other protection	<u>120,024</u>	<u>50,212</u>
	<u>1,127,436</u>	<u>855,826</u>
Transportation services:		
Road transport		
Administration and engineering	178,902	141,616
Road and street maintenance	1,704,194	1,066,592
Street lighting	101,810	84,514
Other	15,150	7,927
Air transport	<u>26,599</u>	<u>34,616</u>
	<u>2,026,656</u>	<u>1,335,265</u>
Environmental health services:		
Waste collection and disposal	<u>495,967</u>	<u>686,697</u>
	<u>495,967</u>	<u>686,697</u>
Public health and welfare services:		
Public health	205,058	345,634
Social assistance	<u>13,167</u>	<u>13,167</u>
	<u>218,225</u>	<u>358,802</u>
Regional planning and development		
Planning and zoning	23,380	23,380
Urban area weed control	4,616	6,234
Other	<u>5,384</u>	<u>57,707</u>
	<u>33,379</u>	<u>87,321</u>
Resource conservation and industrial development		
Drainage of land	7,963	7,649
Veterinary services	11,790	11,790
Regional development	229,469	258,537
Other	<u>1,220</u>	<u>2,930</u>
	<u>250,443</u>	<u>280,907</u>
Recreation and cultural services:		
Community centers and halls	85,104	102,399
Swimming pools and beaches	129,914	140,832
Skating and curling rinks	100,000	85,000
Parks and playgrounds	135,664	89,337
Other recreational facilities	48,466	69,635
Libraries	63,914	58,817
Other cultural facilities	<u>716</u>	<u>968</u>
	<u>563,779</u>	<u>546,988</u>
Total expenses	<u><u>5,710,315</u></u>	<u><u>5,127,096</u></u>

Town of Neepawa
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2020

SCHEDULE 13

	General	2020 Utility	Total	2019 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	(25,398)	-	(25,398)	(2,000)
Increase expense - amortization of tangible capital assets	(531,334)	(977,528)	(1,508,862)	(1,358,789)
Eliminate expense - acquisitions of tangible capital assets	1,602,673	1,036,352	2,639,025	4,643,450
Reserve:				
Increase revenue - reserve funds interest	121,687	-	121,687	179,277
Eliminate expense - transfers to reserves	1,244,930	679,941	1,924,871	3,671,763
Eliminate revenue - transfers from reserves to operating funds	(634,245)	-	(634,245)	(1,804,526)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas Tax	(13,245)	-	(13,245)	(264,348)
Increase revenue - decrease in deferred revenue - Cemetery Maintenance Fees	151,257	-	151,257	(1,218,123)
Other:				
Eliminate expense - principal portion of long term debt	-	236,540	236,540	225,419
	1,916,325	975,305	2,891,630	4,072,123
Increase revenue - Net surplus of consolidated entities	97,940	-	97,940	51,072
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 2,014,265	\$ 975,305	\$ 2,989,570	\$ 4,123,195