

Town of Neepawa

Consolidated Financial Statements
Year ended December 31, 2015

STATEMENT OF RESPONSIBILITY

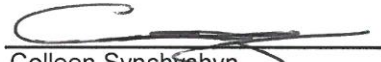
The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Neepawa and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered 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, 2015 and the consolidated statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2015, 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, 2015 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2015 in accordance with Canadian Public Sector Accounting Standards.



Winnipeg, Canada
March 14, 2017

Chambers Fraser
Chartered Professional Accountants

Town of Neepawa

Consolidated Financial Statements


Year ended December 31, 2015

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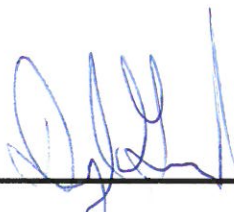
Town of Neepawa
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 9,522,474	\$ 8,410,875
Amounts receivable (Note 4)	853,180	908,979
Loans and advances	108,381	108,381
Real estate properties held for sale	548,372	548,372
Other inventories for sale (Note 5)	434	479
Other assets	<u>588</u>	<u>568</u>
	<u>\$ 11,033,429</u>	<u>\$ 9,977,654</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 1,049,763	\$ 961,185
Deferred revenue (Note 7)	491,766	433,782
Landfill closure and post closure liabilities (Note 8)	640,183	698,761
Long-term debt (Note 9)	4,392,623	4,760,773
Deposits	<u>55,880</u>	<u>55,170</u>
	<u>6,630,215</u>	<u>6,909,671</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 4,403,214</u>	<u>\$ 3,067,984</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 30,297,031	30,623,328
Prepaid expenses	<u>37,241</u>	<u>44,223</u>
	<u>30,334,272</u>	<u>30,667,551</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 13)	<u>\$ 34,737,486</u>	<u>\$ 33,735,535</u>

Approved on behalf of Council:



Adrian DeGroot - Mayor



Darryl Gerrard - Deputy Mayor

Town of Neepawa
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2015

	<u>2015 Budget (Note 12)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
REVENUE			
Property taxes	\$ 3,951,275	\$ 3,967,560	\$ 3,867,853
Grants in lieu of taxation	107,916	107,916	101,193
User fees	457,127	603,067	539,268
Grants - Province of Manitoba	938,149	918,319	1,117,418
Grants - other	314,215	223,179	267,370
Permits, licences and fines	22,450	23,170	18,652
Investment income	47,950	115,211	94,217
Other revenue	232,616	127,664	252,410
Water and sewer	<u>2,418,437</u>	<u>1,649,670</u>	<u>1,637,718</u>
Total revenue (Schedules 2, 4 and 5)	<u>8,490,135</u>	<u>7,735,756</u>	<u>7,896,099</u>
EXPENSES			
General government services	995,222	871,256	1,055,301
Protective services	1,016,463	1,009,851	921,186
Transportation services	1,135,039	1,070,480	1,081,993
Environmental health services	586,344	666,232	666,467
Public health and welfare services	263,780	271,908	275,349
Regional planning and development	77,508	80,970	64,074
Resource conservation and industrial development	275,934	243,990	246,534
Recreation and cultural services	620,875	582,527	630,549
Water and sewer services	<u>2,004,570</u>	<u>1,936,591</u>	<u>1,944,839</u>
Total expenses (Schedules 3, 4 and 5)	<u>6,975,735</u>	<u>6,733,805</u>	<u>6,886,292</u>
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 1,514,400</u></u>	<u>1,001,951</u>	<u>1,009,807</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>33,735,535</u>	<u>32,725,728</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$34,737,486</u></u>	<u><u>\$ 33,735,535</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, 2015

	<u>2015 Budget (Note 12)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 1,514,400	\$ 1,001,951	\$ 1,009,807
Acquisition of tangible capital assets	(2,985,080)	(1,027,369)	(1,287,458)
Amortization of tangible capital assets	1,205,507	1,205,507	1,154,943
Loss (Gain) on sale of tangible capital assets		109	(41,431)
Transfer tangible assets to inventory		-	546,345
Proceeds on sale of tangible capital assets		148,050	57,301
Decrease (increase) in prepaid expense		6,982	(19,078)
	<u>(1,779,573)</u>	<u>333,279</u>	<u>410,622</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (265,173)</u>	1,335,230	1,420,429
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>3,067,984</u>	<u>1,647,555</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 4,403,214</u>	<u>\$ 3,067,984</u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,001,951	\$ 1,009,807
Changes in non-cash items:		
Amounts receivable	55,799	311,033
Inventories	45	17
Prepays	6,982	(19,078)
Other assets	(20)	(11)
Accounts payable and accrued liabilities	88,578	268
Deferred revenue	57,984	(1,841)
Landfill closure and post closure liabilities	(58,577)	126,255
Other liabilities	710	1,858
Loss (Gain) on sale of tangible capital asset	109	(41,431)
Amortization	<u>1,205,507</u>	<u>1,154,943</u>
Cash provided by (applied to) operating transactions	<u>2,359,068</u>	<u>2,541,820</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	148,050	57,301
Transfer tangible assets to inventory	-	546,345
Cash used to acquire tangible capital assets	<u>(1,027,369)</u>	<u>(1,287,458)</u>
Cash provided by (applied to) capital transactions	<u>(879,319)</u>	<u>(683,812)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	22,950	16,200
Purchase of portfolio investments	(22,950)	(16,200)
Acquisition of real estate properties	-	<u>(548,372)</u>
Cash provided by (applied to) investing transactions	<u>-</u>	<u>(548,372)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	21,021
Debt repayment	<u>(368,150)</u>	<u>(378,567)</u>
Cash provided by (applied to) financing transactions	<u>(368,150)</u>	<u>(357,546)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	1,111,599	952,090
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>8,410,875</u>	<u>7,458,785</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 9,522,474</u></u>	<u><u>\$ 8,410,875</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, 2015

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 %) (2014 - consolidated 33.33 %)
Neepawa Area Development Corporation Ltd. (consolidated 25 %) (2014 - consolidated 25 %)
Evergreen Environmental Technologies Ltd. (consolidated 26.8 %) (2014 - consolidated 26.8%)
Neepawa and Area Planning District Board (consolidated 67 %) (2014 - consolidated 67 %)
Neepawa & District Disabled Persons Association Inc. (consolidated 68 %) (2014 - consolidated 68 %)
Western Manitoba Regional Library (consolidated 5.4 %) (2014 - 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, 2015

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, 2015

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>2015</u>	<u>2014</u>
Cash	<u>\$ 9,522,474</u>	<u>\$ 8,410,875</u>
The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.		
Designated Reserve Funds	<u>\$ 6,923,657</u>	<u>\$ 5,974,545</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2015</u>	<u>2014</u>
Taxes on roll (Schedule 11)	\$ 188,032	\$ 185,519
Government grants	129,351	98,353
Utility customers	361,082	356,594
Accrued interest	-	-
Organizations and individuals	162,645	252,361
Other governments	<u>67,285</u>	<u>60,735</u>
	908,395	953,562
Less allowances for doubtful amounts	<u>(55,215)</u>	<u>(44,583)</u>
	<u>\$ 853,180</u>	<u>\$ 908,979</u>

5. Inventories

Inventories for sale:

	<u>2015</u>	<u>2014</u>
History books	<u>\$ 434</u>	<u>\$ 479</u>

6. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 320,206	\$ 458,610
Accrued expenses	169,085	214,500
School levies (Schedule 13)	50,651	22,521
Other governments	<u>509,821</u>	<u>265,554</u>
	<u>\$ 1,049,763</u>	<u>\$ 961,185</u>

7. Deferred Revenue:

	<u>2015</u>	<u>2014</u>
Federal Gas Tax Funding	\$ 464,564	\$ 421,380
Handi Transit Funding	<u>4,161</u>	<u>4,113</u>
	468,725	425,493
Other	<u>23,041</u>	<u>8,289</u>
	<u>\$ 491,766</u>	<u>\$ 433,782</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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>2015</u>	<u>2014</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>\$ 36,910</u>	<u>\$ 34,938</u>
Expected year capacity will be reached	2094	2094
Capacity (tonnes):		
Used to date	84,500	78,000
Remaining	500,500	507,000
Total	585,000	585,000
Percent utilized	<u>14.44%</u>	<u>13.33%</u>
Liability based on percentage	<u>\$ 5,331</u>	<u>\$ 4,658</u>
b) Closed Municipal Landfill Site		
Estimated closure and post closure costs	<u>\$ 634,852</u>	<u>\$ 694,103</u>
Total landfill closure and post closure liabilities	<u>\$ 640,183</u>	<u>\$ 698,761</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

9. Long Term Debt

	<u>2015</u>	<u>2014</u>
General Authority:		
Debenture for personal care home, at 2.50%, \$138,681 annually including interest, maturing December, 2017	\$ 261,415	\$ 390,338
	<u>\$ 261,415</u>	<u>\$ 390,338</u>
Utility Funds:		
Debenture for water and sewer line, at 2.50%, \$50,299 annually including interest, maturing December, 2015	\$ -	\$ 26,903
Debenture for waste water treatment facility, at 5.625%, \$126,824 annually including interest, maturing 2029	1,206,688	1,262,496
Debenture for waste water treatment plant and raw water line, at 4.6250%, \$268,301 annually including interest, maturing 2030	2,856,832	2,986,986
	<u>\$ 4,063,520</u>	<u>\$ 4,276,385</u>
Debenture long term debt	\$ 4,324,935	\$ 4,666,723
The debentures of the Municipality have been issued with a maximum term of 20 years to maturity.		
Other long term debt - Government Partnerships		
Loan with Beautiful Plains Credit Union Ltd., at prime plu2 1%, \$8,267 annual including interest, maturing April 2019.	16,267	21,021
Loan with Minnedosa Credit Union Ltd., at 4%, \$7,000 monthly including interest, maturing April 2018.	51,421	73,029
	<u>\$ 4,392,623</u>	<u>\$ 4,760,773</u>

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

2016	\$ 352,958
2017	360,183
2018	222,023
2019	215,262
2020	214,107

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.

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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 \$95,190 (2014 - \$90,562) 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, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 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, 2014.

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>2015</u>	<u>2014</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	1,805,852	1,805,851
Utility operating fund - Nominal surplus	309,207	309,207
General capital fund - Capital surplus	3,771,101	3,580,608
Utility capital fund - Capital surplus	21,494,209	21,654,119
Reserve funds	<u>6,923,656</u>	<u>5,974,545</u>
	<u>34,304,025</u>	<u>33,324,330</u>
Deferred revenue - Reserves	<u>(468,725)</u>	<u>(425,493)</u>
Accumulated surplus of municipality unconsolidated	<u>33,835,300</u>	32,898,837
Accumulated surpluses of consolidated entities	<u>902,186</u>	<u>836,698</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 34,737,486</u></u>	<u><u>\$ 33,735,535</u></u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

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, 2015:

- a) Compensation paid to members of council amounted to \$61,984 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Adrian DeGroot	\$ 11,345	\$ 572	\$ 11,917
Bill Stilwell	9,345	1,071	10,416
Darryl Gerrard	3,898	-	3,898
Dean Dietrich	8,913	682	9,595
Isobel Jarema	9,820	510	10,330
James Cockburn	8,464	596	9,060
Jodi Baker	2,249	50	2,299
Murray Parrott	7,950	64	8,014
	<u>\$ 61,984</u>	<u>\$ 3,545</u>	<u>\$ 65,529</u>

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

Name	Position	Amount
Richard Beachey	Chief Administrative Officer	\$ 61,396
Robert Bell	WTP Operator	63,652
Denis Saquet	Manager of Operations	75,160
Jamie Davie	Director of Finance	53,972
Chris Doble	Public Works Foreman	52,216
Scott Gibson	Fire Chief	52,918
Dwayne Crandell	Public Works Operator	52,684
Howard Buffi	Water Plant Supervisor	67,405
Marilyn Crewe	Economic Development Office	60,148
Keith Dahmer	Public Works Supervisor	60,604
Bradford Zubert	WTP Operator	59,499
Colleen Synchshyn	Chief Administrative Officer	90,160

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:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water treatment plant	\$ 1,388,916	\$ -	\$ 88,362	\$ 1,300,554
Waste water treatment facility	10,915,000	-	295,000	10,620,000
Water mains	4,639,583	-	124,067	4,515,516
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,943,499</u>	<u>\$ -</u>	<u>\$ 507,429</u>	<u>\$ 16,436,070</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2015

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	2015	2014
Cost										
Opening costs	1,376,074	3,554,753	2,643,853	199,205	3,251	4,866,918	40,205,058	146,255	52,995,367	52,270,507
Additions during the year	11,336	20,911	224,535	4,006	23,772	216,664	526,145	-	1,027,369	1,287,458
Transfer during the year	-	-	3,251	-	(3,251)	-	146,255	(146,255)	-	(547,294)
Disposals and write downs	(43,744)	-	(93,822)	-	-	-	(44,201)	-	(181,767)	(15,304)
Closing costs	<u>1,343,666</u>	<u>3,575,664</u>	<u>2,777,817</u>	<u>203,211</u>	<u>23,772</u>	<u>5,083,582</u>	<u>40,833,257</u>	<u>-</u>	<u>53,840,969</u>	<u>52,995,367</u>
Accumulated Amortization										
Opening accum'd amortization	769,119	1,716,494	1,927,899	140,179	-	3,396,469	14,421,879	-	22,372,039	21,217,479
Amortization	11,122	95,592	124,164	31,595	-	73,647	869,387	-	1,205,507	1,154,943
Disposals and write downs	-	-	(18,940)	-	-	-	(14,668)	-	(33,608)	(383)
Closing accum'd amortization	<u>780,241</u>	<u>1,812,086</u>	<u>2,033,123</u>	<u>171,774</u>	<u>-</u>	<u>3,470,116</u>	<u>15,276,598</u>	<u>-</u>	<u>23,543,938</u>	<u>22,372,039</u>
Net Book Value of Tangible Capital Assets	<u>563,425</u>	<u>1,763,578</u>	<u>744,694</u>	<u>31,437</u>	<u>23,772</u>	<u>1,613,466</u>	<u>25,556,659</u>	<u>-</u>	<u>30,297,031</u>	<u>30,623,328</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2015

SCHEDULE 2

	<u>2015 Actual</u>	<u>2014 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,901,760	\$ 3,726,337
Taxes added	<u>65,800</u>	<u>141,516</u>
	<u>3,967,560</u>	<u>3,867,853</u>
Grants in lieu of taxation:		
Federal government enterprises	6,461	6,305
Provincial government	61,872	60,898
Provincial government enterprises	<u>34,783</u>	<u>32,569</u>
	<u>107,916</u>	<u>101,193</u>
User fees		
Sales of service	278,593	218,575
Sales of goods	-	-
Rentals	176,556	186,758
Facility use fees	<u>147,918</u>	<u>133,935</u>
	<u>603,067</u>	<u>539,268</u>
Grants - Province of Manitoba		
General assistance payment	575,678	575,678
VLT revenues	57,562	57,562
Conditional grants - WTP Upgrade & Water Line	-	330,871
Conditional grants - Other	<u>285,079</u>	<u>153,307</u>
	<u>918,319</u>	<u>1,117,418</u>
Grants - other		
Federal government - Gas tax Funding	148,795	200,000
Other local governments	<u>74,384</u>	<u>67,370</u>
	<u>223,179</u>	<u>267,370</u>
Permits, licences and fines		
Licences	1,717	1,636
Fines	<u>21,453</u>	<u>17,016</u>
	<u>23,170</u>	<u>18,652</u>
Investment income:		
Cash and temporary investments	115,211	94,217
	<u>115,211</u>	<u>94,217</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(109)	41,431
Gain on sale of real estate held for sale	-	74,899
Penalties and interest	23,428	23,581
Cemetery expense recoveries - cemetery trust	19,217	23,646
Donations - Sportsman dinner	-	32,855
Recoveries	25,855	18,799
Miscellaneous	<u>59,273</u>	<u>37,199</u>
	<u>127,664</u>	<u>252,410</u>
Water and sewer (Schedule 4)	<u>1,649,670</u>	<u>1,637,718</u>
Total revenue	<u><u>7,735,756</u></u>	<u><u>7,896,099</u></u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2015

SCHEDULE 3

	<u>2015 Actual</u>	<u>2014 Actual</u>
General government services:		
Legislative	\$ 61,994	\$ 60,882
General administrative	514,979	680,669
Other	294,283	313,750
	<u>871,256</u>	<u>1,055,301</u>
Protective services:		
Police	634,759	563,728
Fire	210,647	188,768
Emergency measures	120,533	114,858
Other protection	43,912	53,832
	<u>1,009,851</u>	<u>921,186</u>
Transportation services:		
Road transport		
Administration and engineering	153,909	161,884
Road and street maintenance	800,811	799,250
Street lighting	78,942	76,414
Other	10,252	16,672
Air transport	26,566	27,773
	<u>1,070,480</u>	<u>1,081,993</u>
Environmental health services:		
Waste collection and disposal	666,232	666,467
Other	-	-
	<u>666,232</u>	<u>666,467</u>
Public health and welfare services:		
Public health	258,741	262,182
Social assistance	13,167	13,167
	<u>271,908</u>	<u>275,349</u>
Regional planning and development		
Planning and zoning	63,923	62,382
Urban area weed control	5,263	1,492
Other	11,784	200
	<u>80,970</u>	<u>64,074</u>
Resource conservation and industrial development		
Drainage of land	9,569	9,508
Veterinary services	7,860	7,860
Regional development	223,631	226,236
Other	2,930	2,930
	<u>243,990</u>	<u>246,534</u>
Sub-totals forward	<u>4,214,687</u>	<u>4,310,904</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2015

SCHEDULE 3

	<u>2015 Actual</u>	<u>2014 Actual</u>
Sub-totals forward	<u>4,214,687</u>	<u>4,310,904</u>
Recreation and cultural services:		
Community centers and halls	132,387	148,631
Swimming pools and beaches	132,805	136,753
Skating and curling rinks	75,000	75,000
Parks and playgrounds	81,054	96,282
Other recreational facilities	86,513	84,265
Libraries	73,423	75,514
Other cultural facilities	1,345	14,104
	<u>582,527</u>	<u>630,549</u>
Water and sewer services (Schedule 4)	<u>1,936,591</u>	<u>1,944,839</u>
Total expenses	<u><u>6,733,805</u></u>	<u><u>6,886,292</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2015

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$3,545,461	\$3,422,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	107,916	101,193	-	-	-	-	-	-	-	-
User fees	155,872	169,214	47,503	56,615	-	-	150,916	85,566	-	-
Prov of MB - Unconditional Grants	633,240	633,240	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	20,645	12,817	50,400	50,400	11,717	11,446	92,501	94,484	-	-
Grants - other	10,000	100,500	60,902	55,267	148,795	200,000	-	-	-	-
Permits, licences and fines	227	236	21,743	17,366	-	-	-	-	-	-
Investment income	112,261	91,424	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(9,913)	44,051	-	-	-	-	136	(2,620)	-	-
Other revenue	93,793	173,036	6,847	12,050	-	-	1,607	1,422	-	-
Water and sewer										
Total revenue	<u>\$ 4,669,502</u>	<u>\$ 4,748,140</u>	<u>\$ 187,395</u>	<u>\$ 191,698</u>	<u>\$ 160,512</u>	<u>\$ 211,446</u>	<u>\$ 245,160</u>	<u>\$ 178,852</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 347,662	\$ 527,648	\$ 207,479	\$ 200,896	\$ 457,281	\$ 447,304	\$ 73,551	\$ 69,156	\$ 209,429	\$ 215,279
Contract services	223,964	205,640	577,736	515,897	124,526	171,691	395,380	397,093	13,167	13,167
Utilities	102,724	104,882	67,145	68,260	106,941	103,900	6,266	7,285	6,691	4,301
Maintenance materials and supplies	18,478	27,727	69,791	48,206	250,093	252,366	11,951	13,332	32,691	32,383
Grants and contributions	106,432	116,643	43,210	40,851	-	-	11,720	10,144	-	-
Amortization	51,175	49,875	44,493	47,080	131,639	106,733	30,747	31,235	9,930	10,219
Interest on long term debt	9,758	12,903	-	-	-	-	2,397	3,423	-	-
Other	11,062	9,986	-	-	-	-	134,220	134,799	-	-
Total expenses	<u>\$ 871,255</u>	<u>\$ 1,055,304</u>	<u>\$ 1,009,854</u>	<u>\$ 921,190</u>	<u>\$ 1,070,480</u>	<u>\$ 1,081,994</u>	<u>\$ 666,232</u>	<u>\$ 666,467</u>	<u>\$ 271,908</u>	<u>\$ 275,349</u>
Surplus (Deficit)	<u>\$ 3,798,247</u>	<u>\$ 3,692,836</u>	<u>\$ (822,459)</u>	<u>\$ (729,492)</u>	<u>\$ (909,968)</u>	<u>\$ (870,548)</u>	<u>\$ (421,072)</u>	<u>\$ (487,615)</u>	<u>\$ (271,908)</u>	<u>\$ (275,349)</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, 2015

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422,099	\$ 445,424	\$ 3,967,560	\$ 3,867,853
Grants in lieu of taxation	-	-	-	-	-	-	-	-	107,916	101,193
User fees	64,545	63,949	-	-	184,231	163,924	-	-	603,067	539,268
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	633,240	633,240
Prov of MB - Conditional Grants	65,555	78,240	-	-	44,261	47,930	-	96,361	285,079	391,678
Grants - other	-	83	-	-	3,482	4,020	-	-	223,179	359,870
Permits, licences and fines	-	-	1,200	1,050	-	-	-	-	23,170	18,652
Investment income	2,687	2,793	-	-	263	-	-	-	115,211	94,217
Gain (loss) on sale of assets	-	-	-	-	-	-	9,668	-	(109)	41,431
Other revenue	25,526	24,176	-	-	-	295	-	-	127,773	210,979
Water and sewer							1,649,670	1,637,718	1,649,670	1,637,718
Total revenue	\$ 158,313	\$ 169,241	\$ 1,200	\$ 1,050	\$ 232,237	\$ 216,169	\$ 2,081,437	\$ 2,179,503	\$ 7,735,756	\$ 7,896,099
EXPENSES										
Personnel services	\$ 40,376	\$ 39,115	\$ 111,482	\$ 85,770	\$ 286,870	\$ 297,030	\$ 371,412	\$ 369,776	\$ 2,105,542	\$ 2,251,974
Contract services	17,815	5,523	60,691	85,635	108,478	113,082	78,465	100,690	1,600,222	1,608,418
Utilities	1,451	1,680	12,780	14,994	42,003	52,678	121,068	115,680	467,069	473,660
Maintenance materials and supplies	14,501	10,928	23,880	14,549	93,380	102,927	271,115	286,749	785,880	789,167
Grants and contributions	-	-	17,427	17,368	-	10,000	-	-	178,789	195,006
Amortization	6,827	6,828	10,880	11,330	50,432	50,706	869,387	840,937	1,205,510	1,154,943
Interest on long term debt	-	-	-	-	17	-	209,233	217,107	221,405	233,433
Other	-	-	6,850	16,889	1,345	4,117	15,911	13,900	169,388	179,691
Total expenses	\$ 80,970	\$ 64,074	\$ 243,990	\$ 246,535	\$ 582,525	\$ 630,540	\$ 1,936,591	\$ 1,944,839	\$ 6,733,805	\$ 6,886,292
Surplus (Deficit)	\$ 77,343	\$ 105,167	\$ (242,790)	\$ (245,485)	\$ (350,288)	\$ (414,371)	\$ 144,846	\$ 234,664	\$ 1,001,951	\$ 1,009,807

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2015

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE								
Property taxes	\$ 3,967,560	\$ 3,867,853	\$ -	\$ -	\$ -	\$ -	\$ 3,967,560	\$ 3,867,853
Grants in lieu of taxation	107,916	101,193	-	-	-	-	107,916	101,193
User fees	494,771	435,983	-	-	108,296	103,285	603,067	539,268
Prov of MB - Unconditional Grants	633,240	633,240	-	-	-	-	633,240	633,240
Prov of MB - Conditional Grants	181,949	277,883	-	-	103,130	113,795	285,079	391,678
Grants - other	219,697	355,767	-	-	3,482	4,103	223,179	359,870
Permits, licences and fines	23,170	18,652	-	-	-	-	23,170	18,652
Investment income	112,261	91,424	-	-	2,950	2,793	115,211	94,217
Gain (loss) on sale of assets	(109)	41,431	-	-	-	-	(109)	41,431
Other revenue	93,657	175,656	-	-	34,116	35,323	127,773	210,979
Water and sewer	1,649,670	1,637,718	-	-	-	-	1,649,670	1,637,718
Total revenue	\$ 7,483,782	\$ 7,636,800	\$ -	\$ -	\$ 251,974	\$ 259,299	\$ 7,735,756	\$ 7,896,099
EXPENSES								
Personnel services	\$ 1,919,287	\$ 2,066,238	\$ -	\$ -	\$ 186,255	\$ 185,736	\$ 2,105,542	\$ 2,251,974
Contract services	1,451,917	1,455,247	-	-	148,305	153,171	1,600,222	1,608,418
Utilities	438,758	442,988	-	-	28,311	30,672	467,069	473,660
Maintenance materials and supplies	730,414	741,457	-	-	55,466	47,710	785,880	789,167
Grants and contributions	167,069	184,862	-	-	11,720	10,144	178,789	195,006
Amortization	1,149,802	1,098,229	-	-	55,708	56,714	1,205,510	1,154,943
Interest on long term debt	218,991	230,010	-	-	2,414	3,423	221,405	233,433
Other	173,622	183,603	-	-	(4,234)	(3,912)	169,388	179,691
Total expenses	\$ 6,249,860	\$ 6,402,634	\$ -	\$ -	\$ 483,945	\$ 483,658	\$ 6,733,805	\$ 6,886,292
Surplus (Deficit)	\$ 1,233,922	\$ 1,234,166	\$ -	\$ -	\$ (231,971)	\$ (224,359)	\$ 1,001,951	\$ 1,009,807

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2015

	2015								
	General	Landfill	Municipality facility	Fire	Utility	Machinery	Highway	Pool/Arena	Town Development
REVENUE									
Investment income	\$ 8,925	\$ 1,895	\$ 19,825	\$ 6,296	\$ 16,783	\$ 3,127	\$ 6,058	\$ 1,282	\$ 4,900
Other income									
Total revenue	8,925	1,895	19,825	6,296	16,783	3,127	6,058	1,282	4,900
NET REVENUES	8,925	1,895	19,825	6,296	16,783	3,127	6,058	1,282	4,900
TRANSFERS									
Transfers from general operating	10,000	100,000	291,034	50,000	-	20,000	30,000	10,000	-
Transfers to general operating	-	-	-	-	-	-	-	-	-
Transfers from utility operating					284,754				
Transfers to utility operating									
Acquisition of tangible capital assets					-				
CHANGE IN RESERVE FUND BALANCES	18,925	101,895	310,860	56,296	301,537	23,127	36,058	11,282	4,900
FUND SURPLUS, BEGINNING OF YEAR	766,873	113,950	882,244	519,532	1,400,975	260,466	508,955	105,851	347,230
FUND SURPLUS, END OF YEAR	<u>\$ 785,798</u>	<u>\$ 215,845</u>	<u>\$ 1,193,104</u>	<u>\$ 575,828</u>	<u>\$ 1,702,512</u>	<u>\$ 283,593</u>	<u>\$ 545,013</u>	<u>\$ 117,133</u>	<u>\$ 352,130</u>

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2015

SCHEDULE 6

	2015									2014
	Lagoon	Culvert	Gas Tax	PCH	Mobility	Sewer	Recreation	Airport	Total	Total
REVENUE										
Investment income	\$ 2,053	\$ 1,186	\$ 5,323	\$ 624	\$ 48	\$ 2,093	\$ 306	\$ 1,150	\$ 81,874	\$ 67,354
Other income									-	
Total revenue	2,053	1,186	5,323	624	48	2,093	306	1,150	81,874	67,354
NET REVENUES	2,053	1,186	5,323	624	48	2,093	306	1,150	81,874	67,354
TRANSFERS										
Transfers from general operating	-	10,000	186,679	-	-	-	3,588	-	711,301	497,296
Transfers to general operating	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	20,000	-	-	-	-	-	-	-	304,754	166,425
Transfers to utility operating	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets			(148,818)						(148,818)	(258,808)
CHANGE IN RESERVE FUND BALANCES	22,053	11,186	43,183	624	48	2,093	3,894	1,150	949,111	472,268
FUND SURPLUS, BEGINNING OF YEAR	167,564	97,606	421,380	53,945	4,113	197,902	26,492	99,467	5,974,545	5,502,278
FUND SURPLUS, END OF YEAR	\$ 189,617	\$ 108,792	\$ 464,564	\$ 54,569	\$ 4,161	\$ 199,994	\$ 30,386	\$ 100,617	\$ 6,923,657	\$ 5,974,545

Town of Neepawa
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2015

SCHEDULE 7

	<u>Cemetery</u>	<u>Veterans Walk</u>	<u>Total</u>	
			<u>2015</u>	<u>2014</u>
ASSETS				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-
Due from Municipality	1,480,037	3,832	1,483,869	1,437,540
	<u>\$ 1,480,037</u>	<u>\$ 3,832</u>	<u>\$ 1,483,869</u>	<u>\$ 1,437,540</u>
LIABILITIES AND FUND BALANCES				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Contributions, user fees and donations	\$ 46,285	\$ -	\$ 46,285	\$ 32,176
Investment income	22,098	44	22,142	22,788
	<u>68,383</u>	<u>44</u>	<u>68,427</u>	<u>54,964</u>
EXPENDITURES				
Cemetery maintenance	22,098	-	22,098	22,722
Distribution to beneficiaries	-	-	-	-
Other - paving	-	-	-	1,992
	<u>22,098</u>	<u>-</u>	<u>22,098</u>	<u>24,714</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	46,285	44	46,329	30,250
FUND BALANCE, BEGINNING OF YEAR				
	1,433,752	3,788	1,437,540	1,407,290
FUND BALANCE, END OF YEAR				
	<u>\$ 1,480,037</u>	<u>\$ 3,832</u>	<u>\$ 1,483,869</u>	<u>\$ 1,437,540</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 361,081	\$ 356,591
Due from other funds	4,005	-
	<u>\$ 365,086</u>	<u>\$ 356,591</u>
LIABILITIES		
Temporary borrowing	\$ -	\$ -
Accounts payable and accrued liabilities	-	-
Water meter deposits	55,880	55,170
Long-term debt (Note 9)	4,063,520	4,276,385
Due to other funds	-	10,847
	<u>4,119,400</u>	<u>4,342,402</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (3,754,314)</u>	<u>\$ (3,985,811)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 25,557,729</u>	<u>\$ 25,930,504</u>
FUND SURPLUS (DEFICIT)	<u>\$ 21,803,415</u>	<u>\$ 21,963,323</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2015

SCHEDULE 9

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
REVENUE			
Water			
Water fees	\$ 1,345,114	\$ 1,335,415	\$ 1,344,587
Bulk Water fees	45,000	84,510	56,868
sub-total- water	<u>1,390,114</u>	<u>1,419,925</u>	<u>1,401,455</u>
Sewer			
Sewer fees	170,073	171,314	170,073
Lagoon tipping fees	5,500	6,564	7,369
sub-total- sewer	<u>175,573</u>	<u>177,878</u>	<u>177,442</u>
Property taxes	<u>422,099</u>	<u>422,099</u>	<u>445,424</u>
Government transfers			
Capital	800,000	-	96,361
sub-total- government transfers	<u>800,000</u>	<u>-</u>	<u>96,361</u>
Other			
Hydrant rentals	46,250	46,250	45,250
Connection charges	4,000	2,000	10,459
Penalties	2,500	3,617	3,112
Gain on sale of tangible capital assets	-	9,668	-
Other income	-	-	-
sub-total- other	<u>52,750</u>	<u>61,535</u>	<u>58,821</u>
Total revenue	<u>2,840,536</u>	<u>2,081,437</u>	<u>2,179,503</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS (cont'd)
Year Ended December 31, 2015

SCHEDULE 9

	<u>Budget</u>	<u>2015</u>	<u>2014</u>
EXPENSES			
General			
Administration	47,300	40,384	44,784
Billing and collection	431,750	377,745	377,049
sub-total- general	<u>479,050</u>	<u>418,129</u>	<u>421,833</u>
Water General			
Purification and treatment	239,900	301,823	264,840
Transmission and distribution	62,000	48,367	60,588
Connection costs	32,000	7,376	31,978
sub-total- water general	<u>333,900</u>	<u>357,566</u>	<u>357,406</u>
Water Amortization & Interest			
Amortization	845,152	845,152	816,769
Interest on long term debt	209,233	209,233	217,107
sub-total- water amortization & interest	<u>1,054,385</u>	<u>1,054,385</u>	<u>1,033,876</u>
Sewer General			
Collection system costs	38,500	17,146	49,605
Treatment and disposal cost	17,500	53,149	13,900
Lift Station costs	57,000	11,981	44,051
sub-total- sewer general	<u>113,000</u>	<u>82,276</u>	<u>107,556</u>
Sewage Amortization & Interest			
Amortization	24,235	24,235	24,168
sub-total- sewer amortization & interest	<u>24,235</u>	<u>24,235</u>	<u>24,168</u>
Total expenses	<u>2,004,570</u>	<u>1,936,591</u>	<u>1,944,839</u>
NET OPERATING SURPLUS	835,966	144,846	234,664
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	<u>(304,754)</u>	<u>(166,425)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 835,966</u>	<u>(159,908)</u>	68,239
FUND SURPLUS, BEGINNING OF YEAR (Note 19)		<u>21,963,323</u>	<u>21,895,084</u>
FUND SURPLUS, END OF YEAR		<u>\$ 21,803,415</u>	<u>\$ 21,963,323</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2015

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,951,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,951,275
Grants in lieu of taxation	107,916	-	-	-	-	-	-	107,916
User fees	348,831	-	-	-	-	-	108,296	457,127
Grants - Province of Manitoba	835,019	-	-	-	-	-	103,130	938,149
Grants - other	259,141	-	-	-	-	-	55,074	314,215
Permits, licences and fines	22,450	-	-	-	-	-	-	22,450
Investment income	45,000	-	-	-	-	-	2,950	47,950
Other revenue	198,500	-	-	-	-	-	34,116	232,616
Water and sewer	-	2,418,437	-	-	-	-	-	2,418,437
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from General	-	295,275	-	-	(295,275)	-	-	-
Transfers from reserves	950,000	364,608	-	-	(1,314,608)	-	-	-
Total revenue	\$ 6,718,132	\$ 3,078,320	\$ -	\$ -	\$ (1,609,883)	\$ -	\$ 303,566	\$ 8,490,135
EXPENSES								
General government services	\$ 916,853	\$ -	\$ 51,175	\$ 9,758	\$ 10,632	\$ -	\$ 6,804	\$ 995,222
Protective services	895,835	-	44,493	-	-	-	76,135	1,016,463
Transportation services	1,003,400	-	131,639	-	-	-	-	1,135,039
Environmental health services	553,200	-	30,747	2,397	-	-	-	586,344
Public health and welfare services	253,850	-	9,930	-	-	-	-	263,780
Regional planning and development	24,825	-	6,827	-	-	-	45,856	77,508
Resource cons and industrial dev	188,029	-	10,880	-	-	-	77,025	275,934
Recreation and cultural services	538,168	-	50,432	17	-	-	32,258	620,875
Water and sewer services	-	925,950	869,387	209,233	-	-	-	2,004,570
Fiscal services:								-
Transfer to capital	1,250,780	1,734,300	(2,985,080)	-	-	-	-	-
Debt charges	265,506	295,275	-	(560,781)	-	-	-	-
Short term interest	5,100	-	-	(5,100)	-	-	-	-
Transfer to Utility	295,275	-	-	-	(295,275)	-	-	-
Transfer to reserves	516,679	122,795	-	-	(639,474)	-	-	-
Allowance for tax assets	10,632	-	-	-	(10,632)	-	-	-
Total expenses	\$ 6,718,132	\$ 3,078,320	\$ (1,779,570)	\$ (344,476)	\$ (934,749)	\$ -	\$ 238,078	\$ 6,975,735
Surplus (Deficit)	\$ -	\$ -	\$ 1,779,570	\$ 344,476	\$ (675,134)	\$ -	\$ 65,488	\$ 1,514,400

Town of Neepawa
ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2015

SCHEDULE 11

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 185,519	\$ 322,498
Add:		
Tax levy (Schedule 12)	6,104,010	5,791,446
Taxes added	65,800	141,516
Penalties or interest	23,428	23,460
Other accounts added	29,905	4,844
Refunds	13,058	26,973
Tax Adjustments - tax sale costs	2,264	14,909
Sub-total	<u>6,238,465</u>	<u>6,003,148</u>
Deduct:		
Cash collections	5,539,629	5,439,630
Write-offs	-	800
M.P.T.C. - cash advance	696,323	699,697
Sub-total	<u>6,235,952</u>	<u>6,140,127</u>
Balance, end of year	<u><u>\$ 188,032</u></u>	<u><u>\$ 185,519</u></u>

Town of Neepawa
 ANALYSIS OF TAX LEVY
 Year Ended December 31, 2015

SCHEDULE 12

	2015			2014
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	150,175,229	1.09	163,691	184,693
At large	164,653,860	2.36	388,583	389,875
General municipal	147,499,870	18.59	2,742,023	2,717,222
Reserves:				
Various	147,499,870	2.20	324,500	178,108
Special levies:				
Whitemud watershed	22,854,310	0.45	10,284	10,262
Scavenging	-	-	265,144	239,508
Cable Fees - unbudgeted			7,535	6,669
Total municipal taxes (Schedule 2)			3,901,760	3,726,337
Education support levy	35,251,660	11.61	409,272	377,426
Special levy:				
Beautiful Plains SD #31	132,813,190	13.50	1,792,978	1,687,683
Total education taxes			2,202,250	2,065,109
			\$ 6,104,010	\$ 5,791,446

Town of Neepawa
ANALYSIS OF SCHOOL ACCOUNTS
Year Ended December 31, 2015

SCHEDULE 13

	2015				2014
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 6,067	\$ 436,483	\$ (429,020)	\$ 13,530	\$ 6,067
Special levies					
Beautiful Plains SD #31	16,454	1,861,403	(1,840,736)	37,121	16,454
Total	<u>\$ 22,521</u>	<u>\$ 2,297,886</u>	<u>\$ (2,269,756)</u>	<u>\$ 50,651</u>	<u>\$ 22,521</u>

Town of Neepawa
SCHEDULE OF GENERAL OPERATING EXPENSES
Year Ended December 31, 2015

SCHEDULE 14

	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
General government services:		
Legislative	\$ 61,994	\$ 60,882
General administrative	508,175	674,115
Other	294,283	313,750
	<u>864,452</u>	<u>1,048,747</u>
Protective services:		
Police	634,759	563,728
Fire	210,647	188,768
Emergency measures	44,398	44,149
Other protection	43,912	53,832
	<u>933,717</u>	<u>850,478</u>
Transportation services:		
Road transport		
Administration and engineering	153,909	161,884
Road and street maintenance	800,811	799,250
Street lighting	78,942	76,414
Other	10,252	16,672
Air transport	26,566	27,773
	<u>1,070,479</u>	<u>1,081,992</u>
Environmental health services:		
Waste collection and disposal	718,566	688,277
	<u>718,566</u>	<u>688,277</u>
Public health and welfare services:		
Public health	258,741	262,182
Social assistance	13,167	13,167
	<u>271,908</u>	<u>275,349</u>
Regional planning and development		
Planning and zoning	17,325	16,500
Urban area weed control	5,263	1,492
Other	11,784	200
	<u>34,372</u>	<u>18,192</u>
Resource conservation and industrial development		
Drainage of land	9,569	9,508
Veterinary services	7,860	7,860
Regional development	146,606	137,236
Other	2,930	2,930
	<u>166,965</u>	<u>157,534</u>
Recreation and cultural services:		
Community centers and halls	132,387	148,631
Swimming pools and beaches	132,805	136,753
Skating and curling rinks	75,000	75,000
Parks and playgrounds	81,054	96,282
Other recreational facilities	86,513	84,265
Libraries	41,165	44,281
Other cultural facilities	1,345	14,104
	<u>550,269</u>	<u>599,316</u>
Total expenses	<u><u>4,610,728</u></u>	<u><u>4,719,885</u></u>

Town of Neepawa
SCHEDULE OF DEBENTURES PENDING
 Year Ended December 31, 2015

SCHEDULE 15

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

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

SCHEDULE 16

	General	2015 Utility	Total	2014 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	(104,491)	(29,533)	(134,024)	(949)
Increase expense - amortization of tangible capital assets	(280,419)	(869,387)	(1,149,806)	(1,098,229)
Eliminate expense - acquisitions of tangible capital assets	446,476	526,145	972,621	1,237,132
Reserve:				
Increase revenue - reserve funds interest	81,875		81,875	67,353
Eliminate expense - transfers to reserves	711,301	304,754	1,016,055	663,721
Eliminate revenue - transfers from reserves to operating funds	(148,818)	-	(148,818)	(258,808)
Deferred Revenue:				
Increase expense - increase in deferred revenue - Gas Tax	(43,228)	-	(43,228)	7,762
Other:				
Eliminate expense - principal portion of long term debt	128,923	212,865	341,788	354,094
	791,619	144,844	936,463	972,076
Increase revenue - Net surplus of consolidated entities	65,488	-	65,488	37,731
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 857,107	\$ 144,844	\$ 1,001,951	\$ 1,009,807