

Town of Neepawa

**Consolidated Financial Statements
Year ended December 31, 2014**

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, 2014 and the consolidated statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2014, 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, 2014 and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2014 in accordance with Canadian Public Sector Accounting Standards.

Winnipeg, Canada

Chambers Fraser
Professional Accountants

Town of Neepawa

Consolidated Financial Statements

Year ended December 31, 2014

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Town of Neepawa
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 8,410,875	\$ 7,458,785
Amounts receivable (Note 4)	908,979	1,220,012
Loans and advances	108,381	108,381
Real estate properties held for sale	548,372	-
Other inventories for sale (Note 5)	479	496
Other assets	<u>568</u>	<u>557</u>
	<u>\$ 9,977,654</u>	<u>\$ 8,788,231</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 961,185	\$ 960,915
Deferred revenue (Note 7)	433,782	435,624
Landfill closure and post closure liabilities (Note 8)	698,761	572,506
Long-term debt (Note 9)	4,760,773	5,118,318
Deposits	<u>55,170</u>	<u>53,312</u>
	<u>6,909,671</u>	<u>7,140,675</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 3,067,984</u>	<u>\$ 1,647,556</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 30,623,328	31,053,029
Prepaid expenses	<u>44,223</u>	<u>25,143</u>
	<u>30,667,551</u>	<u>31,078,172</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 13)	<u>\$ 33,735,535</u>	<u>\$ 32,725,728</u>

Approved on behalf of Council:

Adrian DeGroot - Mayor

Dean Dietrich - Deputy Mayor

Town of Neepawa
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2014

	<u>2014 Budget (Note 12)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
REVENUE			
Property taxes	\$ 3,783,736	\$ 3,867,853	\$ 3,771,798
Grants in lieu of taxation	101,193	101,193	103,116
User fees	398,287	539,268	555,234
Grants - Province of Manitoba	996,436	1,117,418	1,405,126
Grants - other	277,915	267,370	281,447
Permits, licences and fines	22,450	18,652	26,579
Investment income	47,793	94,217	76,617
Other revenue	80,873	252,410	263,265
Water and sewer	<u>1,455,845</u>	<u>1,637,718</u>	<u>1,668,669</u>
Total revenue (Schedules 2, 4 and 5)	<u>7,164,528</u>	<u>7,896,099</u>	<u>8,151,851</u>
EXPENSES			
General government services	1,023,038	1,055,301	960,060
Protective services	935,614	921,186	907,761
Transportation services	1,079,964	1,081,993	938,104
Environmental health services	512,858	666,467	591,624
Public health and welfare services	253,869	275,349	234,873
Regional planning and development	79,210	64,074	100,192
Resource conservation and industrial development	325,964	246,534	220,810
Recreation and cultural services	613,450	630,549	663,812
Water and sewer services	<u>2,007,593</u>	<u>1,944,839</u>	<u>1,896,559</u>
Total expenses (Schedules 3, 4 and 5)	<u>6,831,560</u>	<u>6,886,292</u>	<u>6,513,795</u>
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 332,968</u></u>	<u>1,009,807</u>	<u>1,638,056</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>32,725,728</u>	<u>31,087,672</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$33,735,535</u></u>	<u><u>\$ 32,725,728</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, 2014

	<u>2014 Budget (Note 12)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 332,968	\$ 1,009,807	\$ 1,638,056
Acquisition of tangible capital assets	(1,561,442)	(1,287,458)	(1,444,163)
Amortization of tangible capital assets	1,154,944	1,154,944	1,173,988
Loss (Gain) on sale of tangible capital assets		(41,431)	(110,003)
Transfer tangible assets to inventory		546,345	-
Proceeds on sale of tangible capital assets		57,301	144,173
Decrease (increase) in prepaid expense		(19,080)	(2,928)
	<u>(406,498)</u>	<u>410,621</u>	<u>(238,933)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (73,530)</u>	1,420,428	1,399,123
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>1,647,556</u>	<u>248,433</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 3,067,984</u>	<u>\$ 1,647,556</u>

The accompanying notes are an integral part of this financial statement

Town of Neepawa
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,009,807	\$ 1,638,056
Changes in non-cash items:		
Amounts receivable	311,033	(304,483)
Inventories	17	(409)
Prepays	(19,080)	(2,928)
Other assets	(11)	(11)
Accounts payable and accrued liabilities	269	(715,030)
Deferred revenue	(1,842)	(16,081)
Landfill closure and post closure liabilities	126,255	69,186
Other liabilities	1,858	1,440
Loss (Gain) on sale of tangible capital asset	(41,431)	(110,003)
Amortization	<u>1,154,944</u>	<u>1,173,988</u>
Cash provided by (applied to) operating transactions	<u>2,541,819</u>	<u>1,733,725</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	57,301	144,173
Transfer tangible assets to inventory	546,345	-
Cash used to acquire tangible capital assets	<u>(1,287,458)</u>	<u>(1,444,163)</u>
Cash provided by (applied to) capital transactions	<u>(683,812)</u>	<u>(1,299,990)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	16,200	487,217
Purchase of portfolio investments	(16,200)	(487,217)
Acquisition of real estate properties	<u>(548,372)</u>	<u>-</u>
Cash provided by (applied to) investing transactions	<u>(548,372)</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	21,021	47,301
Debt repayment	<u>(378,566)</u>	<u>(336,208)</u>
Cash provided by (applied to) financing transactions	<u>(357,545)</u>	<u>(288,907)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	952,090	144,828
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,458,785</u>	<u>7,313,957</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 8,410,875</u></u>	<u><u>\$ 7,458,785</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, 2014

1. Status of the Town of Neepawa

The incorporated Town of Neepawa is a municipal government that was created in 1883 pursuant to the Manitoba Municipal Act. The town provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The town owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in a variety of municipal services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality.

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Beautiful Plains County Court (consolidated 33.33 %) (2012 - consolidated 33.33 %)
Neepawa Area Development Corporation Ltd. (consolidated 25 %) (2013 - consolidated 25 %)
Evergreen Environmental Technologies Ltd. (consolidated 26.8 %) (2013 - consolidated 26.8%)
Neepawa and Area Planning District Board (consolidated 67 %) (2013 - consolidated 67 %)
Neepawa & District Disabled Persons Association Inc. (consolidated 68 %) (2013 - consolidated 68 %)
Western Manitoba Regional Library (consolidated 5.4 %) (2013 - 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, 2014

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, 2014

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>2014</u>	<u>2013</u>
Cash	<u>\$ 8,410,875</u>	<u>\$ 7,458,785</u>
The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.		
Designated Reserve Funds	<u>\$ 5,974,545</u>	<u>\$ 5,502,278</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2014</u>	<u>2013</u>
Taxes on roll (Schedule 11)	\$ 185,519	\$ 322,498
Government grants	98,353	225,891
Utility customers	356,594	357,489
Accrued interest	-	1,374
Organizations and individuals	252,361	287,402
Other governments	60,735	60,474
	<u>953,562</u>	<u>1,255,128</u>
Less allowances for doubtful amounts	<u>(44,583)</u>	<u>(35,116)</u>
	<u><u>\$ 908,979</u></u>	<u><u>\$ 1,220,012</u></u>

5. Inventories

Inventories for sale:

	<u>2014</u>	<u>2013</u>
History books	\$ 479	\$ 496

6. Accounts Payable and Accrued Liabilities

	<u>2014</u>	<u>2013</u>
Accounts payable	\$ 458,610	\$ 443,868
Accrued expenses	214,500	142,456
School levies (Schedule 13)	22,521	41,038
Other governments	265,554	333,553
	<u>961,185</u>	<u>960,915</u>

7. Deferred Revenue:

	<u>2014</u>	<u>2013</u>
Federal Gas Tax Funding	\$ 421,380	\$ 429,189
Handi Transit Funding	4,113	4,066
	<u>425,493</u>	<u>433,255</u>
Other	8,289	2,369
	<u><u>\$ 433,782</u></u>	<u><u>\$ 435,624</u></u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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>2014</u>	<u>2013</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>\$ 34,938</u>	<u>\$ 31,669</u>
Expected year capacity will be reached	2094	2094
Capacity (tonnes):		
Used to date	78,000	71,500
Remaining	507,000	513,500
Total	585,000	585,000
Percent utilized	<u>13.33%</u>	<u>12.22%</u>
Liability based on percentage	<u>\$ 4,658</u>	<u>\$ 3,871</u>
b) Closed Municipal Landfill Site		
Estimated closure and post closure costs	<u>\$ 694,103</u>	<u>\$ 568,635</u>
Total landfill closure and post closure liabilities	<u>\$ 698,761</u>	<u>\$ 572,506</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

9. Long Term Debt

	<u>2014</u>	<u>2013</u>
General Authority:		
Debenture for personal care home, at 2.50%, \$138,681 annually including interest, maturing December, 2017	\$ 390,338	\$ 516,116
	<u>\$ 390,338</u>	<u>\$ 516,116</u>
Utility Funds:		
Debenture for water and sewer line, at 2.50%, \$50,299 annually including interest, maturing December, 2015	\$ 26,903	\$ 75,319
Debenture for waste water treatment facility, at 5.625%, \$126,824 annually including interest, maturing 2029	1,262,496	1,317,996
Debenture for waste water treatment plant and raw water line, at 4.6250%, \$268,301 annually including interest, maturing 2030	2,986,986	3,111,386
	<u>\$ 4,276,385</u>	<u>\$ 4,504,701</u>
Debenture long term debt	\$ 4,666,723	\$ 5,020,817
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.	21,021	-
Loan with Minnedosa Credit Union Ltd., at 4%, \$7,000 monthly including interest, maturing April 2018.	73,029	97,501
	<u>\$ 4,760,773</u>	<u>\$ 5,118,318</u>

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

2015	\$ 311,948
2016	301,011
2017	317,997
2018	318,330
2019	268,535

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, 2014

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 \$90,562 (2013 - \$85,212) 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, 2013 indicated the plan was 93.3% funded on a going concern basis and had an unfunded solvency liability of \$139.8 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, 2013.

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>2014</u>	<u>2013</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	1,805,851	1,259,509
Utility operating fund - Nominal surplus	309,207	309,207
General capital fund - Capital surplus	3,580,608	3,761,954
Utility capital fund - Capital surplus	21,654,119	21,527,069
Reserve funds	<u>5,974,545</u>	<u>5,502,278</u>
	<u>33,324,330</u>	<u>32,360,017</u>
Deferred revenue - Reserves	<u>(425,493)</u>	<u>(433,256)</u>
Accumulated surplus of municipality unconsolidated	32,898,837	31,926,761
Accumulated surpluses of consolidated entities	<u>836,698</u>	<u>798,967</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 33,735,535</u>	<u>\$ 32,725,728</u>

Town of Neepawa
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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, 2014:

- a) Compensation paid to members of council amounted to \$60,881 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Ken Waddell	\$ 6,613	\$ 554	\$ 7,167
Bill Stilwell	11,197	1,944	13,141
Isobel Jarema	2,107	1,069	3,176
Jodi Baker	1,842	833	2,675
James Cockburn	1,736	933	2,669
Murry Parrott	1,299	89	1,388
Adrian DeGroot	2,429	1,127	3,556
Sherilyn Grant	6,439	276	6,715
Robyn Copeland	5,032	278	5,310
Lisa Pottinger	7,610	718	8,328
Dean Dietrich	8,203	1,366	9,569
Allan Drysdale	6,374	275	6,649
	<u>\$ 60,881</u>	<u>\$ 9,462</u>	<u>\$ 70,343</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Richard Beachey	Chief Administrative Officer	\$ 106,492
Colleen Synchrony	Chief Administrative Officer	73,394
Robert Bell	WTP Operator	66,052
Bradford Zubert	WTP Operator	62,762
Howard Buffi	Water Plant Supervisor	69,016
Denis Saquet	Manager of Operations	66,444
Keith Dahmer	Public Works Supervisor	60,340
Jamie Davie	Director of Finance	53,727
Scott Gibson	Fire Chief	53,992
Chris Doble	Public Works Foreman	53,062
Dwayne Craddell	Public works Operator	56,094

15. Public Utilities Board

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

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

Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Water treatment plant	\$ 1,477,278	\$ -	\$ 88,362	\$ 1,388,916
Waste water treatment facility	11,210,000	-	295,000	10,915,000
Water mains	4,665,361	96,361	122,139	4,639,583
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,352,639</u>	<u>\$ 96,361</u>	<u>\$ 505,501</u>	<u>\$ 16,943,499</u>

Town of Neepawa

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2014

	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	2014	2013
Cost										
Opening costs	1,856,692	3,545,476	2,568,756	188,324	-	4,499,617	39,611,642	-	52,270,507	50,890,712
Additions during the year	66,677	9,276	90,401	10,881	3,251	367,301	593,416	146,255	1,287,458	1,444,163
Transfer during the year	(546,345)	-	-	-	-	-	-	-	(546,345)	-
Disposals and write downs	(949)	-	(15,304)	-	-	-	-	-	(16,253)	(64,368)
Closing costs	<u>1,376,075</u>	<u>3,554,752</u>	<u>2,643,853</u>	<u>199,205</u>	<u>3,251</u>	<u>4,866,918</u>	<u>40,205,058</u>	<u>146,255</u>	<u>52,995,367</u>	<u>52,270,507</u>
Accumulated Amortization										
Opening accum'd amortization	758,182	1,627,344	1,800,012	109,733	-	3,341,265	13,580,942	-	21,217,478	20,073,689
Amortization	10,936	89,150	128,271	30,446	-	55,204	840,937	-	1,154,944	1,173,988
Disposals and write downs	-	-	(383)	-	-	-	-	-	(383)	(30,199)
Closing accum'd amortization	<u>769,118</u>	<u>1,716,494</u>	<u>1,927,900</u>	<u>140,179</u>	<u>-</u>	<u>3,396,469</u>	<u>14,421,879</u>	<u>-</u>	<u>22,372,039</u>	<u>21,217,478</u>
Net Book Value of Tangible Capital Assets	<u>606,957</u>	<u>1,838,258</u>	<u>715,953</u>	<u>59,026</u>	<u>3,251</u>	<u>1,470,449</u>	<u>25,783,179</u>	<u>146,255</u>	<u>30,623,328</u>	<u>31,053,029</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2014

SCHEDULE 2

	<u>2014 Actual</u>	<u>2013 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,726,337	\$ 3,657,327
Taxes added	<u>141,516</u>	<u>114,471</u>
	<u>3,867,853</u>	<u>3,771,798</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>101,193</u>	<u>103,116</u>
User fees		
Sales of service	218,575	253,104
Sales of goods	-	-
Rentals	186,758	173,369
Facility use fees	<u>133,935</u>	<u>128,761</u>
	<u>539,268</u>	<u>555,234</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>484,178</u>	<u>441,015</u>
	<u>1,117,418</u>	<u>1,405,126</u>
Grants - other		
Federal government - Gas tax Funding	200,000	200,626
Other local governments	<u>67,370</u>	<u>80,821</u>
	<u>267,370</u>	<u>281,447</u>
Permits, licences and fines		
Licences	1,636	2,256
Fines	<u>17,016</u>	<u>24,323</u>
	<u>18,652</u>	<u>26,579</u>
Investment income:		
Cash and temporary investments	<u>94,217</u>	<u>76,617</u>
	<u>94,217</u>	<u>76,617</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	41,431	110,003
Gain on sale of real estate held for sale	74,899	15,519
Penalties and interest	23,581	31,840
Cemetery expense recoveries - cemetery trust	23,646	23,646
Donations - Sportsman dinner	32,855	32,855
Recoveries	18,799	18,799
Miscellaneous	<u>37,199</u>	<u>30,603</u>
	<u>252,410</u>	<u>263,265</u>
Water and sewer (Schedule 4)	<u>1,637,718</u>	<u>1,668,669</u>
Total revenue	<u>7,896,099</u>	<u>8,151,851</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2014

SCHEDULE 3

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
General government services:		
Legislative	\$ 60,882	\$ 66,332
General administrative	680,669	515,150
Other	313,750	378,578
	<u>1,055,301</u>	<u>960,060</u>
Protective services:		
Police	563,728	544,839
Fire	188,768	169,973
Emergency measures	114,858	113,984
Other protection	53,832	78,965
	<u>921,186</u>	<u>907,761</u>
Transportation services:		
Road transport		
Administration and engineering	161,884	154,343
Road and street maintenance	799,250	696,357
Street lighting	76,414	67,633
Other	16,672	6,747
Air transport	27,773	13,024
	<u>1,081,993</u>	<u>938,104</u>
Environmental health services:		
Waste collection and disposal	666,467	591,624
Other	-	-
	<u>666,467</u>	<u>591,624</u>
Public health and welfare services:		
Public health	262,182	221,706
Social assistance	13,167	13,167
	<u>275,349</u>	<u>234,873</u>
Regional planning and development		
Planning and zoning	62,382	93,895
Urban area weed control	1,492	5,057
Other	200	1,240
	<u>64,074</u>	<u>100,192</u>
Resource conservation and industrial development		
Drainage of land	9,508	9,423
Veterinary services	7,860	7,860
Regional development	226,236	200,597
Other	2,930	2,930
	<u>246,534</u>	<u>220,810</u>
Sub-totals forward	<u>4,310,904</u>	<u>3,953,424</u>

Town of Neepawa
CONSOLIDATED SCHEDULE OF EXPENSES
 Year Ended December 31, 2014

SCHEDULE 3

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Sub-totals forward	<u>4,310,904</u>	<u>3,953,424</u>
Recreation and cultural services:		
Community centers and halls	148,631	133,929
Swimming pools and beaches	136,753	140,178
Skating and curling rinks	75,000	73,000
Parks and playgrounds	96,282	140,939
Other recreational facilities	84,265	74,475
Libraries	75,514	82,536
Other cultural facilities	14,104	18,755
	<u>630,549</u>	<u>663,812</u>
Water and sewer services (Schedule 4)	<u>1,944,839</u>	<u>1,896,559</u>
Total expenses	<u><u>6,886,292</u></u>	<u><u>6,513,795</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2014

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE										
Property taxes	\$3,422,429	\$3,326,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	101,193	103,116	-	-	-	-	-	-	-	-
User fees	169,214	155,938	56,615	32,938	-	-	85,566	118,915	-	-
Prov of MB - Unconditional Grants	633,240	633,240	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	12,817	5,874	50,400	50,400	11,446	118,796	94,484	111,558	-	-
Grants - other	100,500	10,000	55,267	56,666	200,000	200,626	-	-	-	-
Permits, licences and fines	236	206	17,366	24,773	-	-	-	-	-	-
Investment income	91,424	53,067	-	5,278	-	10,056	-	1,161	-	1,441
Gain (loss) on sale of assets	44,051	128,646	-	-	-	-	(2,620)	(18,643)	-	-
Other revenue	173,036	104,529	12,050	9,297	-	-	1,422	519	-	-
Water and sewer										
Total revenue	\$ 4,748,140	\$ 4,520,990	\$ 191,698	\$ 179,352	\$ 211,446	\$ 329,478	\$ 178,852	\$ 213,510	\$ -	\$ 1,441
EXPENSES										
Personnel services	\$ 527,648	\$ 331,481	\$ 200,896	\$ 185,596	\$ 447,304	\$ 403,125	\$ 69,156	\$ 70,376	\$ 215,279	\$ 174,634
Contract services	205,640	206,381	515,897	494,037	171,691	194,763	397,093	320,092	13,167	13,167
Utilities	104,882	129,313	68,260	67,499	103,900	92,432	7,285	7,552	4,301	3,846
Maintenance materials and supplies	27,727	28,237	48,206	44,541	252,366	140,500	13,332	12,227	32,383	33,545
Grants and contributions	116,643	187,576	40,851	40,851	-	-	10,144	8,430	-	-
Amortization	49,875	46,162	47,080	75,240	106,733	107,284	31,235	36,325	10,219	9,682
Interest on long term debt	12,903	15,971	-	-	-	-	3,423	2,137	-	-
Other	9,986	14,930	-	-	-	-	134,799	134,485	-	-
Total expenses	\$1,055,304	\$ 960,051	\$ 921,190	\$ 907,764	\$1,081,994	\$ 938,104	\$ 666,467	\$ 591,624	\$ 275,349	\$ 234,874
Surplus (Deficit)	\$ 3,692,836	\$ 3,560,939	\$ (729,492)	\$ (728,412)	\$ (870,548)	\$ (608,626)	\$ (487,615)	\$ (378,114)	\$ (275,349)	\$ (233,433)

* 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, 2014

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445,424	\$ 445,424	\$ 3,867,853	\$ 3,771,798
Grants in lieu of taxation	-	-	-	-	-	-	-	-	101,193	103,116
User fees	63,949	80,115	-	-	163,924	167,328	-	-	539,268	555,234
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	633,240	633,240
Prov of MB - Conditional Grants	78,240	57,240	-	-	47,930	97,147	96,361	330,871	391,678	771,886
Grants - other	83	12,515	-	-	4,020	1,640	-	-	359,870	281,447
Permits, licences and fines	-	-	1,050	1,600	-	-	-	-	18,652	26,579
Investment income	2,793	4,336	-	-	-	1,278	-	-	94,217	76,617
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	41,431	110,003
Other revenue	24,176	38,856	-	-	295	61	-	-	210,979	153,262
Water and sewer							1,637,718	1,668,669	1,637,718	1,668,669
Total revenue	\$ 169,241	\$ 193,062	\$ 1,050	\$ 1,600	\$ 216,169	\$ 267,454	\$ 2,179,503	\$ 2,444,964	\$ 7,896,099	\$ 8,151,851
EXPENSES										
Personnel services	\$ 39,115	\$ 65,414	\$ 85,770	\$ 55,212	\$ 297,030	\$ 278,785	\$ 369,776	\$ 365,159	\$ 2,251,974	\$ 1,929,782
Contract services	5,523	11,951	85,635	77,040	113,082	148,041	100,690	60,623	1,608,418	1,526,095
Utilities	1,680	1,832	14,994	14,700	52,678	49,932	115,680	119,903	473,660	487,009
Maintenance materials and supplies	10,928	15,445	14,549	20,613	102,927	124,208	286,749	275,084	789,167	694,400
Grants and contributions	-	-	17,368	17,283	10,000	9,374	-	-	195,006	263,514
Amortization	6,828	5,550	11,330	9,723	50,706	48,218	840,937	835,802	1,154,943	1,173,986
Interest on long term debt	-	-	-	-	-	-	217,107	231,929	233,433	250,037
Other	-	-	16,889	26,241	4,117	5,257	13,900	8,059	179,691	188,972
Total expenses	\$ 64,074	\$ 100,192	\$ 246,535	\$ 220,812	\$ 630,540	\$ 663,815	\$ 1,944,839	\$ 1,896,559	\$ 6,886,292	\$ 6,513,795
Surplus (Deficit)	\$ 105,167	\$ 92,870	\$ (245,485)	\$ (219,212)	\$ (414,371)	\$ (396,361)	\$ 234,664	\$ 548,405	\$ 1,009,807	\$ 1,638,056

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2014

	Core Government		Controlled Entities		Government Partnerships		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
Property taxes	\$ 3,867,853	\$ 3,771,798	\$ -	\$ -	\$ -	\$ -	\$ 3,867,853	\$ 3,771,798
Grants in lieu of taxation	101,193	103,116	-	-	-	-	101,193	103,116
User fees	435,983	440,470	-	-	103,285	114,764	539,268	555,234
Prov of MB - Unconditional Grants	633,240	633,240	-	-	-	-	633,240	633,240
Prov of MB - Conditional Grants	277,883	670,608	-	-	113,795	101,278	391,678	771,886
Grants - other	355,767	267,292	-	-	4,103	14,155	359,870	281,447
Permits, licences and fines	18,652	26,579	-	-	-	-	18,652	26,579
Investment income	91,424	73,623	-	-	2,793	2,994	94,217	76,617
Gain (loss) on sale of assets	41,431	110,003	-	-	-	-	41,431	110,003
Other revenue	175,656	123,172	-	-	35,323	30,090	210,979	153,262
Water and sewer	1,637,718	1,668,669	-	-	-	-	1,637,718	1,668,669
Total revenue	\$ 7,636,800	\$ 7,888,570	\$ -	\$ -	\$ 259,299	\$ 263,281	\$ 7,896,099	\$ 8,151,851
EXPENSES								
Personnel services	\$ 2,066,238	\$ 1,727,578	\$ -	\$ -	\$ 185,736	\$ 202,204	\$ 2,251,974	\$ 1,929,782
Contract services	1,455,247	1,385,423	-	-	153,171	140,672	1,608,418	1,526,095
Utilities	442,988	456,229	-	-	30,672	30,780	473,660	487,009
Maintenance materials and supplies	741,457	633,388	-	-	47,710	61,012	789,167	694,400
Grants and contributions	184,862	255,084	-	-	10,144	8,430	195,006	263,514
Amortization	1,098,229	1,114,062	-	-	56,714	59,924	1,154,943	1,173,986
Interest on long term debt	230,010	247,900	-	-	3,423	2,137	233,433	250,037
Other	183,603	185,770	-	-	(3,912)	3,202	179,691	188,972
Total expenses	\$ 6,402,634	\$ 6,005,434	\$ -	\$ -	\$ 483,658	\$ 508,361	\$ 6,886,292	\$ 6,513,795
Surplus (Deficit)	\$ 1,234,166	\$ 1,883,136	\$ -	\$ -	\$ (224,359)	\$ (245,080)	\$ 1,009,807	\$ 1,638,056

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2014

SCHEDULE 6

	2014								
	General	Landfill	Municipality facility	Fire	Utility	Machinery	Highway	Pool/Arena	Town Development
REVENUE									
Investment income	\$ 10,054	\$ 1,248	\$ 9,355	\$ 5,666	\$ 15,909	\$ 2,696	\$ 5,718	\$ 1,155	\$ 3,240
Other income									
Total revenue	<u>10,054</u>	<u>1,248</u>	<u>9,355</u>	<u>5,666</u>	<u>15,909</u>	<u>2,696</u>	<u>5,718</u>	<u>1,155</u>	<u>3,240</u>
NET REVENUES	10,054	1,248	9,355	5,666	15,909	2,696	5,718	1,155	3,240
TRANSFERS									
Transfers from general operating	10,000	10,000	70,627	50,000	-	50,000	20,000	10,000	67,684
Transfers to general operating	-	-	-	-	-	-	-	-	-
Transfers from utility operating					102,795				
Transfers to utility operating									
Acquisition of tangible capital assets					(58,808)				
CHANGE IN RESERVE FUND BALANCES	<u>20,054</u>	<u>11,248</u>	<u>79,983</u>	<u>55,666</u>	<u>59,896</u>	<u>52,696</u>	<u>25,718</u>	<u>11,155</u>	<u>70,924</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>746,818</u>	<u>102,702</u>	<u>802,262</u>	<u>463,866</u>	<u>1,341,078</u>	<u>207,770</u>	<u>483,236</u>	<u>94,696</u>	<u>276,306</u>
FUND SURPLUS, END OF YEAR	<u>\$ 766,873</u>	<u>\$ 113,950</u>	<u>\$ 882,244</u>	<u>\$ 519,532</u>	<u>\$ 1,400,975</u>	<u>\$ 260,466</u>	<u>\$ 508,955</u>	<u>\$ 105,851</u>	<u>\$ 347,230</u>

Town of Neepawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2014

SCHEDULE 6

	2014									2013
	Lagoon	Culvert	Gas Tax	PCH	Mobility	Sewer	Recreation	Airport	Total	Total
REVENUE										
Investment income	\$ 1,776	\$ 1,119	\$ 5,512	\$ 618	\$ 47	\$ 1,939	\$ 161	\$ 1,140	\$ 67,354	\$ 53,716
Other income									-	
Total revenue	<u>1,776</u>	<u>1,119</u>	<u>5,512</u>	<u>618</u>	<u>47</u>	<u>1,939</u>	<u>161</u>	<u>1,140</u>	<u>67,354</u>	<u>53,716</u>
NET REVENUES	1,776	1,119	5,512	618	47	1,939	161	1,140	67,354	53,716
TRANSFERS										
Transfers from general operating	-	-	186,679	-	-	-	22,305	-	497,296	844,964
Transfers to general operating	-	-	-	-	-	-	-	-	-	(69,250)
Transfers from utility operating	25,000	-	-	-	-	38,630	-	-	166,425	654,511
Transfers to utility operating	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets			(200,000)						(258,808)	(200,626)
CHANGE IN RESERVE FUND BALANCES	26,776	1,119	(7,809)	618	47	40,569	22,466	1,140	472,268	1,283,315
FUND SURPLUS, BEGINNING OF YEAR	140,789	96,487	429,190	53,326	4,066	157,333	4,026	98,327	5,502,278	4,218,963
FUND SURPLUS, END OF YEAR	<u>\$ 167,564</u>	<u>\$ 97,606</u>	<u>\$ 421,380</u>	<u>\$ 53,945</u>	<u>\$ 4,113</u>	<u>\$ 197,902</u>	<u>\$ 26,492</u>	<u>\$ 99,467</u>	<u>\$ 5,974,545</u>	<u>\$ 5,502,278</u>

Town of Neepawa
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2014

SCHEDULE 7

	<u>Cemetery</u>	<u>Veterans Walk</u>	<u>Total</u>	
			<u>2014</u>	<u>2013</u>
ASSETS				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-
Due from Municipality	1,433,752	3,788	1,437,540	1,407,290
	<u>\$ 1,433,752</u>	<u>\$ 3,788</u>	<u>\$ 1,437,540</u>	<u>\$ 1,407,290</u>
LIABILITIES AND FUND BALANCES				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Contributions, user fees and donations	\$ 32,176	\$ -	\$ 32,176	\$ 23,325
Investment income	22,722	66	22,788	23,714
	<u>54,898</u>	<u>66</u>	<u>54,964</u>	<u>47,039</u>
EXPENDITURES				
Cemetery maintenance	22,722	-	22,722	23,646
Distribution to beneficiaries	-	-	-	-
Other - paving	-	1,992	1,992	-
	<u>22,722</u>	<u>1,992</u>	<u>24,714</u>	<u>23,646</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	32,176	(1,926)	30,250	23,393
FUND BALANCE, BEGINNING OF YEAR				
	1,401,576	5,714	1,407,290	1,383,897
FUND BALANCE, END OF YEAR				
	<u>\$ 1,433,752</u>	<u>\$ 3,788</u>	<u>\$ 1,437,540</u>	<u>\$ 1,407,290</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 356,590	\$ 357,489
Due from other funds	-	5,029
	<u>\$ 356,590</u>	<u>\$ 362,518</u>
LIABILITIES		
Temporary borrowing	\$ -	\$ -
Accounts payable and accrued liabilities	-	-
Water meter deposits	55,170	53,312
Long-term debt (Note 9)	4,276,386	4,504,701
Due to other funds	10,847	-
	<u>4,342,403</u>	<u>4,558,013</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (3,985,813)</u>	<u>\$ (4,195,495)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 25,930,504</u>	<u>\$ 26,031,770</u>
FUND SURPLUS (DEFICIT)	<u>\$ 21,963,321</u>	<u>\$ 21,836,275</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2014

SCHEDULE 9

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
REVENUE			
Water			
Water fees	\$ 1,137,342	\$ 1,344,587	\$ 1,246,950
Bulk Water fees	45,000	56,868	51,876
sub-total- water	<u>1,182,342</u>	<u>1,401,455</u>	<u>1,298,826</u>
Sewer			
Sewer fees	216,253	170,073	162,677
Lagoon tipping fees	5,500	7,369	7,307
sub-total- sewer	<u>221,753</u>	<u>177,442</u>	<u>169,984</u>
Property taxes	<u>445,424</u>	<u>445,424</u>	445,424
Government transfers			
Capital	330,871	96,361	330,871
sub-total- government transfers	<u>330,871</u>	<u>96,361</u>	<u>330,871</u>
Other			
Hydrant rentals	45,250	45,250	45,250
Connection charges	4,000	10,459	8,320
Penalties	2,500	3,112	5,793
Other income	-	-	140,496
sub-total- other	<u>51,750</u>	<u>58,821</u>	<u>199,859</u>
Total revenue	<u>2,232,140</u>	<u>2,179,503</u>	<u>2,444,964</u>

Town of Neepawa
SCHEDULE OF UTILITY OPERATIONS (cont'd)
Year Ended December 31, 2014

SCHEDULE 9

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
EXPENSES			
General			
Administration	47,500	44,784	53,191
Billing and collection	432,250	377,049	370,397
sub-total- general	<u>479,750</u>	<u>421,833</u>	<u>423,588</u>
Water General			
Purification and treatment	217,700	264,840	231,473
Transmission and distribution	75,600	60,588	58,662
Connection costs	30,000	31,978	26,589
sub-total- water general	<u>323,300</u>	<u>357,406</u>	<u>316,724</u>
Water Amortization & Interest			
Amortization	816,769	816,769	811,634
Interest on long term debt	217,107	217,107	231,929
sub-total- water amortization & interest	<u>1,033,876</u>	<u>1,033,876</u>	<u>1,043,563</u>
Sewer General			
Collection system costs	66,000	49,605	51,624
Treatment and disposal cost	17,500	13,900	8,059
Lift Station costs	63,000	44,051	28,833
sub-total- sewer general	<u>146,500</u>	<u>107,556</u>	<u>88,516</u>
Sewage Amortization & Interest			
Amortization	24,168	24,168	24,168
sub-total- sewer amortization & interest	<u>24,168</u>	<u>24,168</u>	<u>24,168</u>
Total expenses	<u>2,007,594</u>	<u>1,944,839</u>	<u>1,896,559</u>
NET OPERATING SURPLUS	224,546	234,664	548,405
TRANSFERS			
Transfers from (to) operating fund		-	-
Transfers from (to) reserve funds	-	<u>(107,618)</u>	<u>(654,511)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 224,546</u>	127,046	(106,106)
FUND SURPLUS, BEGINNING OF YEAR (Note 19)		<u>21,836,275</u>	<u>21,942,381</u>
FUND SURPLUS, END OF YEAR		<u>\$ 21,963,321</u>	<u>\$ 21,836,275</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2014

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,783,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,783,736
Grants in lieu of taxation	101,193	-	-	-	-	-	-	101,193
User fees	332,663	-	-	-	-	-	65,624	398,287
Grants - Province of Manitoba	806,680	-	96,361	-	-	-	93,395	996,436
Grants - other	252,002	-	-	-	-	-	25,913	277,915
Permits, licences and fines	22,450	-	-	-	-	-	-	22,450
Investment income	45,000	-	-	-	-	-	2,793	47,793
Other revenue	57,600	-	-	-	-	-	23,273	80,873
Water and sewer	-	1,455,845	-	-	-	-	-	1,455,845
Transfers from accumulated surplus	346,551	-	-	-	(346,551)	-	-	-
Transfers from General	-	318,600	-	-	(318,600)	-	-	-
Transfers from reserves	409,141	470,000	-	-	(879,141)	-	-	-
Total revenue	\$ 6,157,016	\$ 2,244,445	\$ 96,361	\$ -	\$ (1,544,292)	\$ -	\$ 210,998	\$ 7,164,528
EXPENSES								
General government services	\$ 943,201	\$ -	\$ 49,875	\$ 12,903	\$ 10,505	\$ -	\$ 6,554	\$ 1,023,038
Protective services	888,534	-	47,080	-	-	-	-	935,614
Transportation services	973,231	-	106,733	-	-	-	-	1,079,964
Environmental health services	478,200	-	31,235	3,423	-	-	-	512,858
Public health and welfare services	243,650	-	10,219	-	-	-	-	253,869
Regional planning and development	26,500	-	6,828	-	-	-	45,882	79,210
Resource cons and industrial dev	225,634	-	11,330	-	-	-	89,000	325,964
Recreation and cultural services	531,511	-	50,706	-	-	-	31,233	613,450
Water and sewer services	-	949,549	840,937	217,107	-	-	-	2,007,593
Fiscal services:								-
Transfer to capital	982,942	828,500	(1,811,442)	-	-	-	-	-
Debt charges	265,506	318,601	-	(584,107)	-	-	-	-
Short term interest	5,000	-	-	(5,000)	-	-	-	-
Transfer to Utility	318,600	-	-	-	(318,600)	-	-	-
Transfer to reserves	359,002	147,795	-	-	(506,797)	-	-	-
Allowance for tax assets	10,505	-	-	-	(10,505)	-	-	-
Total expenses	\$ 6,252,016	\$ 2,244,445	\$ (656,499)	\$ (355,674)	\$ (825,397)	\$ -	\$ 172,669	\$ 6,831,560
Surplus (Deficit)	\$ (95,000)	\$ -	\$ 752,860	\$ 355,674	\$ (718,895)	\$ -	\$ 38,329	\$ 332,968

Town of Neepawa
ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2014

SCHEDULE 11

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 322,498	\$ 341,378
Add:		
Tax levy (Schedule 12)	5,791,446	5,610,269
Taxes added	141,516	126,253
Penalties or interest	23,460	40,982
Other accounts added	4,844	2,468
Refunds	26,973	26,250
Tax Adjustments - tax sale costs	14,909	6,051
Sub-total	<u>6,003,148</u>	<u>5,812,273</u>
Deduct:		
Cash collections	5,439,630	5,124,186
Writeoffs	800	11,783
M.P.T.C. - cash advance	699,697	695,184
Sub-total	<u>6,140,127</u>	<u>5,831,153</u>
Balance, end of year	<u><u>\$ 185,519</u></u>	<u><u>\$ 322,498</u></u>

Town of Neepawa
 ANALYSIS OF TAX LEVY
 Year Ended December 31, 2014

SCHEDULE 12

	2014			2013
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	146,581,746	1.26	184,693	185,674
At large	159,132,570	2.45	389,875	388,740
General municipal	142,486,710	19.07	2,717,222	2,531,532
Reserves:				
Various	142,486,710	1.25	178,108	394,167
Special levies:				
Whitemud watershed	22,805,320	0.45	10,262	9,753
Scavenging	-	-	239,508	141,185
Cable Fees - unbudgeted			6,669	6,276
Total municipal taxes (Schedule 2)			3,726,337	3,657,327
Education support levy	33,136,620	11.39	377,426	382,331
Special levy:				
Beautiful Plains SD #31	127,932,290	13.19	1,687,683	1,570,611
Total education taxes			2,065,109	1,952,942
			\$ 5,791,446	\$ 5,610,269

Town of Neepawa
ANALYSIS OF SCHOOL ACCOUNTS
Year Ended December 31, 2014

SCHEDULE 13

	2014				2013
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 11,764	\$ 404,489	\$ (410,185)	\$ 6,068	\$ 11,763
Special levies					
Beautiful Plains SD #31	29,274	1,753,685	(1,766,506)	16,453	29,274
Total	<u>\$ 41,038</u>	<u>\$ 2,158,174</u>	<u>\$ (2,176,691)</u>	<u>\$ 22,521</u>	<u>\$ 41,038</u>

Town of Neepawa
SCHEDULE OF GENERAL OPERATING EXPENSES
Year Ended December 31, 2014

SCHEDULE 14

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
General government services:		
Legislative	\$ 60,882	\$ 66,332
General administrative	674,115	498,771
Other	313,750	378,578
	<u>1,048,747</u>	<u>943,681</u>
Protective services:		
Police	563,728	544,839
Fire	188,768	169,973
Emergency measures	44,149	43,551
Other protection	53,832	78,965
	<u>850,478</u>	<u>837,329</u>
Transportation services:		
Road transport		
Administration and engineering	161,884	154,344
Road and street maintenance	799,250	696,357
Street lighting	76,414	67,633
Other	16,672	6,747
Air transport	27,773	13,024
	<u>1,081,992</u>	<u>938,105</u>
Environmental health services:		
Waste collection and disposal	688,277	618,048
	<u>688,277</u>	<u>618,048</u>
Public health and welfare services:		
Public health	262,182	221,706
Social assistance	13,167	13,167
	<u>275,349</u>	<u>234,873</u>
Regional planning and development		
Planning and zoning	16,500	16,500
Urban area weed control	1,492	5,057
Other	200	1,240
	<u>18,192</u>	<u>22,797</u>
Resource conservation and industrial development		
Drainage of land	9,508	9,423
Veterinary services	7,860	7,860
Regional development	137,236	138,389
Other	2,930	2,930
	<u>157,534</u>	<u>158,603</u>
Recreation and cultural services:		
Community centers and halls	148,631	133,929
Swimming pools and beaches	136,753	140,178
Skating and curling rinks	75,000	73,000
Parks and playgrounds	96,282	140,939
Other recreational facilities	84,265	74,475
Libraries	44,281	52,144
Other cultural facilities	14,104	18,755
	<u>599,316</u>	<u>633,420</u>
Total expenses	<u><u>4,719,885</u></u>	<u><u>4,386,855</u></u>

Town of Neepawa
SCHEDULE OF DEBENTURES PENDING
 Year Ended December 31, 2014

SCHEDULE 15

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

Town of Neepawa

SCHEDULE 16

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2014

	General	2014 Utility	Total	2013 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ -
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase revenue - capital grants	-	-	-	330,871
Increase expense - net book value of assets disposed of	(949)	-	(949)	(1,189)
Increase expense - amortization of tangible capital assets	(257,292)	(840,937)	(1,098,229)	(1,114,062)
Eliminate expense - acquisitions of tangible capital assets	497,461	739,671	1,237,132	755,165
Reserve:				
Increase revenue - reserve funds interest	67,353	-	67,353	52,488
Eliminate expense - transfers to reserves	497,296	166,425	663,721	1,499,475
Eliminate revenue - transfers from reserves to operating funds	(200,000)	(58,808)	(258,808)	(269,877)
Deferred Revenue:				
Increase revenue - decrease in deferred revenue - Gas Tax	7,762	-	7,762	16,081
Other:				
Eliminate expense - principal portion of long term debt	125,778	228,316	354,094	336,206
	737,409	234,667	972,076	1,605,158
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	37,731	-	37,731	32,898
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 775,140	\$ 234,667	\$ 1,009,807	\$ 1,638,056