

Town of Arborg

Consolidated Financial Statements
Year ended December 31, 2016


STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Arborg and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by 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 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 public sector accounting standards.

Arborg, Manitoba


Lorraine Bardarson
Chief Administrative Officer

AUDITOR'S REPORT

To the Mayor and members of Council of the
Town of Arborg

We have audited the accompanying financial statements of the Town of Arborg, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Town of Arborg as at December 31, 2016, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

Winnipeg, Canada
December 13, 2017

Chambers Fraser
Chartered Professional Accountants

Town of Arborg

Consolidated Financial Statements

Year ended December 31, 2016

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

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 855,183	\$ 150,351
Amounts receivable (Note 4)	626,907	1,670,020
Inventories for sale (Note 5)	<u>119,583</u>	<u>119,583</u>
	<u>\$ 1,601,672</u>	<u>\$ 1,939,954</u>
LIABILITIES		
Temporary borrowing (Note 6)	\$ -	\$ 202,124
Accounts payable and accrued liabilities (Note 7)	790,276	2,252,550
Deferred revenue (Note 8)	125,139	65,689
Landfill closure and post closure liabilities (Note 9)	20,772	27,565
Long-term debt (Note 10)	<u>1,618,379</u>	<u>395,703</u>
	<u>2,554,566</u>	<u>2,943,630</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (952,894)</u>	<u>\$ (1,003,676)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 9,314,963	\$ 9,089,080
Prepaid expenses	<u>23,864</u>	<u>9,782</u>
	<u>9,338,827</u>	<u>9,098,862</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 8,385,933</u>	<u>\$ 8,095,185</u>

COMMITMENTS AND CONTINGENCIES (NOTES 11 AND 12)

Approved on behalf of Council:



Randy Sigurdson - Mayor



Rob Thorsteinson - Deputy Mayor

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

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 993,726	\$ 1,002,070	\$ 989,665
Grants in lieu of taxation	76,465	76,465	79,446
User fees	268,329	267,784	272,099
Permits, licences and fines	4,650	2,373	5,761
Investment income	4,000	9,011	11,035
Other revenue	71,883	90,616	89,145
Water and sewer	313,043	389,390	320,805
Grants - Province of Manitoba	605,987	608,383	1,730,452
Grants - other	96,049	33,834	87,307
	<u>2,434,132</u>	<u>2,479,926</u>	<u>3,585,715</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	294,854	254,337	284,001
Protective services	285,064	284,624	270,457
Transportation services	453,255	435,565	393,768
Environmental health services	156,340	139,691	122,695
Public health and welfare services	48,086	46,018	46,773
Regional planning and development	32,625	26,054	25,499
Resource conservation and industrial development	45,669	51,610	39,559
Recreation and cultural services	448,132	445,648	416,629
Water and sewer services	573,005	505,631	612,305
	<u>2,337,030</u>	<u>2,189,178</u>	<u>2,211,686</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ 97,102</u>	290,748	1,374,029
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>8,095,185</u>	<u>6,721,156</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,385,933</u>	<u>\$ 8,095,185</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2016

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS	\$ 97,102	\$ 290,748	\$ 1,374,029
Acquisition of tangible capital assets	(679,117)	(743,055)	(3,112,816)
Amortization of tangible capital assets	492,380	507,551	444,927
Write down of capital assets		9,623	-
Decrease (increase) in prepaid expense		(14,085)	10,986
	<u>(186,737)</u>	<u>(239,966)</u>	<u>(2,656,903)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (89,635)</u>	50,782	(1,282,874)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>(1,003,676)</u>	<u>279,197</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ (952,894)</u>	<u>\$ (1,003,676)</u>

The accompanying notes are an integral part of this financial statement

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

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 290,748	\$ 1,374,029
Changes in non-cash items:		
Amounts receivable	1,043,113	(1,439,149)
Prepays	(14,084)	10,986
Accounts payable and accrued liabilities	(1,462,274)	1,837,804
Deferred revenue	59,451	(21,610)
Landfill closure and post closure liabilities	(6,793)	1,480
Write down of capital assets	9,623	-
Amortization	507,551	444,927
Cash provided by operating transactions	<u>427,335</u>	<u>2,208,467</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(743,055)</u>	<u>(3,112,816)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	1,348,231	-
Debt repayment	<u>(125,555)</u>	<u>(187,779)</u>
Cash applied to financing transactions	<u>1,222,676</u>	<u>(187,779)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	906,956	(1,092,128)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>(51,773)</u>	<u>1,040,355</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 855,183</u>	<u>\$ (51,773)</u>
CASH ,TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	\$ 855,183	\$ 150,351
Temporary borrowing (Note 6)	<u>-</u>	<u>(202,124)</u>
	<u>\$ 855,183</u>	<u>\$ (51,773)</u>

The accompanying notes are an integral part of this financial statement

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

1. Status of the Town of Arborg

The incorporated Town of Arborg is a municipal government that was first created as a Village in 1964 pursuant to the Manitoba Municipal Act. The Municipality continued as a Town as of October 25, 1997. 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 Municipality owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in environmental health, recreation and cultural 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:

Arborg Bifrost Parks & Recreation Commission (consolidated 50%) (2015 – consolidated 50%)
BAR Waste Authority Co-op Inc. (consolidated 38%) (2015 – consolidated 38%)
Evergreen Public Library (consolidated 10%) (2015 – consolidated 10%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

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 Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition per acceptance by Town. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize interest 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 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 to 40 years
Underground networks	40 to 50 years
Machinery and equipment	5 to 10 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.

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.

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

i) 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.

j) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

These financial statements include the existence of measurement uncertainty in the accrual of the landfill closure, post closure and environmental liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2016</u>	<u>2015</u>
Cash	\$ 855,183	\$ 150,351
Temporary Investments	-	-
	<u>\$ 855,183</u>	<u>\$ 150,351</u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions. In 2015 the reserved amounts exceed the cash and temporary investments held by the Municipality.

Designated Reserve Funds	<u>\$ 588,802</u>	<u>\$ 730,788</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 98,301	\$ 94,649
Government grants	352,389	1,321,533
Utility customers	82,008	64,382
Organizations and individuals	65,809	175,046
Other governments	34,934	17,917
	<u>633,441</u>	<u>1,673,527</u>
Less allowances for doubtful amounts	<u>(6,534)</u>	<u>(3,507)</u>
	<u>\$ 626,907</u>	<u>\$ 1,670,020</u>

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

5. Inventories

Inventories for sale:

	<u>2016</u>	<u>2015</u>
Land	\$ 119,583	\$ 119,583
	<u>\$ 119,583</u>	<u>\$ 119,583</u>

6. Temporary Borrowings

Line of credit with Canadian Imperial Bank of Commerce, at prime less .50%, is repayable on demand and secured by a general assignment of assets.	\$ -	\$ 202,124
	<u>\$ -</u>	<u>\$ 202,124</u>

7. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 725,506	\$ 243,520
Accrued expenses	36,271	62,267
Accrued interest payable	580	874
School levies (Schedule 13)	27,919	91,690
Other governments	-	1,854,199
	<u>\$ 790,276</u>	<u>\$ 2,252,550</u>

8. Deferred Revenue:

	<u>2016</u>	<u>2015</u>
Federal Gas Tax Funding	\$ 216	\$ 19,569
Handi-Transit Vehicle Replacement Funding	19,199	19,043
	<u>19,415</u>	<u>38,612</u>
Other	105,724	27,077
	<u>\$ 125,139</u>	<u>\$ 65,689</u>

9. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 2 landfill site through the government partnership, BAR Waste Authority Co-op Inc. 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.

For the year ended December 31, 2016, a discount rate of 1.442% (2015 - 1.13%) was applied to future cash outflows related to the closure and post-closure costs to calculate the liability.

	<u>2016</u>	<u>2015</u>
Total landfill closure and post closure liabilities	<u>\$ 20,772</u>	<u>\$ 27,565</u>

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

10. Long Term Debt

	<u>2016</u>	<u>2015</u>
General Authority:		
Debenture for paving, at 5.38%, \$36,161 annually including interest, maturing December, 2020	\$ 127,115	\$ 154,947
Debenture for paving, at 5.50%, \$7,960 annually including interest, maturing December, 2016	-	7,545
Debenture for paving, at 5.25%, \$6,685 annually including interest, maturing December, 2017	6,352	12,387
Debenture for paving, at 3.75%, \$67,660 annually including interest, maturing December, 2030	781,129	-
	<u>\$ 914,596</u>	<u>\$ 174,879</u>
Utility Funds:		
Debenture for water and sewer, at 6.88%, \$24,019 annually including interest, maturing December, 2016	\$ -	\$ 22,474
Debenture for water and sewer, at 3.75%, \$33,152 annually including interest, maturing December, 2030	369,347	-
	<u>\$ 369,347</u>	<u>\$ 22,474</u>
Debenture long term debt	\$ 1,283,943	\$ 197,353
The debentures of the Municipality have been issued with terms ranging from 5 to 20 years to maturity.		
For proportionate consolidated government partnerships:		
Term promissory note with Noventis Credit Union, \$2,355 monthly plus interest at 3.25%, maturing September, 2034.	185,995	194,392
Term promissory note with Noventis Credit Union, \$32,500 annual plus interest at 3.0%, maturing February 2026.	84,500	-
Term promissory note with Noventis Credit Union, \$20,750 annual plus interest at 4.0%, maturing November 2026.	63,941	3,958
	<u>\$ 1,618,379</u>	<u>\$ 395,703</u>

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

2017	\$ 121,417
2018	118,562
2019	123,166
2020	127,974
2021	117,129

11. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$22,509 (2015 - \$24,803) 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.

12. 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.

13. 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.

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

14. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	134,551	135,046
Utility operating fund - Nominal surplus	57,733	57,720
General capital fund - Capital surplus	2,839,885	2,900,875
Utility capital fund - Capital surplus	4,759,499	4,502,218
Reserve funds	<u>620,026</u>	<u>476,844</u>
	8,411,694	8,072,703
Deferred revenue - Reserves	<u>(102,994)</u>	<u>(19,415)</u>
Accumulated surplus of municipality unconsolidated	8,308,700	8,053,288
Accumulated surplus (deficit) of consolidated entities	<u>77,233</u>	<u>41,897</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 8,385,933</u>	<u>\$ 8,095,185</u>

15. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2016:

- a) Compensation paid to members of council amounted to \$25,959 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>
Mayor - Randy Sigurdson	\$ 5,912	\$ 4,253	\$ 10,165
Councillor - Larry Speiss	4,843	3,506	8,349
Councillor - Rob Thorsteinson	4,822	3,452	8,274
Councillor - Vivian Leduchowski	5,007	4,405	9,412
Councillor - Susan Bauernhuber	5,375	4,764	10,139
Councillor - Erica Bardarson	-	-	-
	<u>\$ 25,959</u>	<u>\$ 20,380</u>	<u>\$ 46,339</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lorraine Bardarson	Chief Administrative Officer	\$ 65,929
Bruce Swanson	Public Works Foreman	60,951

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

16. 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.

No capital grants have been deferred and amortized in these financial statements.

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water services	\$ 2,630,321	\$ 316,982	\$ 108,260	\$ 2,839,043
Sewer services	246,560	-	14,697	231,863
	\$ 2,876,881	\$ 316,982	\$ 122,957	\$ 3,070,906

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

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2016	2015
Cost										
Opening costs	2,757,091	1,715,695	1,162,309	6,208	-	2,300,873	8,052,022	-	15,994,197	12,881,909
Additions during the year	77,812	-	156,590	64	-	20,270	488,319	-	743,055	3,112,816
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and adjustments	(18,459)	-	(48,676)	(73)	-	-	(10,847)	-	(78,055)	(531)
Closing costs	<u>2,816,444</u>	<u>1,715,695</u>	<u>1,270,223</u>	<u>6,200</u>	<u>-</u>	<u>2,321,143</u>	<u>8,529,493</u>	<u>-</u>	<u>16,659,197</u>	<u>15,994,194</u>
Accumulated Amortization										
Opening accum'd amortization	1,000,504	1,199,778	690,374	5,629	-	870,645	3,138,185	-	6,905,114	6,460,718
Amortization	80,332	31,817	65,670	133	-	90,888	238,710	-	507,551	444,927
Disposals and adjustments	(8,836)	-	(48,676)	(73)	-	-	(10,847)	-	(68,432)	(531)
Closing accum'd amortization	<u>1,072,000</u>	<u>1,231,595</u>	<u>707,368</u>	<u>5,689</u>	<u>-</u>	<u>961,533</u>	<u>3,366,048</u>	<u>-</u>	<u>7,344,234</u>	<u>6,905,114</u>
Net Book Value of Tangible Capital Assets	<u>1,744,444</u>	<u>484,100</u>	<u>562,854</u>	<u>510</u>	<u>-</u>	<u>1,359,610</u>	<u>5,163,445</u>	<u>-</u>	<u>9,314,963</u>	<u>9,089,080</u>

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

SCHEDULE 2

	<u>2016 Actual</u>	<u>2015 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 991,434	\$ 962,984
Taxes added	<u>10,636</u>	<u>26,681</u>
	<u>1,002,070</u>	<u>989,665</u>
Grants in lieu of taxation:		
Federal government	3,855	4,389
Federal government enterprises	-	1,158
Provincial government	12,163	15,471
Provincial government enterprises	<u>54,447</u>	<u>58,428</u>
	<u>76,465</u>	<u>79,446</u>
User fees		
Sales of service	215,777	215,289
Rentals	<u>51,907</u>	<u>50,810</u>
	<u>267,784</u>	<u>272,099</u>
Permits, licences and fines		
Licences	1,972	1,767
Fines	<u>401</u>	<u>3,994</u>
	<u>2,373</u>	<u>5,761</u>
Investment income:		
Cash and temporary investments	<u>9,011</u>	11,035
	<u>9,011</u>	<u>11,035</u>
Other revenue:		
Penalties and interest	14,453	16,349
Miscellaneous (specify):		
Donations	62,973	49,508
Sundry income	<u>13,190</u>	<u>23,288</u>
	<u>90,616</u>	<u>89,145</u>
Water and sewer (Schedule 4)	<u>389,390</u>	<u>320,805</u>
Grants - Province of Manitoba		
General assistance payment	182,745	182,745
Municipal program grants	21,685	21,685
Conditional grants	<u>403,953</u>	<u>1,526,022</u>
	<u>608,383</u>	<u>1,730,452</u>
Grants - other		
Federal government - gas tax funding	-	85,255
Other local governments	<u>2,009</u>	<u>2,052</u>
	<u>33,834</u>	<u>87,307</u>
Total revenue	<u><u>2,479,926</u></u>	<u><u>3,585,715</u></u>

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

SCHEDULE 3

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
General government services:		
Legislative	22,464	\$ 21,399
General administrative	175,419	186,009
Other	56,454	76,593
	<u>254,337</u>	<u>284,001</u>
Protective services:		
Police	149,794	149,794
Fire	101,629	88,995
Emergency measures	5,401	6,621
Other protection	27,800	25,047
	<u>284,624</u>	<u>270,457</u>
Transportation services:		
Road transport		
Road and street maintenance	413,059	370,415
Street lighting	22,506	23,353
	<u>435,565</u>	<u>393,768</u>
Environmental health services:		
Waste collection and disposal	125,730	112,232
Other	13,961	10,463
	<u>139,691</u>	<u>122,695</u>
Public health and welfare services:		
Public health	42,002	42,757
Social assistance	4,016	4,016
	<u>46,018</u>	<u>46,773</u>
Regional planning and development		
Planning and zoning	11,300	12,187
Urban renewal	11,038	4,315
Beautification and land rehabilitation	3,716	8,997
	<u>26,054</u>	<u>25,499</u>
Resource conservation and industrial development		
Rural area weed control	2,668	3,130
Drainage of land	1,399	1,446
Veterinary services	2,500	2,500
Regional development	43,039	28,141
Other	2,004	4,342
	<u>51,610</u>	<u>39,559</u>
Recreation and cultural services:		
Administration	-	1,009
Parks and playgrounds	4,077	7,742
Other recreational facilities	413,995	378,447
Libraries	27,576	29,431
	<u>445,648</u>	<u>416,629</u>
Water and sewer services (Schedule 4)	<u>505,631</u>	<u>612,305</u>
Total expenses	<u><u>2,189,178</u></u>	<u><u>2,211,686</u></u>

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

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ 944,898	\$ 851,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	76,465	79,446	-	-	-	-	-	-	-	-
User fees	53,628	58,363	4,315	7,536	4,206	3,677	50,485	44,068	-	-
Permits, licences and fines	142	147	571	4,194	-	-	-	-	-	-
Investment income	7,789	9,147	348	310	715	1,507	-	-	-	-
Other revenue	32,178	20,515	-	-	-	-	7,730	2,371	-	-
Water and sewer										
Prov of MB - Unconditional Grants	204,430	204,430	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	87,587	25,007	-	-	-	141,084	-	2,878	-	20,000
Grants - other	31,825	85,255	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 1,438,942</u>	<u>\$ 1,333,488</u>	<u>\$ 5,234</u>	<u>\$ 12,040</u>	<u>\$ 4,921</u>	<u>\$ 146,268</u>	<u>\$ 58,215</u>	<u>\$ 49,317</u>	<u>\$ -</u>	<u>\$ 20,000</u>
EXPENSES										
Personnel services	\$ 119,005	\$ 113,562	\$ 18,522	\$ 18,981	\$ 105,747	\$ 105,557	\$ 25,265	\$ 22,446	\$ -	\$ -
Contract services	78,083	88,329	175,930	172,241	680	525	44,322	41,315	-	-
Utilities	12,125	13,391	5,297	6,089	29,843	31,030	893	904	-	-
Maintenance materials and supplies	11,838	15,852	37,761	22,534	87,840	79,589	48,739	43,698	-	-
Grants and contributions	26,765	25,191	1,000	1,000	-	-	13,961	10,463	45,386	46,332
Amortization	6,014	20,766	23,293	21,044	176,435	160,229	6,512	3,870	-	-
Interest on long term debt	-	-	-	-	35,020	16,837	-	-	-	-
Other	505	6,908	22,821	28,570	-	-	-	-	633	442
Total expenses	<u>\$ 254,335</u>	<u>\$ 283,999</u>	<u>\$ 284,624</u>	<u>\$ 270,459</u>	<u>\$ 435,565</u>	<u>\$ 393,767</u>	<u>\$ 139,692</u>	<u>\$ 122,696</u>	<u>\$ 46,019</u>	<u>\$ 46,774</u>
Surplus (Deficit)	<u>\$ 1,184,607</u>	<u>\$ 1,049,489</u>	<u>\$ (279,390)</u>	<u>\$ (258,419)</u>	<u>\$ (430,644)</u>	<u>\$ (247,499)</u>	<u>\$ (81,477)</u>	<u>\$ (73,379)</u>	<u>\$ (46,019)</u>	<u>\$ (26,774)</u>

* The general government category includes revenues and expenses that cannot be attributed to a particular sector.

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

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,171	\$ 138,487	\$ 1,002,069	\$ 989,665
Grants in lieu of taxation	-	-	-	-	-	-	-	-	76,465	79,446
User fees	-	-	-	-	155,149	158,454	-	-	267,783	272,098
Permits, licences and fines	-	-	1,660	1,420	-	-	-	-	2,373	5,761
Investment income	158	71	-	-	-	-	-	-	9,010	11,035
Other revenue	-	-	-	-	50,711	66,260	-	-	90,619	89,146
Water and sewer	-	-	-	-	-	-	389,390	320,805	389,390	320,805
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	204,430	204,430
Prov of MB - Conditional Grants	-	-	-	-	-	-	\$ 316,366	\$ 1,337,053	403,953	1,526,022
Grants - other	-	-	2,009	2,052	-	-	-	-	33,834	87,307
Total revenue	\$ 158	\$ 71	\$ 3,669	\$ 3,472	\$ 205,860	\$ 224,714	\$ 762,927	\$ 1,796,345	\$ 2,479,926	\$ 3,585,715
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 176,393	\$ 167,776	\$ 127,059	\$ 123,893	\$ 571,991	\$ 552,215
Contract services	3,716	9,813	3,701	4,756	39,741	42,375	21,653	16,872	367,826	376,226
Utilities	-	-	-	-	58,879	58,096	16,268	16,545	123,305	126,055
Maintenance materials and supplies	-	-	1,008	2,941	66,348	70,158	79,708	269,901	333,242	504,673
Grants and contributions	22,338	15,685	32,613	29,938	26,435	9,781	-	-	168,498	138,390
Amortization	-	-	-	-	56,587	56,498	238,710	160,259	507,551	422,666
Interest on long term debt	-	-	-	-	-	-	14,767	5,004	49,787	21,841
Other	-	-	14,288	1,924	21,264	11,945	7,467	19,831	66,978	69,620
Total expenses	\$ 26,054	\$ 25,498	\$ 51,610	\$ 39,559	\$ 445,647	\$ 416,629	\$ 505,632	\$ 612,305	\$ 2,189,178	\$ 2,211,686
Surplus (Deficit)	\$ (25,896)	\$ (25,427)	\$ (47,941)	\$ (36,087)	\$ (239,787)	\$ (191,915)	\$ 257,295	\$ 1,184,040	\$ 290,748	\$ 1,374,029

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

	Core Government		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015
REVENUE						
Property taxes	\$ 1,002,069	\$ 989,665	\$ -	\$ -	\$ 1,002,069	\$ 989,665
Grants in lieu of taxation	76,465	79,446	-	-	76,465	79,446
User fees	73,610	78,039	194,173	194,059	267,783	272,098
Permits, licences and fines	2,373	5,761	-	-	2,373	5,761
Investment income	9,010	11,035	-	-	9,010	11,035
Other revenue	32,178	20,515	58,441	68,631	90,619	89,146
Water and sewer	389,390	320,805			389,390	320,805
Prov of MB - Unconditional Grants	204,430	204,430			204,430	204,430
Prov of MB - Conditional Grants	377,185	1,501,015	26,768	25,007	403,953	1,526,022
Grants - other	33,834	87,307	-	-	33,834	87,307
Total revenue	<u>\$ 2,200,544</u>	<u>\$ 3,298,018</u>	<u>\$ 279,382</u>	<u>\$ 287,697</u>	<u>\$ 2,479,926</u>	<u>\$ 3,585,715</u>
EXPENSES						
Personnel services	\$ 410,560	\$ 399,626	\$ 161,431	\$ 152,589	\$ 571,991	\$ 552,215
Contract services	306,639	313,417	61,187	62,809	367,826	376,226
Utilities	66,612	70,310	56,693	55,745	123,305	126,055
Maintenance materials and supplies	261,162	433,046	72,080	71,627	333,242	504,673
Grants and contributions	143,310	129,856	25,188	8,534	168,498	138,390
Amortization	492,380	410,681	15,171	11,985	507,551	422,666
Interest on long term debt	49,787	21,841	-	-	49,787	21,841
Other	61,933	65,271	5,045	4,349	66,978	69,620
Total expenses	<u>\$ 1,792,383</u>	<u>\$ 1,844,048</u>	<u>\$ 396,795</u>	<u>\$ 367,638</u>	<u>\$ 2,189,178</u>	<u>\$ 2,211,686</u>
Surplus (Deficit)	<u>\$ 408,161</u>	<u>\$ 1,453,970</u>	<u>\$ (117,413)</u>	<u>\$ (79,941)</u>	<u>\$ 290,748</u>	<u>\$ 1,374,029</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2016

	2016							
	General	Economic Development	Gas Tax	Building	Sidewalk Renewal	Equipment Replacement	Fire	Paving
REVENUE								
Investment income	\$ 1,601	\$ 158	\$ 213	\$ 160	\$ -	\$ 633	\$ 260	\$ 81
Other income	-	-	-	-	-	-	-	-
Total revenue	1,601	158	213	160	-	633	260	81
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	1,601	158	213	160	-	633	260	81
TRANSFERS								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from general operating	-	-	62,215	8,000	-	63,000	3,250	-
Transfers to general operating	-	-	-	-	-	-	-	(20,270)
Transfers from utility operating	-	-	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	21,000	-	-	(21,000)	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	1,601	158	83,428	8,160	-	42,633	3,510	(20,189)
FUND SURPLUS, BEGINNING OF YEAR	202,981	20,095	216	20,228	-	85,013	31,097	20,492
FUND SURPLUS, END OF YEAR	\$ 204,582	\$ 20,254	\$ 83,644	\$ 28,388	\$ -	\$ 127,647	\$ 34,608	\$ 304

Town of Arborg
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2016

SCHEDULE 6

	2016						2015	
	Walking	Handi-van	ABFD	PCH Building	Age Friendly Initiative	Utility Replacement	Total	Total
REVENUE								
Investment income	\$ 92	\$ 152	\$ 87	\$ -	\$ -	\$ 368	\$ 3,806	\$ 8,248
Other income	-	-	-	12,262	-	-	12,262	3,426
NET REVENUES	92	152	87	12,262	-	368	16,068	11,674
TRANSFERS								
Transfers from general operating	-	-	1,942	-	-	-	138,407	120,324
Transfers to general operating	(11,700)	-	-	-	-	-	(31,970)	(19,324)
Transfers from utility operating	-	-	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(2,700)	-	-	-	(2,700)	(88,249)
CHANGE IN RESERVE FUND BALANCES	(11,608)	152	(671)	12,262	-	368	119,805	24,425
FUND SURPLUS, BEGINNING OF YEAR	11,644	19,199	11,254	-	-	46,777	468,997	706,363
FUND SURPLUS, END OF YEAR	\$ 36	\$ 19,350	\$ 10,584	\$ 12,262	\$ -	\$ 47,145	\$ 588,802	\$ 730,788

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

SCHEDULE 7

	Total	
	2016	2015
ASSETS		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
REVENUES		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
EXPENDITURES		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

Town of Arborg
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2016

SCHEDULE 8

	<u>2016</u>	<u>2015</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 377,664	\$ 1,296,544
Due from other funds	-	-
	<u>\$ 377,664</u>	<u>\$ 1,296,544</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 12,090	\$ 12,175
Long-term debt (Note 10)	369,347	22,474
Due to other funds	<u>342,439</u>	<u>1,615,793</u>
	<u>723,876</u>	<u>1,650,442</u>
NET DEBT	<u>\$ (346,212)</u>	<u>\$ (353,898)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 5,163,446</u>	<u>\$ 4,913,836</u>
FUND SURPLUS	<u>\$ 4,817,234</u>	<u>\$ 4,559,938</u>

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

SCHEDULE 9

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Water			
Water fees	\$ 181,525	\$ 220,540	\$ 192,310
sub-total- water	<u>181,525</u>	<u>220,540</u>	<u>192,310</u>
Sewer			
Sewer fees	60,930	67,547	65,537
Lagoon tipping fees	3,449	9,449	3,449
sub-total- sewer	<u>64,379</u>	<u>76,996</u>	<u>68,986</u>
Property taxes			
	<u>57,571</u>	<u>57,171</u>	<u>138,487</u>
Government transfers			
Government transfers - capital	329,914	316,366	1,337,053
sub-total- government transfers	<u>329,914</u>	<u>316,366</u>	<u>1,337,053</u>
Other			
Hydrant rentals	19,400	19,400	19,400
Connection charges	9,914	3,150	682
Penalties	1,350	1,491	1,368
Other income	36,475	67,813	38,059
sub-total- other	<u>67,139</u>	<u>91,854</u>	<u>59,509</u>
 Total revenue	 <u>700,528</u>	 <u>762,927</u>	 <u>1,796,345</u>
EXPENSES			
General			
Administration	96,107	77,742	71,267
Training costs	750	256	423
Billing and collection	3,600	2,598	3,962
sub-total- general	<u>100,457</u>	<u>80,596</u>	<u>75,652</u>
Water			
Purification and treatment	25,475	28,488	25,903
Transmission and distribution	98,369	58,356	250,967
Service and other supply costs	52,100	48,350	57,987
Connection costs	1,000	-	-
sub-total- water general	<u>176,944</u>	<u>135,194</u>	<u>334,857</u>
Water Amortization & Interest			
Amortization	200,462	200,462	126,191
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>200,462</u>	<u>200,462</u>	<u>126,191</u>
Sewer			
Collection system costs	34,812	27,033	30,045
Treatment and disposal cost	2,000	1,838	1,909
Lift Station costs	5,315	7,493	4,579
sub-total- sewer general	<u>42,127</u>	<u>36,364</u>	<u>36,533</u>
Sewer Amortization & Interest			
Amortization	38,248	38,248	34,068
Interest on long term debt	14,767	14,767	5,004
sub-total- sewer amortization & interest	<u>53,015</u>	<u>53,015</u>	<u>39,072</u>
 Total expenses	 <u>573,005</u>	 <u>505,631</u>	 <u>612,305</u>
 NET REVENUES	 127,523	 257,296	 1,184,040
TRANSFERS			
Transfers from (to) reserve funds	-	-	216,218
 CHANGE IN UTILITY FUND BALANCE	 <u>\$ 127,523</u>	 257,296	 1,400,258
 FUND SURPLUS, BEGINNING OF YEAR		 <u>4,559,938</u>	 <u>3,159,680</u>
 FUND SURPLUS, END OF YEAR		 <u>\$ 4,817,234</u>	 <u>\$ 4,559,938</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 993,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 993,726
Grants in lieu of taxation	76,465	-	-	-	-	-	-	76,465
User fees	74,156	-	-	-	-	-	194,173	268,329
Permits, licences and fines	4,650	-	-	-	-	-	-	4,650
Investment income	4,000	-	-	-	-	-	-	4,000
Other revenue	13,442	-	-	-	-	-	58,441	71,883
Water and sewer		313,043	-	-	-	-	-	313,043
Grants - Province of Manitoba	249,305	329,914	-	-	-	-	26,768	605,987
Grants - other	96,049	-	-	-	-	-	-	96,049
Transfers from General		57,571	-	-	(57,571)	-	-	-
Transfers from reserves	87,500	-	-	-	(87,500)	-	-	-
Total revenue	<u>\$ 1,599,293</u>	<u>\$ 700,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,071)</u>	<u>\$ -</u>	<u>\$ 279,382</u>	<u>\$ 2,434,132</u>
EXPENSES								
General government services	\$ 280,213	\$ -	\$ 6,014	\$ 5,600	\$ 3,027	\$ -	\$ -	\$ 294,854
Protective services	261,771	-	23,293	-	-	-	-	285,064
Transportation services	241,800	-	176,435	35,020	-	-	-	453,255
Environmental health services	118,415	-	-	-	-	-	37,925	156,340
Public health and welfare services	48,086	-	-	-	-	-	-	48,086
Regional planning and development	32,625	-	-	-	-	-	-	32,625
Resource cons and industrial dev	45,669	-	-	-	-	-	-	45,669
Recreation and cultural services	194,083	-	47,928	-	-	-	206,121	448,132
Water and sewer services		319,528	238,710	14,767	-	-	-	573,005
Fiscal services:								
Transfer to capital	95,900	323,429	(419,329)	-	-	-	-	-
Debt charges	118,466	57,571	-	(176,037)	-	-	-	-
Short term interest	5,600	-	-	(5,600)	-	-	-	-
Transfer to Utility	57,171	-	-	-	(57,171)	-	-	-
Transfer to reserves	96,465	-	-	-	(96,465)	-	-	-
Allowance for tax assets	3,027	-	-	-	(3,027)	-	-	-
Total expenses	<u>\$ 1,599,291</u>	<u>\$ 700,528</u>	<u>\$ 73,051</u>	<u>\$ (126,250)</u>	<u>\$ (153,636)</u>	<u>\$ -</u>	<u>\$ 244,046</u>	<u>\$ 2,337,030</u>
Surplus (Deficit)	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (73,051)</u>	<u>\$ 126,250</u>	<u>\$ 8,565</u>	<u>\$ -</u>	<u>\$ 35,336</u>	<u>\$ 97,102</u>

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

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 94,649	\$ 83,281
Add:		
Tax levy (Schedule 12)	1,556,785	1,498,929
Taxes added	10,636	26,681
Penalties or interest	11,498	16,349
Other accounts added	3,589	5,126
Sub-total	<u>1,582,508</u>	<u>1,547,085</u>
Deduct:		
Cash collections	1,356,947	1,320,470
Writeoffs	3,319	-
M.P.T.C. - cash advance	218,590	215,247
Sub-total	<u>1,578,856</u>	<u>1,535,717</u>
Balance, end of year	<u>\$ 98,301</u>	<u>\$ 94,649</u>

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

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	53,184,310	3.120	165,935	183,411
Reserves:				
Machinery replacement	44,111,650	0.210	9,263	9,391
Fire	44,111,650	0.070	3,088	9,391
Building	-	0.000	-	18,594
Economic	-	0.000	-	18,594
General municipal	44,111,650	18.423	812,669	723,159
Special levies:				
Cable fees	-	-	477	444
Rounding			-	
Total municipal taxes (Schedule 2)			991,432	962,984
Education support levy	10,906,470	10.500	114,518	116,773
Special levy:				
Evergreen SD #22	42,145,960	10.697	450,835	419,172
Adjustments of school levy to municipal taxes			-	
Total education taxes			565,353	535,945
			\$ 1,556,785	\$ 1,498,929

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

SCHEDULE 13

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 23,202	\$ 140,306	\$ (154,670)	\$ 23,202
Special levies				
Evergreen SD #22	68,488	494,843	(544,250)	68,488
Sub-total	68,488	494,843	(544,250)	68,488
Total	\$ 91,690	\$ 635,149	\$ (698,920)	\$ 91,690

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

Year Ended December 31, 2016

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 22,464	\$ 21,399
General administrative	175,419	186,009
Other	56,453	76,590
	<u>254,336</u>	<u>283,998</u>
Protective services:		
Police	149,794	149,794
Fire	101,629	88,995
Emergency measures	5,401	6,621
Other protection	27,800	25,047
	<u>284,624</u>	<u>270,457</u>
Transportation services:		
Road transport		
Road and street maintenance	413,059	370,415
Street lighting	22,506	23,353
	<u>435,565</u>	<u>393,768</u>
Environmental health services:		
Waste collection and disposal	87,805	80,109
Other	13,961	10,463
	<u>101,766</u>	<u>90,572</u>
Public health and welfare services:		
Public health	42,002	42,757
Social assistance	4,016	4,016
	<u>46,018</u>	<u>46,773</u>
Regional planning and development		
Planning and zoning	11,300	12,187
Urban renewal	11,038	4,315
Beautification and land rehabilitation	3,716	8,997
	<u>26,054</u>	<u>25,499</u>
Resource conservation and industrial development		
Rural area weed control	2,668	3,130
Drainage of land	1,399	1,446
Veterinary services	2,500	2,500
Regional development	43,039	28,141
Other	2,004	4,342
	<u>51,610</u>	<u>39,559</u>
Recreation and cultural services:		
Administration	-	1,009
Parks and playgrounds	4,077	7,742
Other recreational facilities	219,750	208,987
Libraries	15,700	16,123
Other cultural facilities	-	-
	<u>239,527</u>	<u>233,861</u>
Total expenses	<u><u>1,439,500</u></u>	<u><u>1,384,487</u></u>

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

SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
5- 2004	Road paving	Accounts payable	181,000	78,662
			<hr/>	<hr/>
			<u>\$ 181,000</u>	<u>\$ 78,662</u>

Town of Arborg
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2016

SCHEDULE 16

	General	2016 Utility	Total	2015 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (494)	\$ 13	\$ (481)	\$ 2
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - net book value of assets written off	(9,622)	-	(9,622)	-
Increase expense - amortization of tangible capital assets	(253,670)	(238,710)	(492,380)	(410,681)
Eliminate expense - acquisitions of tangible capital assets	119,019	453,719	572,738	1,773,747
Reserve:				
Increase revenue - reserve funds interest	3,810	-	3,810	6,218
Eliminate expense - transfers to reserves	115,127	-	115,127	196,923
Eliminate revenue - transfers from reserves to operating funds	(37,970)	-	(37,970)	(457,084)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas tax	(21,213)	-	(21,213)	19,353
Decrease revenue - increase in deferred revenue - Handi Van	(152)	-	(152)	(155)
Other:				
Eliminate expense - repayment of principal portion of long term debt	83,283	42,272	125,555	172,902
	(1,882)	257,294	255,412	1,301,225
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	35,336	-	35,336	72,804
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 33,454	\$ 257,294	\$ 290,748	\$ 1,374,029