

Supplementary Audit Report
Subsection 190(2) of The Municipal Act

To the Mayor and Councillors
Town of Arborg
Arborg, Manitoba

Pursuant to our appointment, and in accordance with the provisions of Subsection 190(2) of The Municipal Act, we wish to report as follows for the year ended December 31, 2015:

- (a) We have reviewed the accounting procedures and systems of control employed by the municipality and report that, in our opinion, such procedures and systems are adequate to preserve and protect the assets of the municipality.
- (b) The funds of the municipality have, to the best of our knowledge and belief, been disbursed only under authority granted by an Act of the Legislature or under authority of a resolution or by-law of the municipality made under the authority of an Act of the Legislature.
- (c) No irregularity or discrepancy in the administration of the affairs of the municipality by the council came to our notice in the course of our examination.
- (d) In our opinion, there are no other matters which should be brought to the attention of council or the minister.
- (e) The accounts and records of the municipality were adequately maintained during the period under review, and we wish to acknowledge the co-operation accorded to us during our audit.

Chambers Fraser
Municipal Auditors

Per 

May 24, 2017

K. Hodgins, CPA / CA

Town of Arborg

Consolidated Financial Statements
Year ended December 31, 2015

Chambers Fraser

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, 2015 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Town of Arborg as at December 31, 2015, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2015 in accordance with Canadian Public Sector Accounting Standards.

Winnipeg, Canada
May 24, 2017

Chambers Fraser
Chartered Professional Accountants

Town of Arborg


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

	2015	2014
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 150,351	\$ 1,040,365
Amounts receivable (Note 4)	1,670,020	230,871
Inventories for sale (Note 5)	<u>119,583</u>	<u>119,583</u>
	\$ 1,939,954	\$ 1,390,809
LIABILITIES		
Temporary borrowing (Note 6)	\$ 202,124	\$ -
Accounts payable and accrued liabilities (Note 7)	2,252,550	414,745
Deferred revenue (Note 8)	65,689	87,299
Landfill closure and post closure liabilities (Note 9.)	27,565	26,085
Long-term debt (Note 10)	<u>395,703</u>	<u>583,482</u>
	<u>2,943,630</u>	<u>1,111,611</u>
NET FINANCIAL ASSETS (NET DEBT)	\$ (1,003,676)	\$ 279,197
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 9,089,080	\$ 6,421,193
Prepaid expenses	<u>9,782</u>	<u>20,766</u>
	<u>9,098,862</u>	<u>6,441,959</u>
ACCUMULATED SURPLUS (Note 14)	\$ 8,095,185	\$ 6,721,156

Approved on behalf of Council:


 Randy Sigurdson - Mayor


 Rob Thorsteinson - Deputy Mayor

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

	2015 Budget (Note 13)	2015 Actual	2014 Actual
REVENUE			
Property taxes	\$ 966,747	\$ 989,665	\$ 954,357
Grants in lieu of taxation	79,446	79,446	79,461
User fees	267,300	272,099	304,293
Permits, licences and fines	4,025	5,761	4,451
Investment income	9,000	11,035	18,443
Other revenue	70,669	89,145	40,194
Water and sewer	309,695	320,805	312,674
Grants - Province of Manitoba	1,762,661	1,730,452	355,829
Grants - other	61,312	87,307	54,428
Total revenue (Schedules 2, 4 and 5)	<u>3,530,855</u>	<u>3,585,715</u>	<u>2,124,130</u>
EXPENSES			
General government services	314,399	284,001	320,957
Protective services	264,539	270,457	258,294
Transportation services	404,116	393,768	396,001
Environmental health services	125,386	122,695	150,884
Public health and welfare services	40,070	46,773	38,363
Regional planning and development	32,896	25,499	8,232
Resource conservation and industrial development	42,272	39,559	42,544
Recreation and cultural services	418,634	416,629	403,578
Water and sewer services	491,258	612,305	415,947
Total expenses (Schedules 3, 4 and 5)	<u>2,133,570</u>	<u>2,211,686</u>	<u>2,034,800</u>
ANNUAL SURPLUS	<u>\$ 1,397,285</u>	<u>1,374,029</u>	<u>89,330</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		6,721,156	6,631,826
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,095,185</u>	<u>\$ 6,721,156</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, 2015

	2015 Budget (Note 13)	2015 Actual	2014 Actual
ANNUAL SURPLUS	\$ 1,397,285	\$ 1,374,029	\$ 89,330
Acquisition of tangible capital assets	(3,801,102)	(3,112,815)	(297,756)
Amortization of tangible capital assets	410,681	444,927	455,122
Decrease (increase) in prepaid expense	<u>(3,390,421)</u>	<u>(2,656,904)</u>	<u>151,430</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (1,993,136)</u>	(1,282,875)	240,760
NET FINANCIAL ASSETS, BEGINNING OF YEAR		279,197	38,436
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u>\$ (1,003,677)</u>	<u>\$ (1,003,677)</u>	<u>\$ 279,197</u>

The accompanying notes are an integral part of this financial statement

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

	2015	2014
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,374,029	\$ 89,330
Changes in non-cash items:		
Amounts receivable	(1,439,149)	33,375
Inventories	-	(40,749)
Prepays	10,985	(5,934)
Accounts payable and accrued liabilities	1,837,804	24,050
Deferred revenue	(21,610)	26,021
Landfill closure and post closure liabilities	1,480	6,735
Amortization	444,927	455,122
Cash provided by operating transactions	<u>2,208,466</u>	<u>587,949</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(3,112,815)	(297,756)
Cash applied to capital transactions	<u>(3,112,815)</u>	<u>(297,756)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	1,094
Cash provided by investing transactions	<u>-</u>	<u>1,094</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	207,200
Debt repayment	(187,779)	(376,235)
Cash applied to financing transactions	<u>(187,779)</u>	<u>(169,035)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(1,092,128)	122,252
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,040,355</u>	<u>918,104</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ (51,773)</u>	<u>\$ 1,040,355</u>
CASH, TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	\$ 150,351	\$ 1,040,355
Temporary borrowing (Note 6)	<u>(202,124)</u>	<u>-</u>
	<u>\$ (51,773)</u>	<u>\$ 1,040,355</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, 2015

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%) (2014 – consolidated 50%)
BAR Waste Authority Co-op Inc. (consolidated 38%) (2014 – consolidated 38%)
Evergreen Public Library (consolidated 10%) (2014 – 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, 2015**

f) Non-Financial Assets

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

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition per acceptance by Town. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does 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, 2015

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.

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:

	2015	2014
Cash	\$ 150,351	\$ 1,040,355
Temporary Investments	-	-
	<u>\$ 150,351</u>	<u>\$ 1,040,355</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>\$ 468,997</u>	<u>\$ 730,788</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2015	2014
Taxes on roll (Schedule 11)	\$ 94,649	\$ 83,281
Government grants	1,321,533	26,151
Utility customers	64,382	58,312
Organizations and individuals	175,046	44,890
Other governments	17,917	23,072
	<u>1,673,527</u>	<u>235,706</u>
Less allowances for doubtful amounts	<u>(3,507)</u>	<u>(4,835)</u>
	<u>\$ 1,670,020</u>	<u>\$ 230,871</u>

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

5. Inventories

Inventories for sale:

	2015	2014
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>\$ 202,124</u>	<u>\$ -</u>

7. Accounts Payable and Accrued Liabilities

	2015	2014
Accounts payable	\$ 243,520	\$ 183,670
Accrued expenses	62,267	34,146
Accrued interest payable	874	1,660
School levies (Schedule 13)	91,690	26,841
Other governments	1,854,199	168,428
	<u>\$ 2,252,550</u>	<u>\$ 414,745</u>

8. Deferred Revenue:

	2015	2014
Federal Gas Tax Funding	\$ 216	\$ 19,569
Handi-Transit Vehicle Replacement Funding	19,199	19,043
	19,415	38,612
Other	46,274	48,687
	<u>\$ 65,689</u>	<u>\$ 87,299</u>

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

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.

	<u>2015</u>	<u>2014</u>
Estimated closure and post closure costs over the next 15 years	<u>\$ 22,800</u>	<u>\$ 22,800</u>
Discount rate	<u>0.90%</u>	<u>0.90%</u>
Total landfill closure and post closure liabilities	<u><u>\$ 27,565</u></u>	<u><u>\$ 26,085</u></u>

10. Long Term Debt

General Authority:

	<u>2015</u>	<u>2014</u>
Debtenture for paving, at 9.13%, \$55,262 annually including interest, maturing December, 2015	\$ -	\$ 50,642
Debtenture for paving, at 8.63%, \$17,275 annually including interest, maturing December, 2015	-	15,903
Debtenture for paving, at 5.38%, \$36,161 annually including interest, maturing December, 2020	154,947	181,360
Debtenture for paving, at 5.50%, \$7,960 annually including interest, maturing December, 2016	7,545	14,697
Debtenture for paving, at 5.25%, \$6,685 annually including interest, maturing December, 2017	12,387	18,120
	<u><u>\$ 174,879</u></u>	<u><u>\$ 280,722</u></u>

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

Utility Funds:

Debtenture for water and sewer, at 6.88%, \$24,019 annually including interest, maturing December, 2016	\$ 22,474	\$ 43,502
Debtenture for water and sewer, at 5.50%, \$20,764 annually including interest, maturing December, 2015	-	19,681
Debtenture for water and sewer, at 4.00%, payable at \$27,404 annually including interest, maturing December, 2015	-	26,350

\$ 22,474	\$ 89,533
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Debtenture long term debt

\$ 197,353	\$ 370,255
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The debtentures 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 Arborg Credit Union, \$15,000 annually plus interest at prime, maturing September, 2035.	194,392	205,342
Mortgage with Noventis Credit Union, \$11,040 annual blended payments including interest at 3.39%, maturing February, 2016.	3,958	7,885

\$ 395,703	\$ 583,482
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Principal payments required in each of the next five years are as follows:

2016	\$ 85,352
2017	49,184
2018	44,413
2019	45,913
2020	47,413

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

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 Canadian Institute of Chartered Accountants 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 \$24,803 (2014 - \$24,344) 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, 2015**

14. Accumulated Surplus

	<u>2015</u>	<u>2014</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	135,045	135,044
Utility operating fund - Nominal surplus	57,720	57,720
General capital fund - Capital surplus	2,900,875	2,765,164
Utility capital fund - Capital surplus	4,502,218	3,101,959
Reserve funds	<u>476,845</u>	<u>730,788</u>
	8,072,703	6,790,675
Deferred revenue - Reserves	<u>(19,415)</u>	<u>(38,612)</u>
Accumulated surplus of municipality unconsolidated	8,053,288	6,752,063
Accumulated surplus (deficit) of consolidated entities	<u>41,897</u>	<u>(30,907)</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 8,095,185</u>	<u>\$ 6,721,156</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, 2015:

a) Compensation paid to members of council amounted to \$26,348 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	\$ 6,324	\$ 4,835	\$ 11,159
Councillor - Larry Speiss	1,383	1,333	2,716
Councillor - Rob Thorsteinson	4,879	3,815	8,694
Councillor - Vivian Leduchowski	5,796	5,018	10,814
Councillor - Susan Bauernhuber	5,420	4,991	10,411
Councillor - Erica Bardarson	2,546	2,015	4,561
	<u>\$ 26,348</u>	<u>\$ 22,007</u>	<u>\$ 48,355</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	\$ 64,009
Bruce Swanson	Public Works Foreman	65,421
Marcel Sutyla	Assistant Public Works	55,534

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

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		Unamortized	
	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Water services	\$ 1,262,580	\$ 1,423,180	\$ 55,439	\$ 2,630,321
Sewer services	264,257	-	14,697	249,560
	<u>\$ 1,526,837</u>	<u>\$ 1,423,180</u>	<u>\$ 70,136</u>	<u>\$ 2,879,881</u>

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

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2015	2014
Cost										
Opening costs	2,742,849	1,715,695	1,032,512	6,356	26,256	1,188,822	6,169,420	-	12,881,910	12,587,910
Additions during the year	0	-	130,180	-	-	1,100,033	1,882,602	-	3,112,815	297,756
Transfer during the year	14,238	-	-	-	(26,256)	12,018	-	-	-	-
Disposals and adjustments	-	-	(383)	(148)	-	-	-	-	(531)	(3,756)
Closing costs	2,757,088	1,715,695	1,162,309	6,208	-	2,300,873	8,052,022	-	15,994,194	12,881,910
Accumulated Amortization										
Opening accum'd amortization	920,114	1,154,630	596,410	4,231	-	807,408	2,977,926	-	6,460,718	6,009,352
Amortization	80,390	45,148	94,347	1,546	-	63,237	160,259	-	444,927	455,122
Disposals and adjustments	-	-	(383)	(148)	-	-	-	-	(531)	(3,756)
Closing accum'd amortization	1,000,504	1,199,778	690,374	5,629	-	870,645	3,138,185	-	6,905,114	6,460,717
Net Book Value of Tangible Capital Assets	1,756,584	515,917	471,935	579	-	1,430,228	4,913,837	-	9,089,080	6,421,193

Town of Arborg

SCHEDULE 2

CONSOLIDATED SCHEDULE OF REVENUES

Year Ended December 31, 2015

	2015 Actual	2014 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 962,984	\$ 949,850
Taxes added	26,681	4,507
	<u>989,665</u>	<u>954,357</u>
Grants in lieu of taxation:		
Federal government	4,389	4,346
Federal government enterprises	1,158	1,147
Provincial government	15,471	16,104
Provincial government enterprises	58,428	57,864
	<u>79,446</u>	<u>79,461</u>
User fees		
Sales of service	215,289	253,644
Rentals	50,810	50,649
	<u>272,099</u>	<u>304,293</u>
Permits, licences and fines		
Licences	1,767	2,117
Fines	3,994	2,334
	<u>5,761</u>	<u>4,451</u>
Investment income:		
Cash and temporary investments	11,035	18,443
	<u>11,035</u>	<u>18,443</u>
Other revenue:		
Penalties and interest	16,349	15,263
Miscellaneous (specify):		
Donations	49,508	12,000
Sundry income	23,288	12,931
	<u>89,145</u>	<u>40,194</u>
Water and sewer (Schedule 4)	<u>320,805</u>	<u>312,674</u>
Grants - Province of Manitoba		
General assistance payment	182,745	182,745
Municipal program grants	21,685	21,685
Conditional grants	1,526,022	151,399
	<u>1,730,452</u>	<u>355,829</u>
Grants - other		
Federal government - gas tax funding	85,255	52,424
Other local governments	2,052	2,004
	<u>87,307</u>	<u>54,428</u>
Total revenue	<u><u>3,585,715</u></u>	<u><u>2,124,130</u></u>

Town of Arborg

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2015

	2015 Actual	2014 Actual
General government services:		
Legislative	21,399	\$ 23,452
General administrative	186,009	224,384
Other	76,593	73,121
	<u>284,001</u>	<u>320,957</u>
Protective services:		
Police	149,794	149,794
Fire	88,995	75,768
Emergency measures	6,621	8,530
Other protection	25,047	24,202
	<u>270,457</u>	<u>258,294</u>
Transportation services:		
Road transport	370,415	373,816
Road and street maintenance	23,353	22,185
Street lighting	393,768	396,001
Environmental health services:		
Waste collection and disposal	112,232	100,844
Other	10,463	50,040
	<u>122,695</u>	<u>150,884</u>
Public health and welfare services:		
Public health	42,757	34,347
Social assistance	4,016	4,016
	<u>46,773</u>	<u>38,363</u>
Regional planning and development		
Planning and zoning	12,187	8,157
Urban renewal	4,315	-
Beautification and land rehabilitation	8,997	75
	<u>25,499</u>	<u>8,232</u>
Resource conservation and industrial development		
Rural area weed control	3,130	2,354
Drainage of land	1,446	809
Veterinary services	2,500	2,500
Regional development	28,141	34,574
Other	4,342	2,307
	<u>39,559</u>	<u>42,544</u>
Recreation and cultural services:		
Administration	1,009	1,740
Parks and playgrounds	7,742	6,057
Other recreational facilities	378,447	365,214
Libraries	29,431	30,567
Other cultural facilities	-	-
	<u>416,629</u>	<u>403,578</u>
Water and sewer services (Schedule 4)	612,305	415,947
Total expenses	<u><u>2,211,686</u></u>	<u><u>2,034,800</u></u>

Town of Arborg

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2015

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ 851,178	\$ 871,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	79,446	79,461	-	-	-	-	-	-	-	-
User fees	58,363	52,486	7,536	3,820	3,677	5,454	44,068	74,938	-	-
Permits, licences and fines	147	202	4,194	2,589	-	-	-	-	-	-
Investment income	9,147	16,437	310	237	1,507	1,742	-	-	-	-
Other revenue	20,515	21,479	-	-	-	-	2,371	1,835	-	-
Water and sewer										
Prov of MB - Unconditional Grants	204,430	204,430	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	25,007	43,205	-	-	141,084	-	2,878	2,857	20,000	20,000
Grants - other	-	-	-	-	85,255	52,424	-	-	-	-
Total revenue	\$ 1,248,233	\$ 1,289,087	\$ 12,040	\$ 6,646	\$ 231,523	\$ 59,620	\$ 49,317	\$ 79,630	\$ 20,000	\$ 20,000
EXPENSES										
Personnel services	\$ 113,562	\$ 112,066	\$ 18,981	\$ 24,836	\$ 105,557	\$ 108,269	\$ 22,446	\$ 18,387	\$ -	\$ -
Contract services	88,329	84,038	172,241	165,129	525	415	41,315	38,037	-	-
Utilities	13,391	14,107	6,089	9,859	31,030	30,714	904	936	-	-
Maintenance materials and supplies	15,852	59,527	22,534	17,325	79,589	64,705	43,698	39,660	-	-
Grants and contributions	25,191	21,940	1,000	1,000	-	-	10,463	50,040	46,332	38,316
Amortization	20,766	20,563	21,044	20,746	160,229	167,020	3,870	3,824	-	-
Interest on long term debt	-	-	-	-	16,837	24,879	-	-	-	-
Other	6,908	8,711	28,570	19,400	-	-	-	-	442	47
Total expenses	\$ 283,999	\$ 320,952	\$ 270,459	\$ 258,295	\$ 393,767	\$ 396,002	\$ 122,696	\$ 150,884	\$ 46,774	\$ 38,363
Surplus (Deficit)	\$ 964,234	\$ 968,135	\$ (258,419)	\$ (251,649)	\$ (162,244)	\$ (336,382)	\$ (73,379)	\$ (71,254)	\$ (26,774)	\$ (18,363)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2015

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,487	\$ 82,969	\$ 989,665	\$ 954,356
Grants in lieu of taxation	-	-	-	-	-	-	-	-	79,446	79,461
User fees	-	-	-	-	158,454	167,595	-	-	272,098	304,293
Permits, licences and fines	-	-	1,420	1,660	-	-	-	-	5,761	4,451
Investment income	71	24	-	-	-	3	-	-	11,035	18,443
Other revenue	-	-	-	-	66,260	16,880	-	-	89,146	40,194
Water and sewer	-	-	-	-	-	-	320,805	312,674	320,805	312,674
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	204,430	204,430
Prov of MB - Conditional Grants	-	-	-	-	-	-	\$ 1,337,053	\$ 85,338	1,526,022	151,400
Grants - other	-	-	2,052	2,004	-	-	-	-	87,307	54,428
Total revenue	\$ 71	\$ 24	\$ 3,472	\$ 3,664	\$ 224,714	\$ 184,478	\$ 1,796,345	\$ 480,981	\$ 3,585,715	\$ 2,124,130
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 167,776	\$ 170,768	\$ 123,893	\$ 128,168	\$ 552,215	\$ 562,494
Contract services	9,813	85	4,756	4,690	42,375	36,656	16,872	14,870	376,226	343,920
Utilities	-	-	-	-	58,096	57,370	16,545	16,946	126,055	129,932
Maintenance materials and supplies	-	-	2,941	1,099	70,158	63,061	269,901	72,444	504,673	317,821
Grants and contributions	15,685	8,148	29,938	32,960	9,781	908	-	-	138,390	153,312
Amortization	-	-	-	-	56,498	54,615	160,259	166,095	422,666	432,863
Interest on long term debt	-	-	-	-	-	-	5,004	8,819	21,841	33,698
Other	-	-	1,924	3,797	11,945	20,201	19,831	8,604	69,620	60,760
Total expenses	\$ 25,498	\$ 8,233	\$ 39,559	\$ 42,546	\$ 416,629	\$ 403,579	\$ 612,305	\$ 415,946	\$ 2,211,686	\$ 2,034,800
Surplus (Deficit)	\$ (25,427)	\$ (8,209)	\$ (36,087)	\$ (38,882)	\$ (191,915)	\$ (219,101)	\$ 1,184,040	\$ 65,035	\$ 1,374,029	\$ 89,330

Town of Arborg

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2015

	Core Government		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014
REVENUE						
Property taxes	\$ 989,665	\$ 954,356	\$ -	\$ -	\$ 989,665	\$ 954,356
Grants in lieu of taxation	79,446	79,461	-	-	79,446	79,461
User fees	78,039	110,300	194,059	193,993	272,098	304,293
Permits, licences and fines	5,761	4,451	-	-	5,761	4,451
Investment income	11,035	18,440	-	3	11,035	18,443
Other revenue	20,515	21,479	68,631	18,715	89,146	40,194
Water and sewer	320,805	312,674	-	-	320,805	312,674
Prov of MB - Unconditional Grants	204,430	204,430	-	-	204,430	204,430
Prov of MB - Conditional Grants	1,501,015	108,195	25,007	43,205	1,526,022	151,400
Grants - other	87,307	54,428	-	-	87,307	54,428
Total revenue	\$ 3,298,018	\$ 1,868,214	\$ 287,697	\$ 255,916	\$ 3,585,715	\$ 2,124,130
EXPENSES						
Personnel services	\$ 399,626	\$ 408,346	\$ 152,589	\$ 154,148	\$ 552,215	\$ 562,494
Contract services	313,417	287,719	62,809	56,201	376,226	343,920
Utilities	70,310	75,223	55,745	54,709	126,055	129,932
Maintenance materials and supplies	433,046	248,876	71,627	68,945	504,673	317,821
Grants and contributions	129,856	152,149	8,534	1,163	138,390	153,312
Amortization	410,681	422,877	11,985	9,986	422,666	432,863
Interest on long term debt	21,841	33,698	-	-	21,841	33,698
Other	65,271	47,941	4,349	12,819	69,620	60,760
Total expenses	\$ 1,844,048	\$ 1,676,829	\$ 367,638	\$ 357,971	\$ 2,211,686	\$ 2,034,800
Surplus (Deficit)	\$ 1,453,970	\$ 191,385	\$ (79,941)	\$ (102,055)	\$ 1,374,029	\$ 89,330

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

SCHEDULE 6

	2015							
	General	Economic Development	Gas Tax	Building	Sidewalk Renewal	Equipment Replacement	Fire	Paving
REVENUE								
Investment income	\$ 1,642	\$ 71	\$ 238	\$ 72	\$ -	\$ 368	\$ 206	\$ 1,139
Other income	-	-	-	-	-	-	-	-
Total revenue	1,642	71	238	72	-	368	206	1,139
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	1,642	71	238	72	-	368	206	1,139
TRANSFERS								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from general operating	-	20,000	65,664	20,000	-	43,835	10,000	-
Transfers to general operating	-	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-	-
Transfers to utility operating	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(85,255)	-	-	-	-	(128,349)
CHANGE IN RESERVE FUND BALANCES	1,642	20,071	(19,353)	20,072	-	44,203	10,206	(127,210)
FUND SURPLUS, BEGINNING OF YEAR	201,339	24	19,569	156	-	40,810	20,892	147,702
FUND SURPLUS, END OF YEAR	\$ 202,981	\$ 20,095	\$ 216	\$ 20,228	\$ -	\$ 85,013	\$ 31,097	\$ 20,492

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

SCHEDULE 6

	2015						2014	
	Walking	Handi-van	ABFD	Library	Age Friendly Initiative	Utility Replacement	Total	Total
REVENUE								
Investment income	\$ 94	\$ 155	\$ 105	\$ -	\$ -	\$ 2,128	\$ 6,218	\$ 8,248
Other income	-	-	-	-	-	-	-	3,426
NET REVENUES	94	155	105	-	-	2,128	6,218	11,674
TRANSFERS								
Transfers from general operating	-	-	5,688	-	-	-	165,187	120,324
Transfers to general operating	-	-	-	-	-	-	-	(19,324)
Transfers from utility operating	-	-	-	-	-	23,887	23,887	-
Transfers to utility operating	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(3,375)	-	-	(240,105)	(457,084)	(88,249)
CHANGE IN RESERVE FUND BALANCES	94	155	2,417	-	-	(214,090)	(261,792)	24,425
FUND SURPLUS, BEGINNING OF YEAR	11,550	19,043	8,837	-	-	260,867	730,788	706,363
FUND SURPLUS, END OF YEAR	\$ 11,644	\$ 19,199	\$ 11,254	\$ -	\$ -	\$ 46,777	\$ 468,997	\$ 730,788

SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2015

	Total	
	2015	2014
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 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2015

	2015	2014
Total	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 1,296,544	\$ 58,312
Due from other funds	-	11,044
	<u>\$ 1,296,544</u>	<u>\$ 69,356</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 12,175	\$ 11,636
Long-term debt (Note 10)	22,474	89,534
Due to other funds	1,615,793	-
	<u>1,650,442</u>	<u>101,170</u>
NET DEBT	<u>\$ (353,898)</u>	<u>\$ (31,814)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 4,913,836</u>	<u>\$ 3,191,494</u>
FUND SURPLUS	<u>\$ 4,559,938</u>	<u>\$ 3,159,680</u>

SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2015

	2015 Budget	2015 Actual	2014 Actual
REVENUE			
Water			
Water fees	\$ 185,150	\$ 192,310	\$ 183,354
sub-total- water	<u>185,150</u>	<u>192,310</u>	<u>183,354</u>
Sewer			
Sewer fees	62,650	65,537	61,878
Lagoon tipping fees	3,449	3,449	3,449
sub-total- sewer	<u>66,099</u>	<u>68,986</u>	<u>65,327</u>
Property taxes	<u>383,487</u>	<u>138,487</u>	<u>82,969</u>
Government transfers			
Government transfers - capital	1,437,867	1,337,053	85,338
sub-total- government transfers	<u>1,437,867</u>	<u>1,337,053</u>	<u>85,338</u>
Other			
Hydrant rentals	19,400	19,400	19,400
Connection charges	1,625	682	5,627
Penalties	1,400	1,368	1,526
Other income	36,021	38,059	37,440
sub-total- other	<u>58,446</u>	<u>59,509</u>	<u>63,993</u>
Total revenue	<u>2,131,049</u>	<u>1,796,345</u>	<u>480,981</u>
EXPENSES			
General			
Administration	90,632	71,267	68,830
Training costs	750	423	637
Billing and collection	3,913	3,962	3,238
sub-total- general	<u>95,295</u>	<u>75,652</u>	<u>72,705</u>
Water			
Purification and treatment	16,500	25,903	24,425
Transmission and distribution	109,935	250,967	51,132
Service and other supply costs	59,530	57,987	49,308
Connection costs	1,000	-	4,436
sub-total- water general	<u>186,965</u>	<u>334,857</u>	<u>129,301</u>
Water Amortization & Interest			
Amortization	126,191	126,191	124,061
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>126,191</u>	<u>126,191</u>	<u>124,061</u>
Sewer			
Collection system costs	37,480	30,045	33,447
Treatment and disposal cost	1,200	1,909	1,190
Lift Station costs	5,055	4,579	4,390
sub-total- sewer general	<u>43,735</u>	<u>36,533</u>	<u>39,027</u>
Sewer Amortization & Interest			
Amortization	34,068	34,068	42,034
Interest on long term debt	5,004	5,004	8,819
sub-total- sewer amortization & interest	<u>39,072</u>	<u>39,072</u>	<u>50,853</u>
Total expenses	<u>491,258</u>	<u>612,305</u>	<u>415,947</u>
NET REVENUES	<u>1,639,791</u>	<u>1,184,040</u>	<u>65,034</u>
TRANSFERS			
Transfers from (to) reserve funds	-	216,218	24,712
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1,639,791</u>	<u>1,400,258</u>	<u>89,746</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>3,159,680</u>	<u>3,069,934</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,559,938</u>	<u>\$ 3,159,680</u>

Town of Arborg

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2015

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 966,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 966,747
Grants in lieu of taxation	79,446	-	-	-	-	-	-	79,446
User fees	73,241	-	-	-	-	-	194,059	267,300
Permits, licences and fines	4,025	-	-	-	-	-	-	4,025
Investment income	9,000	-	-	-	-	-	-	9,000
Other revenue	2,038	-	-	-	-	-	68,631	70,669
Water and sewer		309,695	-	-	-	-	-	309,695
Grants - Province of Manitoba	299,787	1,437,867	-	-	-	-	25,007	1,762,661
Grants - other	61,312	-	-	-	-	-	-	61,312
Transfers from General		383,487	-	-	(383,487)	-	-	-
Transfers from reserves	293,750	245,000	-	-	(538,750)	-	-	-
Total revenue	<u>\$ 1,789,346</u>	<u>\$ 2,376,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (922,237)</u>	<u>\$ -</u>	<u>\$ 287,697</u>	<u>\$ 3,530,855</u>
EXPENSES								
General government services	\$ 286,413	\$ -	\$ 20,766	\$ 6,000	\$ 1,220	\$ -	\$ -	\$ 314,399
Protective services	243,495	-	21,044	-	-	-	-	264,539
Transportation services	227,050	-	160,229	16,837	-	-	-	404,116
Environmental health services	93,263	-	-	-	-	-	32,123	125,386
Public health and welfare services	40,070	-	-	-	-	-	-	40,070
Regional planning and development	32,896	-	-	-	-	-	-	32,896
Resource cons and industrial dev	42,272	-	-	-	-	-	-	42,272
Recreation and cultural services	187,483	-	48,383	-	-	-	182,768	418,634
Water and sewer services		325,995	160,259	5,004	-	-	-	491,258
Fiscal services:								
Transfer to capital	235,520	1,732,867	(1,968,387)	-	-	-	-	-
Debt charges	123,343	72,187	-	(195,530)	-	-	-	-
Short term interest	6,000	-	-	(6,000)	-	-	-	-
Transfer to Utility	138,517	-	-	-	(138,517)	-	-	-
Transfer to reserves	131,804	245,000	-	-	(376,804)	-	-	-
Allowance for tax assets	1,220	-	-	-	(1,220)	-	-	-
Total expenses	<u>\$ 1,789,346</u>	<u>\$ 2,376,049</u>	<u>\$ (1,557,706)</u>	<u>\$ (173,689)</u>	<u>\$ (515,321)</u>	<u>\$ -</u>	<u>\$ 214,891</u>	<u>\$ 2,133,570</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,557,706</u>	<u>\$ 173,689</u>	<u>\$ (406,916)</u>	<u>\$ -</u>	<u>\$ 72,806</u>	<u>\$ 1,397,285</u>

SCHEDULE 11

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

	2015	2014
Balance, beginning of year	\$ 83,281	\$ 77,774
Add:		
Tax levy (Schedule 12)	1,498,929	1,472,089
Taxes added	26,681	4,507
Penalties or interest	16,349	9,949
Other accounts added	5,126	3,538
	1,547,085	1,490,083
Deduct:		
Cash collections	1,320,470	1,266,283
Writeoffs	-	1,175
M.P.T.C. - cash advance	215,247	217,118
	1,535,717	1,484,576
Sub-total		
	\$ 94,649	\$ 83,281
Balance, end of year		

Town of Arborg

SCHEDULE 12

ANALYSIS OF TAX LEVY
Year Ended December 31, 2015

	2015		2014		
	Assessment	Mill Rate	Levy	Levy	
Debt charges:					
L.I.D.	General & Utility	46,374,580	3.955	183,411	177,364
At large		-	0.000	-	9,359
Reserves:					
Machinery replacement		37,562,790	0.250	9,391	-
Fire		37,562,790	0.250	9,391	9,359
Building		37,562,790	0.495	18,594	-
Economic		37,562,790	0.495	18,594	-
General municipal		37,562,790	19.252	723,159	753,252
Special levies:					
Cable fees		-	-	444	516
Rounding				-	
Total municipal taxes (Schedule 2)			962,984	949,850	
Education support levy		10,057,930	11.610	116,773	113,736
Special levy:					
Evergreen SD #22		35,817,520	11.703	419,172	408,503
Adjustments of school levy to municipal taxes				-	
Total education taxes			535,945	522,239	
			\$ 1,498,929	\$ 1,472,089	

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

SCHEDULE 13

	2015			2014
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 9,243	\$ 143,232	\$ (129,273)	\$ 9,243
Special levies				
Evergreen SD #22	17,598	463,383	(412,493)	17,598
Sub-total	17,598	463,383	(412,493)	17,598
Total	\$ 26,841	\$ 606,615	\$ (541,766)	\$ 26,841

Town of Arborg

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2015

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 21,399	\$ 23,452
General administrative	186,009	224,384
Other	76,590	73,119
	<u>283,998</u>	<u>320,955</u>
Protective services:		
Police	149,794	149,794
Fire	88,995	75,768
Emergency measures	6,621	8,530
Other protection	25,047	24,202
	<u>270,457</u>	<u>258,294</u>
Transportation services:		
Road transport	370,415	373,816
Road and street maintenance	23,353	22,185
Street lighting	393,768	396,001
	<u>370,415</u>	<u>373,816</u>
Environmental health services:		
Waste collection and disposal	80,109	69,111
Other	10,463	50,040
	<u>90,572</u>	<u>119,151</u>
Public health and welfare services:		
Public health	42,757	34,347
Social assistance	4,016	4,016
	<u>46,773</u>	<u>38,363</u>
Regional planning and development		
Planning and zoning	12,187	8,157
Urban renewal	4,315	4,831
Beautification and land rehabilitation	8,997	75
	<u>25,499</u>	<u>13,063</u>
Resource conservation and industrial development		
Rural area weed control	3,130	2,354
Drainage of land	1,446	809
Veterinary services	2,500	2,500
Regional development	28,141	34,574
Other	4,342	2,307
	<u>39,559</u>	<u>42,544</u>
Recreation and cultural services:		
Administration	1,009	1,740
Parks and playgrounds	7,742	6,057
Other recreational facilities	208,987	206,217
Libraries	16,123	15,551
Other cultural facilities	-	-
	<u>233,861</u>	<u>229,565</u>
Total expenses	<u>1,384,487</u>	<u>1,417,936</u>

Town of Arborg

SCHEDULE 15

SCHEDULE OF DEBENTURES PENDING

Year Ended December 31, 2015

Authority	Purpose	Source of Funds	Authorized	Expended
5-2004	Road paving	Accounts payable	181,000	78,662
3-2014	Road Paving	Accounts payable	916,330	823,000
4-2014	Water Main renewal	Accounts payable	503,933	389,145
			<u>\$ 1,601,263</u>	<u>\$ 1,290,807</u>

Town of Arborg

SCHEDULE 16

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2015

	General	2015 Utility	Total	2014 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 2	\$ -	\$ 2	\$ 53
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - amortization of tangible capital assets	(250,422)	(160,259)	(410,681)	(422,876)
Eliminate expense - acquisitions of tangible capital assets	280,290	1,493,457	1,773,747	256,936
Reserve:				
Increase revenue - reserve funds interest	6,218		6,218	8,250
Eliminate expense - transfers to reserves	173,036	23,887	196,923	123,749
Eliminate revenue - transfers from reserves to operating funds	(216,979)	(240,105)	(457,084)	(107,575)
Deferred Revenue:				
Increase revenue - decrease in deferred revenue - Gas Tax	19,353		19,353	(19,569)
Decrease revenue - increase in deferred revenue - Handi Van	(155)		(155)	(217)
Other:				
Eliminate expense - repayment of principal portion of long term debt	105,842	67,060	172,902	195,578
	<u>117,185</u>	<u>1,184,040</u>	<u>1,301,225</u>	<u>34,329</u>
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	72,804	-	72,804	55,001
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 189,989</u>	<u>\$ 1,184,040</u>	<u>\$ 1,374,029</u>	<u>\$ 89,330</u>