

Town of Arborg

**Consolidated Financial Statements
Year ended December 31, 2017**

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, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2017, 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, 2017, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

Winnipeg, Canada
December 14, 2018



Chambers Fraser
Chartered Professional Accountants

Town of Arborg

Consolidated Financial Statements

Year ended December 31, 2017

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Town of Arborg
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,023,033	\$ 855,183
Amounts receivable (Note 4)	398,535	626,907
Inventories for sale (Note 5)	<u>119,583</u>	<u>119,583</u>
	<u>\$ 1,541,151</u>	<u>\$ 1,601,672</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 444,961	\$ 790,276
Deferred revenue (Note 7)	76,992	125,139
Landfill closure and post closure liabilities (Note 8)	21,657	20,772
Long-term debt (Note 9)	<u>1,502,858</u>	<u>1,618,379</u>
	<u>2,046,468</u>	<u>2,554,566</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (505,318)</u>	<u>\$ (952,894)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 9,031,950	\$ 9,314,963
Prepaid expenses	<u>13,788</u>	<u>23,864</u>
	<u>9,045,738</u>	<u>9,338,827</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 8,540,421</u>	<u>\$ 8,385,933</u>

Approved on behalf of Council:

Peter Dueck - Mayor

Ron Johnston - Deputy Mayor

Town of Arborg
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2017

	<u>2017 Budget (Note 12)</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUE			
Property taxes	\$ 1,032,992	\$ 1,030,614	\$ 1,002,070
Grants in lieu of taxation	72,451	72,451	76,465
User fees	301,845	321,807	267,784
Permits, licences and fines	2,833	3,826	2,373
Investment income	4,500	11,706	9,011
Other revenue	109,403	117,897	90,616
Water and sewer	377,235	434,351	389,390
Grants - Province of Manitoba	568,690	307,615	608,383
Grants - other	123,071	188,125	33,834
	<u>2,593,020</u>	<u>2,488,392</u>	<u>2,479,926</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	299,652	274,758	254,336
Protective services	286,711	267,666	284,624
Transportation services	431,454	422,797	435,565
Environmental health services	154,964	151,047	139,691
Public health and welfare services	164,485	147,360	46,018
Regional planning and development	22,700	18,911	26,054
Resource conservation and industrial development	60,415	101,664	51,610
Recreation and cultural services	489,930	481,098	445,648
Water and sewer services	507,424	468,603	505,632
	<u>2,417,735</u>	<u>2,333,904</u>	<u>2,189,178</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ 175,285</u>	<u>154,488</u>	<u>290,748</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>8,385,933</u>	<u>8,095,185</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,540,421</u>	<u>\$ 8,385,933</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, 2017

	<u>2017 Budget (Note 12)</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
ANNUAL SURPLUS	\$ 175,285	\$ 154,488	\$ 290,748
Acquisition of tangible capital assets	(679,117)	(220,999)	(743,055)
Amortization of tangible capital assets	504,012	504,012	507,551
Write down of capital assets			9,623
Decrease (increase) in prepaid expense		10,076	(14,082)
	<u>(175,105)</u>	<u>293,089</u>	<u>(239,963)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 180</u>	447,577	50,785
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>(952,894)</u>	<u>(1,003,677)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ (505,317)</u>	<u>\$ (952,893)</u>

The accompanying notes are an integral part of this financial statement

Town of Arborg
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 154,488	\$ 290,748
Changes in non-cash items:		
Amounts receivable	228,372	1,043,113
Prepays	10,074	(14,082)
Accounts payable and accrued liabilities	(345,315)	(1,462,274)
Deferred revenue	(48,148)	59,451
Landfill closure and post closure liabilities	885	(6,793)
Write down of capital assets	-	9,623
Amortization	504,012	507,551
Cash provided by operating transactions	<u>504,368</u>	<u>427,337</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(220,999)</u>	<u>(743,055)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	34,600	1,348,231
Debt repayment	<u>(150,120)</u>	<u>(125,555)</u>
Cash applied to financing transactions	<u>(115,520)</u>	<u>1,222,676</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	167,849	906,958
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>855,184</u>	<u>(51,774)</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 1,023,033</u></u>	<u><u>\$ 855,184</u></u>
CASH , TEMPORARY INVESTMENTS AND TEMPORARY BORROWINGS CONSIST OF:		
Cash and temporary investments (Note 3)	<u><u>\$ 1,023,033</u></u>	<u><u>\$ 855,183</u></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, 2017

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%) (2016 – consolidated 50%)
BAR Waste Authority Co-op Inc. (consolidated 38%) (2016 – consolidated 38%)
Evergreen Public Library (consolidated 10%) (2016 – 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, 2017

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, 2017

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>2017</u>	<u>2016</u>
Cash	\$ 1,023,033	\$ 855,183
Temporary Investments	<u>-</u>	<u>-</u>
	<u>\$ 1,023,033</u>	<u>\$ 855,183</u>

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

Designated Reserve Funds	<u>\$ 802,261</u>	<u>\$ 588,802</u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2017</u>	<u>2016</u>
Taxes on roll (Schedule 11)	\$ 104,696	\$ 98,301
Government grants	118,040	352,389
Utility customers	90,332	82,008
Organizations and individuals	28,832	65,809
Other governments	63,829	34,934
	<u>405,729</u>	<u>633,441</u>
Less allowances for doubtful amounts	<u>(7,194)</u>	<u>(6,534)</u>
	<u>\$ 398,535</u>	<u>\$ 626,907</u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

5. Inventories

Inventories for sale:

	<u>2017</u>	<u>2016</u>
Land	<u>\$ 119,583</u>	<u>\$ 119,583</u>
	<u><u>\$ 119,583</u></u>	<u><u>\$ 119,583</u></u>

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	<u>\$ 370,914</u>	<u>\$ 725,506</u>
Accrued expenses	<u>44,306</u>	<u>36,271</u>
Accrued interest payable	<u>-</u>	<u>580</u>
School levies (Schedule 13)	<u>29,741</u>	<u>27,919</u>
Other governments	<u>-</u>	<u>-</u>
	<u><u>\$ 444,961</u></u>	<u><u>\$ 790,276</u></u>

7. Deferred Revenue:

	<u>2017</u>	<u>2016</u>
Federal Gas Tax Funding	<u>\$ 19,239</u>	<u>\$ 62,644</u>
Handi-Transit Vehicle Replacement Funding	<u>16,027</u>	<u>19,350</u>
	<u>35,266</u>	<u>81,994</u>
Other	<u>41,726</u>	<u>43,145</u>
	<u><u>\$ 76,992</u></u>	<u><u>\$ 125,139</u></u>

8. 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 31,2017, a discount rate of 1.125% (2016 - 1.442%) was applied to future cash outflows related to the closure and post-closure costs to calculate the liability.

	<u>2017</u>	<u>2016</u>
Total landfill closure and post closure liabilities	<u><u>\$ 21,657</u></u>	<u><u>\$ 20,772</u></u>

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

9. Long Term Debt

	<u>2017</u>	<u>2016</u>
General Authority:		
Debenture for paving, at 5.38%, \$36,161 annually including interest, maturing December, 2020	\$ 97,787	\$ 127,115
Debenture for paving, at 5.25%, \$6,685 annually including interest, maturing December, 2017	-	6,352
Debenture for paving, at 3.75%, \$72,733 annually including interest, maturing December, 2030	737,688	781,129
	<u>\$ 835,475</u>	<u>\$ 914,596</u>
Utility Funds:		
Debenture for water and sewer, at 2.75%, \$7,501 annually including interest, maturing December, 2021	\$ 28,050	\$ -
Debenture for water and sewer, at 3.75%, \$33,152 annually including interest, maturing December, 2030	348,806	369,347
	<u>\$ 376,856</u>	<u>\$ 369,347</u>
Debenture long term debt	\$ 1,212,331	\$ 1,283,943
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.	232,052	270,495
Term promissory note with Noventis Credit Union, \$20,750 annual plus interest at 4.0%, maturing November 2026.	58,475	63,941
	<u>\$ 1,502,858</u>	<u>\$ 1,618,379</u>

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

2018	\$ 130,690
2019	137,209
2020	144,497
2021	96,636
2022	89,593

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law # 5-2004	Road paving	\$ 181,000.00

10. Retirement Benefits

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

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 are expected to be **\$18,391** (2016 - \$22,509) 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, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 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, 2016.

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

11. Financial Instruments

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

12. Budget

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

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

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

13. Accumulated Surplus

	<u>2017</u>	<u>2016</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	134,551	134,551
Utility operating fund - Nominal surplus	61,947	57,733
General capital fund - Capital surplus	2,854,411	2,839,885
Utility capital fund - Capital surplus	4,537,846	4,759,499
Reserve funds	<u>835,739</u>	<u>620,026</u>
	<u>8,424,494</u>	<u>8,411,694</u>
Deferred revenue - Reserves	<u>(35,266)</u>	<u>(102,994)</u>
Accumulated surplus of municipality unconsolidated	8,389,228	8,308,700
Accumulated surplus (deficit) of consolidated entities	<u>151,193</u>	<u>77,233</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 8,540,421</u>	<u>\$ 8,385,933</u>

14. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2017:

- a) Compensation paid to members of council amounted to \$25,881 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Randy Sigurdson	\$ 6,642	\$ 5,485	\$ 12,127
Councillor - Larry Speiss	4,946	3,673	8,619
Councillor - Rob Thorsteinson	4,620	3,102	7,722
Councillor - Vivian Leduchowski	5,142	4,186	9,328
Councillor - Susan Bauernhuber	<u>4,531</u>	<u>3,435</u>	<u>7,966</u>
	<u>\$ 25,881</u>	<u>\$ 19,881</u>	<u>\$ 45,762</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	\$ 67,248
Bruce Swanson	Public Works Foreman	62,170

Town of Arborg
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

15. Public Utilities Board

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

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

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	\$ 2,839,043	\$ -	\$ 108,260	\$ 2,730,783
Sewer services	231,863	-	14,697	217,166
	\$ 3,070,906	\$ -	\$ 122,957	\$ 2,947,949

16. Comparative Figures

Certain comparative figures have been revised to conform with current years presentation.

Town of Arborg
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2017

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	2017	2016
Cost										
Opening costs	2,816,444	1,715,695	1,270,223	6,199	-	2,321,143	8,529,493	-	16,659,197	15,994,197
Additions during the year	158,490	-	54,731	5,186	-	-	2,593	-	220,999	743,055
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and adjustments	-	-	-	(4,868)	-	-	(2,434)	-	(7,302)	(78,055)
Closing costs	<u>2,974,933</u>	<u>1,715,695</u>	<u>1,324,954</u>	<u>6,517</u>	<u>-</u>	<u>2,321,143</u>	<u>8,529,652</u>	<u>-</u>	<u>16,872,894</u>	<u>16,659,197</u>
Accumulated Amortization										
Opening accum'd amortization	1,072,001	1,231,595	707,368	5,689	-	961,533	3,366,047	-	7,344,233	6,905,115
Amortization	83,688	27,522	49,112	997	-	91,356	251,337	-	504,012	507,551
Disposals and adjustments	-	-	-	(4,868)	-	-	(2,434)	-	(7,302)	(68,432)
Closing accum'd amortization	<u>1,155,688</u>	<u>1,259,117</u>	<u>756,480</u>	<u>1,819</u>	<u>-</u>	<u>1,052,889</u>	<u>3,614,950</u>	<u>-</u>	<u>7,840,944</u>	<u>7,344,234</u>
Net Book Value of Tangible Capital Assets	<u>1,819,245</u>	<u>456,578</u>	<u>568,473</u>	<u>4,698</u>	<u>-</u>	<u>1,268,253</u>	<u>4,914,702</u>	<u>-</u>	<u>9,031,950</u>	<u>9,314,963</u>

Town of Arborg
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2017

SCHEDULE 2

	<u>2017 Actual</u>	<u>2016 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,022,992	\$ 991,434
Taxes added	7,622	10,636
	<u>1,030,614</u>	<u>1,002,070</u>
Grants in lieu of taxation:		
Federal government	2,888	3,855
Federal government enterprises	-	-
Provincial government	13,764	18,163
Provincial government enterprises	55,799	54,447
	<u>72,451</u>	<u>76,465</u>
User fees		
Sales of service	241,408	215,777
Sales of goods	19,825	100
Rentals	60,574	51,907
	<u>321,807</u>	<u>267,784</u>
Permits, licences and fines		
Licences	2,273	1,972
Fines	1,553	401
	<u>3,826</u>	<u>2,373</u>
Investment income:		
Cash and temporary investments	11,706	9,011
	<u>11,706</u>	<u>9,011</u>
Other revenue:		
Penalties and interest	15,815	14,453
Miscellaneous (specify):		
Donations	86,477	62,973
Sundry income	15,605	13,190
	<u>117,897</u>	<u>90,616</u>
Water and sewer (Schedule 4)	<u>434,351</u>	<u>389,390</u>
Grants - Province of Manitoba		
General assistance payment	184,225	182,745
Municipal program grants	22,681	21,685
Conditional grants	100,709	403,953
	<u>307,615</u>	<u>608,383</u>
Grants - other		
Federal government - gas tax funding	131,465	-
Federal government - other	52,664	31,825
Other local governments	3,996	2,009
	<u>188,125</u>	<u>33,834</u>
Total revenue	<u><u>2,488,392</u></u>	<u><u>2,479,926</u></u>

Town of Arborg
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2017

SCHEDULE 3

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
General government services:		
Legislative	22,881	\$ 22,464
General administrative	188,683	175,419
Other	63,194	56,453
	<u>274,758</u>	<u>254,336</u>
Protective services:		
Police	149,794	149,794
Fire	89,796	101,629
Emergency measures	7,490	5,401
Other protection	20,586	27,800
	<u>267,666</u>	<u>284,624</u>
Transportation services:		
Road transport		
Road and street maintenance	396,930	413,059
Street lighting	25,867	22,506
	<u>422,797</u>	<u>435,565</u>
Environmental health services:		
Waste collection and disposal	137,400	125,730
Other	13,647	13,961
	<u>151,047</u>	<u>139,691</u>
Public health and welfare services:		
Public health	143,344	42,002
Social assistance	4,016	4,016
	<u>147,360</u>	<u>46,018</u>
Regional planning and development		
Planning and zoning	10,700	11,300
Urban renewal	4,532	11,038
Beautification and land rehabilitation	3,679	3,716
	<u>18,911</u>	<u>26,054</u>
Resource conservation and industrial development		
Rural area weed control	2,676	2,668
Drainage of land	2,131	1,399
Veterinary services	2,500	2,500
Regional development	92,905	43,039
Other	1,452	2,004
	<u>101,664</u>	<u>51,610</u>
Recreation and cultural services:		
Administration	-	-
Parks and playgrounds	9,414	4,077
Other recreational facilities	423,054	413,995
Libraries	48,630	27,576
	<u>481,098</u>	<u>445,648</u>
Water and sewer services (Schedule 4)	<u>468,603</u>	<u>505,632</u>
Total expenses	<u><u>2,333,904</u></u>	<u><u>2,189,178</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2017

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ 988,802	\$ 944,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	72,451	76,465	-	-	-	-	-	-	-	-
User fees	61,729	53,628	1,645	4,315	3,210	4,206	53,863	50,485	19,825	-
Permits, licences and fines	183	142	1,803	571	-	-	-	-	-	-
Investment income	9,267	7,789	500	348	1,739	715	-	-	-	-
Other revenue	33,228	32,177	-	-	-	-	2,092	7,730	-	-
Water and sewer										
Prov of MB - Unconditional Grants	206,906	204,430	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	33,202	46,839	11,506	13,981	26,332	-
Grants - other	-	31,825	-	-	131,465	-	-	-	52,664	-
Total revenue	<u>\$ 1,372,566</u>	<u>\$ 1,351,354</u>	<u>\$ 3,948</u>	<u>\$ 5,234</u>	<u>\$ 169,616</u>	<u>\$ 51,760</u>	<u>\$ 67,461</u>	<u>\$ 72,196</u>	<u>\$ 98,821</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 122,995	\$ 119,005	\$ 19,462	\$ 18,522	\$ 103,705	\$ 105,747	\$ 26,184	\$ 25,265	\$ -	\$ -
Contract services	82,210	78,083	180,347	175,930	472	680	52,909	44,322	530	-
Utilities	12,918	12,125	5,493	5,297	33,230	29,843	965	893	-	-
Maintenance materials and supplies	18,918	11,838	18,975	37,761	86,702	87,840	48,586	48,739	-	-
Grants and contributions	18,515	26,765	1,000	1,000	-	-	13,647	13,961	146,739	45,386
Amortization	2,584	6,014	19,746	23,293	162,811	176,435	8,757	6,512	-	-
Interest on long term debt	-	-	-	-	35,878	35,020	-	-	-	-
Other	16,614	505	22,644	22,821	-	-	-	-	91	633
Total expenses	<u>\$ 274,754</u>	<u>\$ 254,335</u>	<u>\$ 267,667</u>	<u>\$ 284,624</u>	<u>\$ 422,798</u>	<u>\$ 435,565</u>	<u>\$ 151,048</u>	<u>\$ 139,692</u>	<u>\$ 147,360</u>	<u>\$ 46,019</u>
Surplus (Deficit)	<u>\$ 1,097,812</u>	<u>\$ 1,097,019</u>	<u>\$ (263,719)</u>	<u>\$ (279,390)</u>	<u>\$ (253,182)</u>	<u>\$ (383,805)</u>	<u>\$ (83,587)</u>	<u>\$ (67,496)</u>	<u>\$ (48,539)</u>	<u>\$ (46,019)</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, 2017

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,811	\$ 57,171	\$ 1,030,613	\$ 1,002,069
Grants in lieu of taxation	-	-	-	-	-	-	-	-	72,451	76,465
User fees	-	-	-	-	181,535	155,149	-	-	321,807	267,783
Permits, licences and fines	-	-	1,840	1,660	-	-	-	-	3,826	2,373
Investment income	201	158	-	-	-	-	-	-	11,707	9,010
Other revenue	-	-	-	-	82,577	50,711	-	-	117,897	90,618
Water and sewer	-	-	-	-	-	-	434,351	389,390	434,351	389,390
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	206,906	204,430
Prov of MB - Conditional Grants	-	-	-	-	29,669	26,768	-	316,366	100,709	403,954
Grants - other	-	-	2,056	2,009	1,940	-	-	-	188,125	33,834
Total revenue	\$ 201	\$ 158	\$ 3,896	\$ 3,669	\$ 295,721	\$ 232,628	\$ 476,162	\$ 762,927	\$ 2,488,392	\$ 2,479,926
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 184,589	\$ 176,393	\$ 127,203	\$ 127,059	\$ 584,138	\$ 571,991
Contract services	3,679	3,716	2,707	3,701	43,353	39,741	22,222	21,653	388,429	367,826
Utilities	-	-	-	-	66,495	58,879	17,075	16,268	136,176	123,305
Maintenance materials and supplies	-	-	1,077	1,008	99,294	66,348	28,109	79,708	301,661	333,242
Grants and contributions	15,232	22,338	88,298	32,613	3,103	26,435	-	-	286,534	168,498
Amortization	-	-	-	-	70,696	56,587	251,337	238,710	515,931	507,551
Interest on long term debt	-	-	-	-	-	-	14,721	14,767	50,599	49,787
Other	-	-	9,582	14,288	13,569	21,264	7,936	7,467	70,436	66,978
Total expenses	\$ 18,911	\$ 26,054	\$ 101,664	\$ 51,610	\$ 481,099	\$ 445,647	\$ 468,603	\$ 505,632	\$ 2,333,904	\$ 2,189,178
Surplus (Deficit)	\$ (18,710)	\$ (25,896)	\$ (97,768)	\$ (47,941)	\$ (185,378)	\$ (213,019)	\$ 7,559	\$ 257,295	\$ 154,488	\$ 290,748

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2017

	Core Government		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016
REVENUE						
Property taxes	\$ 1,030,613	\$ 1,002,069	\$ -	\$ -	\$ 1,030,613	\$ 1,002,069
Grants in lieu of taxation	72,451	76,465	-	-	72,451	76,465
User fees	96,556	73,610	225,251	194,173	321,807	267,783
Permits, licences and fines	3,826	2,373	-	-	3,826	2,373
Investment income	11,707	9,010	-	-	11,707	9,010
Other revenue	33,228	32,177	84,669	58,441	117,897	90,618
Water and sewer	434,351	389,390			434,351	389,390
Prov of MB - Unconditional Grants	206,906	204,430			206,906	204,430
Prov of MB - Conditional Grants	71,040	377,186	29,669	26,768	100,709	403,954
Grants - other	186,185	33,834	1,940	-	188,125	33,834
Total revenue	\$ 2,146,863	\$ 2,200,544	\$ 341,529	\$ 279,382	\$ 2,488,392	\$ 2,479,926
EXPENSES						
Personnel services	\$ 412,149	\$ 410,560	\$ 171,989	\$ 161,431	\$ 584,138	\$ 571,991
Contract services	317,700	306,639	70,729	61,187	388,429	367,826
Utilities	71,873	66,612	64,303	56,693	136,176	123,305
Maintenance materials and supplies	225,342	261,162	76,319	72,080	301,661	333,242
Grants and contributions	286,409	143,310	125	25,188	286,534	168,498
Amortization	486,669	492,380	29,262	15,171	515,931	507,551
Interest on long term debt	50,599	49,787	-	-	50,599	49,787
Other	62,848	61,933	7,588	5,045	70,436	66,978
Total expenses	\$ 1,913,589	\$ 1,792,383	\$ 420,315	\$ 396,795	\$ 2,333,904	\$ 2,189,178
Surplus (Deficit)	\$ 233,274	\$ 408,161	\$ (78,786)	\$ (117,413)	\$ 154,488	\$ 290,748

Town of Arborg
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2017

SCHEDULE 6

	2017							
	General	Economic Development	Gas Tax	Building	Sidewalk Renewal	Equipment Replacement	Fire	Paving
REVENUE								
Investment income	\$ 2,030	\$ 201	\$ 877	\$ 282	\$ -	\$ 1,403	\$ 395	\$ 3
Other income	-	-	-	-	-	-	-	-
NET REVENUES	2,030	201	877	282	-	1,403	395	3
TRANSFERS								
Transfers from general operating	-	-	62,971	-	-	20,000	7,500	-
Transfers to general operating	(7,283)	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(131,465)	(8,025)	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(5,253)	201	(67,617)	(7,743)	-	21,403	7,895	3
FUND SURPLUS, BEGINNING OF YEAR	204,582	20,254	83,644	28,388	-	127,647	34,608	304
FUND SURPLUS, END OF YEAR	\$ 199,328	\$ 20,455	\$ 16,027	\$ 20,645	\$ -	\$ 149,050	\$ 42,502	\$ 306

Town of Arborg
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2017

SCHEDULE 6

	2017						2016	
	Walking	Handi-van	ABFD	PCH Building	Age Friendly Initiative	Utility Replacement	Total	Total
REVENUE								
Investment income	\$ 32	\$ 192	\$ 105	\$ 332	\$ -	\$ 468	\$ 6,320	\$ 3,806
Other income	-	-	-	4,900	-	-	4,900	12,262
NET REVENUES	32	192	105	5,232	-	468	11,220	16,068
TRANSFERS								
Transfers from general operating	-	19,521	11,095	-	25,000	-	146,087	138,407
Transfers to general operating	-	(19,825)	-	-	-	-	(27,108)	(31,970)
Transfers from utility operating	-	-	-	-	-	225,000	225,000	-
Acquisition of tangible capital assets	-	-	(2,250)	-	-	-	(141,740)	(2,700)
CHANGE IN RESERVE FUND BALANCES	32	(112)	8,950	5,232	25,000	225,468	213,459	119,805
FUND SURPLUS, BEGINNING OF YEAR	36	19,350	10,584	12,262	-	47,145	588,802	468,997
FUND SURPLUS, END OF YEAR	\$ 68	\$ 19,239	\$ 19,534	\$ 17,494	\$ 25,000	\$ 272,613	\$ 802,261	\$ 588,802

Town of Arborg
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2017

SCHEDULE 7

	Total	
	2017	2016
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, 2017

SCHEDULE 8

	<u>2017</u>	<u>2016</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 90,333	\$ 377,663
Due from other funds	-	1,273,354
	<u>\$ 90,333</u>	<u>\$ 1,651,017</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,769	\$ 12,090
Long-term debt (Note 10)	376,857	369,347
Due to other funds	13,617	1,615,793
	<u>405,243</u>	<u>1,997,230</u>
NET DEBT	<u>\$ (314,910)</u>	<u>\$ (346,213)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 4,914,702</u>	<u>\$ 5,163,446</u>
FUND SURPLUS	<u>\$ 4,599,792</u>	<u>\$ 4,817,233</u>

Town of Arborg
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2017

SCHEDULE 9

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUE			
Water			
Water fees	\$ 241,950	\$ 290,392	\$ 220,540
sub-total- water	<u>241,950</u>	<u>290,392</u>	<u>220,540</u>
Sewer			
Sewer fees	65,200	71,123	67,547
Lagoon tipping fees	12,300	15,449	9,449
sub-total- sewer	<u>77,500</u>	<u>86,572</u>	<u>76,996</u>
Property taxes	<u>41,811</u>	<u>41,811</u>	<u>57,171</u>
Government transfers			
Government transfers - capital	266,666	-	316,366
sub-total- government transfers	<u>266,666</u>	<u>-</u>	<u>316,366</u>
Other			
Hydrant rentals	19,400	19,400	19,400
Connection charges	4,000	792	3,150
Penalties	1,460	1,867	1,491
Other income	32,925	35,328	67,813
sub-total- other	<u>57,785</u>	<u>57,387</u>	<u>91,854</u>
 Total revenue	 <u>685,712</u>	 <u>476,162</u>	 <u>762,927</u>
EXPENSES			
General			
Administration	102,316	79,961	77,743
Training costs	1,600	1,227	256
Billing and collection	2,900	3,861	2,598
sub-total- general	<u>106,816</u>	<u>85,049</u>	<u>80,597</u>
Water			
Purification and treatment	28,100	25,600	28,488
Transmission and distribution	14,080	4,904	58,356
Service and other supply costs	48,650	47,231	48,350
Connection costs	500	158	-
sub-total- water general	<u>91,330</u>	<u>77,893</u>	<u>135,194</u>
Water Amortization & Interest			
Amortization	211,505	211,505	200,462
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>211,505</u>	<u>211,505</u>	<u>200,462</u>
Sewer			
Collection system costs	35,665	28,575	27,033
Treatment and disposal cost	2,000	858	1,838
Lift Station costs	5,555	10,170	7,493
sub-total- sewer general	<u>43,220</u>	<u>39,603</u>	<u>36,364</u>
Sewer Amortization & Interest			
Amortization	39,832	39,832	38,248
Interest on long term debt	14,721	14,721	14,767
sub-total- sewer amortization & interest	<u>54,553</u>	<u>54,553</u>	<u>53,015</u>
 Total expenses	 <u>507,424</u>	 <u>468,603</u>	 <u>505,632</u>
 NET REVENUES	 <u>178,288</u>	 <u>7,559</u>	 <u>257,295</u>
TRANSFERS			
Transfers from (to) reserve funds	-	(225,000)	-
 CHANGE IN UTILITY FUND BALANCE	 <u>\$ 178,288</u>	 <u>(217,441)</u>	 <u>257,295</u>
 FUND SURPLUS, BEGINNING OF YEAR		 <u>4,817,233</u>	 <u>4,559,938</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,599,792</u>	<u>\$ 4,817,233</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,032,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,032,992
Grants in lieu of taxation	72,451	-	-	-	-	-	-	72,451
User fees	76,594	-	-	-	-	-	225,251	301,845
Permits, licences and fines	2,833	-	-	-	-	-	-	2,833
Investment income	4,500	-	-	-	-	-	-	4,500
Other revenue	24,734	-	-	-	-	-	84,669	109,403
Water and sewer		377,235	-	-	-	-	-	377,235
Grants - Province of Manitoba	272,355	266,666	-	-	-	-	29,669	568,690
Grants - other	121,131	-	-	-	-	-	1,940	123,071
Transfers from General		41,811	-	-	(41,811)	-	-	-
Transfers from reserves	325,650	-	-	-	(325,650)	-	-	-
Total revenue	\$ 1,933,240	\$ 685,712	\$ -	\$ -	\$ (367,461)	\$ -	\$ 341,529	\$ 2,593,020
EXPENSES								
General government services	\$ 289,199	\$ -	\$ 2,584	\$ 4,000	\$ 3,869	\$ -	\$ -	\$ 299,652
Protective services	266,965	-	19,746	-	-	-	-	286,711
Transportation services	232,765	-	162,811	35,878	-	-	-	431,454
Environmental health services	109,770	-	-	-	-	-	45,194	154,964
Public health and welfare services	164,485	-	-	-	-	-	-	164,485
Regional planning and development	22,700	-	-	-	-	-	-	22,700
Resource cons and industrial dev	60,415	-	-	-	-	-	-	60,415
Recreation and cultural services	217,364	-	50,191	-	-	-	222,375	489,930
Water and sewer services		241,366	251,337	14,721	-	-	-	507,424
Fiscal services:								
Transfer to capital	289,600	402,535	(692,135)	-	-	-	-	-
Debt charges	115,579	41,811	-	(157,390)	-	-	-	-
Short term interest	4,000	-	-	(4,000)	-	-	-	-
Transfer to Utility	41,811	-	-	-	(41,811)	-	-	-
Transfer to reserves	114,715	-	-	-	(114,715)	-	-	-
Allowance for tax assets	3,869	-	-	-	(3,869)	-	-	-
Total expenses	\$ 1,933,237	\$ 685,712	\$ (205,466)	\$ (106,791)	\$ (156,526)	\$ -	\$ 267,569	\$ 2,417,735
Surplus (Deficit)	\$ 3	\$ -	\$ 205,466	\$ 106,791	\$ (210,935)	\$ -	\$ 73,960	\$ 175,285

Town of Arborg
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2017

SCHEDULE 11

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 98,301	\$ 94,649
Add:		
Tax levy (Schedule 12)	1,606,278	1,556,785
Taxes added	7,622	10,636
Penalties or interest	12,109	11,498
Other accounts added	6,574	3,589
Sub-total	<u>1,632,583</u>	<u>1,582,508</u>
Deduct:		
Cash collections	1,402,859	1,356,947
Writeoffs	3,209	3,319
M.P.T.C. - cash advance	220,120	218,590
Sub-total	<u>1,626,188</u>	<u>1,578,856</u>
Balance, end of year	<u>\$ 104,696</u>	<u>\$ 98,301</u>

Town of Arborg
ANALYSIS OF TAX LEVY
Year Ended December 31, 2017

SCHEDULE 12

	2017			2016
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. General & Utility	53,748,270	2.770	148,883	165,935
Reserves:				
Machinery replacement	44,675,610	0.420	18,764	9,263
Fire	44,675,610	0.160	7,148	3,088
Building	44,675,610	0.520	23,231	-
Economic	-	0.000	-	-
General municipal	44,675,610	18.456	824,533	812,669
Special levies:				
Cable fees	-	-	433	477
Rounding			-	
Total municipal taxes (Schedule 2)			1,022,992	991,432
Education support levy	11,035,190	10.500	115,869	114,518
Special levy:				
Evergreen SD #22	42,709,920	10.944	467,417	450,835
Adjustments of school levy to municipal taxes			-	
Total education taxes			583,286	565,353
			\$ 1,606,278	\$ 1,556,785

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

Year Ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 22,881	\$ 22,464
General administrative	188,683	175,419
Other	63,192	56,453
	<u>274,756</u>	<u>254,336</u>
Protective services:		
Police	149,794	149,794
Fire	89,796	101,629
Emergency measures	7,490	5,401
Other protection	20,586	27,800
	<u>267,666</u>	<u>284,624</u>
Transportation services:		
Road transport		
Road and street maintenance	396,930	413,059
Street lighting	25,867	22,506
	<u>422,797</u>	<u>435,565</u>
Environmental health services:		
Waste collection and disposal	92,206	87,805
Other	13,647	13,961
	<u>105,853</u>	<u>101,766</u>
Public health and welfare services:		
Public health	143,344	42,002
Social assistance	4,016	4,016
	<u>147,360</u>	<u>46,018</u>
Regional planning and development		
Planning and zoning	10,700	11,300
Urban renewal	4,532	11,038
Beautification and land rehabilitation	3,679	3,716
	<u>18,911</u>	<u>26,054</u>
Resource conservation and industrial development		
Rural area weed control	2,676	2,668
Drainage of land	2,131	1,399
Veterinary services	2,500	2,500
Regional development	92,905	43,039
Other	1,452	2,004
	<u>101,664</u>	<u>51,610</u>
Recreation and cultural services:		
Administration	-	-
Parks and playgrounds	9,414	4,077
Other recreational facilities	212,061	219,750
Libraries	37,248	15,700
Other cultural facilities	-	-
	<u>258,723</u>	<u>239,527</u>
Total expenses	<u><u>1,597,730</u></u>	<u><u>1,439,500</u></u>

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

SCHEDULE 14

	General	2017 Utility	Total	2016 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ -	\$ 4,214	\$ 4,214	\$ (481)
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - net book value of assets written off	-	-	-	(9,622)
Increase expense - amortization of tangible capital assets	(235,331)	(251,337)	(486,668)	(492,380)
Eliminate expense - acquisitions of tangible capital assets	170,737	2,593	173,330	572,738
Reserve:				
Increase revenue - reserve funds interest	6,323		6,323	3,810
Eliminate expense - transfers to reserves	150,987	225,000	375,987	115,127
Eliminate revenue - transfers from reserves to operating funds	(168,898)	-	(168,898)	(37,970)
Deferred Revenue:				
Increase revenue - decrease in deferred revenue - Gas tax	67,617		67,617	(21,213)
Increase revenue - decrease in deferred revenue - Handi Van	112		112	(152)
Other:				
Eliminate expense - repayment of principal portion of long term debt	79,121	27,090	106,211	125,555
	70,668	7,560	78,228	255,412
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	76,260	-	76,260	35,336
	\$ 146,928	\$ 7,560	\$ 154,488	\$ 290,748
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS				