

TOWN OF CARBERRY

**Consolidated Financial Statements
For the Year Ended December 31, 2016**


STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Carberry and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council is composed of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

MNP LLP 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.


Sandra Jones, CMAA
Chief Administrative Officer



INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
TOWN OF CARBERRY

We have audited the accompanying consolidated financial statements of the Town of Carberry, which comprise the Consolidated Statement of Financial Position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Carberry as at December 31, 2016, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

June 12, 2018
Brandon, Manitoba

MNP LLP
Chartered Professional Accountants

TOWN OF CARBERRY

Consolidated Financial Statements

For the Year Ended December 31, 2016

Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	17
Schedule 2 - Consolidated Schedule of Revenues	18
Schedule 3 - Consolidated Schedule of Expenses	19
Schedule 4 - Consolidated Statement of Operations by Program	21
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	23
Schedule 6 - Schedule of Change in Reserve Fund Balances	24
Schedule 7 - Schedule of Trust Funds	26
Schedule 8 - Schedule of Financial Position for Utility	27
Schedule 9 - Schedule of Utility Operations	28
Schedule 10 - Reconciliation of the Financial Plan to the Budget	30
Schedule 11 - Analysis of Taxes on Roll	31
Schedule 12 - Analysis of Tax Levy	32
Schedule 13 - Analysis of School Accounts	33
Schedule 14 - Schedule of General Operating Fund Expenses	34
Schedule 15 - Schedule of L.U.D. Operations	36
Schedule 16 - Schedule of Debentures Pending	37
Schedule 17 - Reconciliation of Annual Surplus (Deficit)	38

**TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016**

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,625,445	\$ 1,145,088
Amounts receivable (Note 4)	648,223	463,809
Real estate properties held for sale	206	206
	<u>\$ 2,273,874</u>	<u>\$ 1,609,103</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 561,108	\$ 369,751
Deferred revenue	78,446	68,604
Landfill closure and post closure liabilities (Note 6)	2,535	2,425
Long-term debt (Note 7)	368,278	23,389
	<u>1,010,367</u>	<u>464,169</u>
NET FINANCIAL ASSETS	<u>\$ 1,263,507</u>	<u>\$ 1,144,934</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 4,715,424	\$ 4,481,871
Prepaid expenses	29,540	66,301
	<u>4,744,964</u>	<u>4,548,172</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 6,008,471</u>	<u>\$ 5,693,106</u>

COMMITMENTS AND CONTINGENCIES (NOTES 8 AND 11)

Approved on behalf of Council:

Mayor

Councillor

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2016

	<u>2016 Budget (Note 12)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 1,357,104	\$ 1,366,897	\$ 1,305,929
Grants in lieu of taxation	33,036	33,036	31,937
User fees	349,746	369,189	320,406
Permits, licences and fines	41,542	38,085	41,920
Investment income	11,348	17,228	24,424
Other revenue	56,292	175,591	62,593
Water and sewer	126,345	132,415	129,806
Grants - Province of Manitoba	393,537	445,392	436,032
Grants - other	215,633	219,113	158,129
	<u>2,584,583</u>	<u>2,796,946</u>	<u>2,511,176</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	304,294	323,652	345,666
Protective services	331,958	347,091	274,437
Transportation services	513,315	512,878	674,193
Environmental health services	264,605	300,036	247,349
Public health and welfare services	59,969	92,115	66,608
Regional planning and development	44,762	47,495	60,221
Resource conservation and industrial development	25,000	25,360	23,841
Recreation and cultural services	555,847	674,400	623,147
Water and sewer services	119,150	158,554	117,210
	<u>2,218,900</u>	<u>2,481,581</u>	<u>2,432,672</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ 365,683</u>	315,365	78,504
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>5,693,106</u>	<u>5,614,602</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 6,008,471</u>	<u>\$ 5,693,106</u>

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2016

	<u>2016 Budget (Note 12)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 365,683	\$ 315,365	\$ 78,504
Acquisition of tangible capital assets	(100,000)	(500,127)	(804,496)
Amortization of tangible capital assets	250,922	250,922	204,172
Loss (Gain) on sale of tangible capital assets	-	(6,029)	(62)
Proceeds on sale of tangible capital assets	-	21,695	6,491
Change in ownership of gov't partnerships	-	(14)	1,489
Decrease (increase) in prepaid expense	-	36,761	(50,439)
	<u>150,922</u>	<u>(196,792)</u>	<u>(642,845)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 516,605</u>	118,573	(564,341)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,144,934</u>	<u>1,709,275</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 1,263,507</u>	<u>\$ 1,144,934</u>

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 315,365	\$ 78,504
Changes in non-cash items:		
Amounts receivable	(184,414)	(265,608)
Prepays	36,761	(50,439)
Accounts payable and accrued liabilities	191,357	(100,714)
Deferred revenue	9,842	31,524
Landfill closure and post closure liabilities	110	306
Change in ownership of gov't partnerships	(14)	1,489
Loss (Gain) on sale of tangible capital asset	(6,029)	(62)
Amortization	250,922	204,172
Cash provided by (applied to) operating transactions	<u>613,900</u>	<u>(100,828)</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	21,695	6,491
Cash used to acquire tangible capital assets	<u>(500,127)</u>	<u>(804,496)</u>
Cash applied to capital transactions	<u>(478,432)</u>	<u>(798,005)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	445,000	-
Debt repayment	<u>(100,111)</u>	<u>(9,828)</u>
Cash provided by (applied to) financing transactions	<u>344,889</u>	<u>(9,828)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	480,357	(908,661)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,145,088</u>	<u>2,053,749</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 1,625,445</u>	<u>\$ 1,145,088</u>

The accompanying notes are an integral part of these consolidated financial statements

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

1. Status of the Town of Carberry

The incorporated Town of Carberry is a municipality that was formed in 1882 pursuant to The Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Municipality owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada 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. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. There are no controlled organizations.

The Municipality has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted for 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 consolidated financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Carberry Community Memorial Hall (50%) (2015 – 50%)
Carberry Plains Archives (50%) (2015 – 50%)
Carberry Plains Arts Council (50%) (2015 – 50%)
Carberry Plains Community Centre Capital Fund (50%) (2015 - 50%)
Carberry Plains Community Centre Operating Fund (50%) (2015 - 50%)
Carberry Plains Cemetery Inc. (25%) (2015 - 25%)
Carberry Plains Cultural Centre - Museum (50%) (2015 - 50%)
Carberry Plains Service for Seniors (50%) (2015 - 50%)
The Cypress Planning District (29.38%) (2015 - 35%)
Evergreen Environmental Technologies Ltd. (12.19%) (2015 - 12.19%)
Western Manitoba Regional Library (2.34%) (2015 - 2.25%)
Carberry Handi-Van Service (50%) (2015 - 50%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these consolidated financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2. Significant Accounting Policies (continued)

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) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the statement of financial position date.

f) 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.

g) 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 revenue over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) 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. 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 internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 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

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2. Significant Accounting Policies (continued)

h) Tangible Capital Assets (continued)

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the consolidated financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

j) Measurement Uncertainty

Estimates are used to accrue revenue and expenses in circumstances where the actual accrued revenue is unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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.

Measurement uncertainty in these consolidated financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the consolidated 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.

k) Recent Accounting Pronouncements

Related Party Disclosures (PS 2200)

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures. This new Section defines related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2. Significant Accounting Policies (continued)

k) Recent Accounting Pronouncements (continued)

Contingent Assets (PS 3320)

In June 2015, new PS 3320 *Contingent Assets* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Contractual Rights (PS 3380)

In June 2015, new PS 3380 *Contractual Rights* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Inter-entity Transactions (PS 3420)

In March 2015, the Public Sector Accounting Board (PSAB) issued new PS 3420 *Inter-entity Transactions*. The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new Section are:

- Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 *Related Party Disclosures*.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2016</u>	<u>2015</u>
Cash	\$ 1,582,031	\$ 1,120,837
Temporary investments	<u>43,414</u>	<u>24,251</u>
	<u>\$ 1,625,445</u>	<u>\$ 1,145,088</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$829,589 (2015 - \$912,521) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of \$675,540 (2015 - \$794,065).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 142,211	\$ 74,254
Government grants	68,269	66,976
Utility customers	2,118	2,118
Accrued interest	170	159
Organizations and individuals	34,020	14,970
Other governments	<u>414,672</u>	<u>329,082</u>
	661,460	487,559
Less allowances for doubtful amounts	<u>(13,237)</u>	<u>(23,750)</u>
	<u>\$ 648,223</u>	<u>\$ 463,809</u>

5. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 318,272	\$ 310,586
Accrued expenses	30,284	26,410
School levies (Schedule 13)	-	-
Other governments	<u>212,552</u>	<u>32,755</u>
	<u>\$ 561,108</u>	<u>\$ 369,751</u>

6. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

Evergreen Environmental Technologies Ltd. is currently operating a Class 1 landfill site in the Rural Municipality of Minto-Odanah. 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

	<u>2016</u>	<u>2015</u>
Estimated closure and post closure costs over the next 78 years	\$ 388,749	\$ 389,068
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 16,295</u>	<u>\$ 16,802</u>
Expected year capacity will be reached	2094	2094
Capacity (in tonnes):		
Used to date	11,092	11,043
Remaining	60,219	60,268
Total	71,311	71,311
Percent utilized	<u>15.55%</u>	<u>15.49%</u>
Liability based on percentage	<u>\$ 2,535</u>	<u>\$ 2,425</u>

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

7. Long-Term Debt

General Authority:	<u>2016</u>	<u>2015</u>
Minnedosa Credit Union Ltd. loan, with blended monthly payments of \$853 with interest at a rate of 4.00%. Secured by GSA, John Deere Skid Steer and John Deere Excavator. Matures October 2018. Evergreen Environmental Technologies	\$ 13,855	\$ 23,389
Debenture, interest at 2.34%, payable at \$98,446 annually including interest, maturing December 31, 2020.	354,423	-
	<u>\$ 368,278</u>	<u>\$ 23,389</u>

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

2017	\$ 99,894
2018	\$ 96,089
2019	\$ 94,307
2020	\$ 77,988

8. Commitments

The Municipality has entered into a contract to begin February 2016 regarding a development plan review. This contract will result in total fees of \$8,373 to be paid as the study is completed by end of 2017. The province will provide further funding for this project up to a maximum of \$5,024.

The Municipality has made a commitment to fund up to \$24,380 to support the Southwestern Manitoba Zero Waste System project in partnership with the Rural Municipality of Minto-Odanah, Celtic Power and Eco West. The continuation of the project is subject to funding received from the Federal Government. No funding has been provided towards the Southwestern Manitoba Zero Waste System project during 2016 or as of the audit report date.

9. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$26,659 (2015 - \$21,543) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

10. 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 values of these financial instruments approximate their carrying values.

11. Soil Farm Payable

The payable is set up to pay the Rural Municipality of Minto-Odanah 20% of the profits of the completed soil farm projects, as per the signed document. During the year the projects that were completed had a total profit of \$3,418 (2015 - \$0) which resulted in a payable of \$683 (2015 - \$0).

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 consolidated financial statements have been approved by council.

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

13. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (174,572)	\$ (600,796)
Utility operating fund - Nominal surplus	371,571	347,563
TCA net of related borrowings	4,111,550	4,232,910
Reserve funds	<u>829,589</u>	<u>912,521</u>
Accumulated surplus of municipality	5,138,138	4,892,198
Accumulated surpluses of consolidated entities	<u>870,333</u>	<u>800,908</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 6,008,471</u>	<u>\$ 5,693,106</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, 2016:

- a) Compensation paid to members of council amounted to \$47,250 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 - Stu Olmstead	\$ 9,545	\$ 2,588	\$ 12,133
Councillor - Barry Anderson	9,119	2,059	11,178
Councillor - Lin Mann	9,708	4,315	14,023
Councillor - Jaime McGregor	9,269	2,548	11,817
Councillor - John Anderson	<u>9,609</u>	<u>4,613</u>	<u>14,222</u>
	<u>\$ 47,250</u>	<u>\$ 16,123</u>	<u>\$ 63,373</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Grady Stephenson</i>	<i>Supervisor</i>	\$ 64,856
<i>Travis Lozinski</i>	<i>Foreman</i>	\$ 50,639

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

15. Segmented Information

The Town of Carberry provides a wide ranges of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenue and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the consolidated financial statements as described in the summary of significant accounting policies.

16. Government Partnerships

The municipality has several partnership agreements for municipal services. The consolidated financial statements include the municipality's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	<u>2016</u>	<u>2015</u>
Financial Position		
Financial assets	\$ 444,735	\$ 384,733
Financial liabilities	(174,869)	(166,251)
Net financial assets	<u>\$ 619,604</u>	<u>\$ 550,984</u>
Non-financial assets	<u>250,729</u>	<u>249,924</u>
Accumulated surplus	<u>\$ 870,333</u>	<u>\$ 800,908</u>
Result of Operations		
Revenues	\$ 463,513	\$ 401,178
Expenses	<u>394,088</u>	<u>346,946</u>
Annual surplus	<u>\$ 69,425</u>	<u>\$ 54,232</u>

17. 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.

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

18. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

TOWN OF CARBERRY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2016

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2016	2015
Cost										
Opening costs	723,725	3,010,811	1,118,514	35,739	619,765	493,725	1,748,566	-	7,750,845	6,956,350
Additions during the year	29,791	6,132	257,766	197	71,065	62,603	72,573	-	500,127	804,496
Transfer during the year	619,765	-	-	-	(619,765)	-	-	-	-	-
Disposals and write downs	-	-	(60,304)	-	-	-	-	-	(60,304)	(10,001)
Change in ownership	-	-	7	238	-	-	-	-	245	-
Closing costs	<u>1,373,281</u>	<u>3,016,943</u>	<u>1,315,983</u>	<u>36,174</u>	<u>71,065</u>	<u>556,328</u>	<u>1,821,139</u>	<u>-</u>	<u>8,190,913</u>	<u>7,750,845</u>
Accumulated Amortization										
Opening accum'd amortization	272,561	1,052,179	555,146	33,396	-	336,430	1,019,262	-	3,268,974	3,066,885
Amortization	32,578	73,034	107,813	1,256	-	8,936	27,305	-	250,922	204,172
Disposals and write downs	-	-	(44,638)	-	-	-	-	-	(44,638)	(2,083)
Change in ownership	-	-	3	228	-	-	-	-	231	-
Closing accum'd amortization	<u>305,139</u>	<u>1,125,213</u>	<u>618,324</u>	<u>34,880</u>	<u>-</u>	<u>345,366</u>	<u>1,046,567</u>	<u>-</u>	<u>3,475,489</u>	<u>3,268,974</u>
Net Book Value of Tangible Capital Assets	<u>1,068,142</u>	<u>1,891,730</u>	<u>697,659</u>	<u>1,294</u>	<u>71,065</u>	<u>210,962</u>	<u>774,572</u>	<u>-</u>	<u>4,715,424</u>	<u>4,481,871</u>

CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2016

	2016 Actual	2015 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,326,211	\$ 1,249,167
Taxes added	40,686	56,762
	<u>1,366,897</u>	<u>1,305,929</u>
Grants in lieu of taxation:		
Federal government	2,195	2,112
Federal government enterprises	-	-
Provincial government	2,558	2,574
Provincial government enterprises	21,227	20,555
Other local governments	-	-
Non-government organizations	7,056	6,696
	<u>33,036</u>	<u>31,937</u>
User fees		
Parking meters	-	-
Sales of service	122,673	128,083
Sales of goods	60,415	9,488
Rentals	45,995	48,658
Development charges	-	-
Facility use fees	140,106	134,177
	<u>369,189</u>	<u>320,406</u>
Permits, licences and fines		
Permits	24,270	20,995
Licences	9,985	15,245
Fees	272	4,166
Fines	3,558	1,514
	<u>38,085</u>	<u>41,920</u>
Investment income:		
Cash and temporary investments	17,228	24,424
Marketable securities	-	-
Municipal debentures	-	-
Other	-	-
	<u>17,228</u>	<u>24,424</u>
Other revenue:		
Gain on sale of tangible capital assets	6,029	62
Gain on sale of real estate held for sale	-	-
Other Contributions	37,247	-
Penalties and interest	12,224	10,559
Miscellaneous	120,091	51,972
	<u>175,591</u>	<u>62,593</u>
Water and sewer		
Municipal utility (Schedule 9)	132,415	129,806
Consolidated water co-operatives	-	-
	<u>132,415</u>	<u>129,806</u>
Grants - Province of Manitoba		
General assistance payment	264,759	264,758
General support grant	-	-
Municipal program grants	29,173	29,174
Other unconditional grants	-	-
Conditional grants	151,460	142,100
	<u>445,392</u>	<u>436,032</u>
Grants - other		
Federal government - gas tax funding	90,136	85,844
Federal government - other	275	-
Other local governments	128,702	72,285
	<u>219,113</u>	<u>158,129</u>
Total revenue	<u>\$ 2,796,946</u>	<u>\$ 2,511,176</u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2016

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 65,466	\$ 53,294
General administrative	208,697	236,583
Other	49,489	55,789
	<u>323,652</u>	<u>345,666</u>
Protective services:		
Police	204,320	204,320
Fire	131,846	59,933
Emergency measures	9,312	8,152
Other	1,613	2,032
	<u>347,091</u>	<u>274,437</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	438,040	542,965
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	11,730	74,364
Street lighting	28,340	27,016
Other	-	-
Air transport	-	-
Public transit	34,768	29,848
Other	-	-
	<u>512,878</u>	<u>674,193</u>
Environmental health services:		
Waste collection and disposal	291,820	239,561
Recycling	2,531	2,252
Other	5,685	5,536
	<u>300,036</u>	<u>247,349</u>
Public health and welfare services:		
Public health	83,898	57,695
Medical care	4,558	5,254
Social assistance	3,659	3,659
Other	-	-
	<u>92,115</u>	<u>66,608</u>
Regional planning and development		
Planning and zoning	43,762	50,392
Urban renewal	-	-
Beautification and land rehabilitation	3,733	9,829
Urban area weed control	-	-
Other	-	-
	<u>47,495</u>	<u>60,221</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	25,360	23,841
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>25,360</u>	<u>23,841</u>
Sub-totals forward	<u>1,648,627</u>	<u>1,692,315</u>

TOWN OF CARBERRY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 3

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Sub-totals forward	<u>1,648,627</u>	<u>1,692,315</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	30,080	30,392
Swimming pools and beaches	-	-
Golf courses	1,000	1,000
Skating and curling rinks	254,765	230,302
Parks and playgrounds	197,010	204,695
Other recreational facilities	60,000	60,000
Museums	20,114	11,066
Libraries	47,820	47,618
Other cultural facilities	63,611	38,074
	<u>674,400</u>	<u>623,147</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	158,554	117,210
Consolidated water co-operatives	-	-
	<u>158,554</u>	<u>117,210</u>
Total expenses	<u><u>\$ 2,481,581</u></u>	<u><u>\$ 2,432,672</u></u>

TOWN OF CARBERRY

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ 1,366,897	\$ 1,305,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	33,036	31,937	-	-	-	-	-	-	-	-
User fees	16,900	15,717	520	170	54,031	42,304	168,643	140,905	21,938	20,334
Grants - other	-	1,500	-	-	94,611	90,125	-	-	4,500	4,500
Permits, licences and fines	9,985	15,245	3,558	1,359	-	-	-	-	-	-
Investment income	9,919	14,194	894	1,470	1,852	3,326	-	-	603	923
Other revenue	91,162	33,603	12,500	18,750	6,187	859	509	793	4,026	2,061
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	293,932	293,932	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	25,000	-	-	-	76,116	73,203	-	11,712	15,000	13,649
Total revenue	\$ 1,846,831	\$ 1,712,057	\$ 17,472	\$ 21,749	\$ 232,797	\$ 209,817	\$ 169,152	\$ 153,410	\$ 46,067	\$ 41,467
EXPENSES										
Personnel services	\$ 145,241	\$ 153,674	\$ -	\$ 1,389	\$ 249,374	\$ 224,809	\$ 94,331	\$ 88,541	\$ 22,104	\$ 29,999
Contract services	94,835	108,575	251,647	239,298	44,501	142,019	120,744	104,944	20,067	4,201
Utilities	15,138	10,154	4,766	4,660	40,667	40,408	4,020	3,922	861	7,968
Maintenance materials and supplies	15,343	14,139	39,151	23,297	86,164	180,614	44,887	14,591	5,733	6,806
Grants and contributions	20,979	12,500	-	-	4,025	4,280	-	-	39,929	14,833
Amortization	8,440	11,113	43,090	3,856	84,873	77,563	26,801	27,640	1,609	1,878
Interest on long term debt	-	-	7,868	-	-	-	744	1,090	-	-
Other	23,676	35,511	569	1,937	3,274	4,500	8,509	6,621	1,812	923
Total expenses	\$ 323,652	\$ 345,666	\$ 347,091	\$ 274,437	\$ 512,878	\$ 674,193	\$ 300,036	\$ 247,349	\$ 92,115	\$ 66,608
Surplus (Deficit)	\$ 1,523,179	\$ 1,366,391	\$ (329,619)	\$ (252,688)	\$ (280,081)	\$ (464,376)	\$ (130,884)	\$ (93,939)	\$ (46,048)	\$ (25,141)

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

TOWN OF CARBERRY

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,366,897	\$1,305,929
Grants in lieu of taxation	-	-	-	-	-	-	-	-	33,036	31,937
User fees	-	-	-	-	107,157	100,976	-	-	369,189	320,406
Grants - other	9,959	9,959	1,980	-	108,063	52,045	-	-	219,113	158,129
Permits, licences and fines	24,270	25,103	-	-	272	213	-	-	38,085	41,920
Investment income	770	641	-	-	395	472	2,795	3,398	17,228	24,424
Other revenue	-	-	-	-	61,207	6,527	-	-	175,591	62,593
Water and sewer	-	-	-	-	-	-	132,415	129,806	132,415	129,806
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	293,932	293,932
Prov of MB - Conditional Grants	2,512	-	4,568	-	28,264	43,536	-	-	151,460	142,100
Total revenue	\$ 37,511	\$ 35,703	\$ 6,548	\$ -	\$ 305,358	\$ 203,769	\$ 135,210	\$ 133,204	\$ 2,796,946	\$ 2,511,176
EXPENSES										
Personnel services	\$ 22,827	\$ 23,770	\$ 20,722	\$ 19,599	\$ 232,204	\$ 223,987	\$ -	\$ -	\$ 786,803	\$ 765,768
Contract services	4,622	4,260	456	1,828	136,707	45,728	13,935	13,577	687,514	664,430
Utilities	890	709	372	264	60,213	66,303	13,614	21,477	140,541	155,865
Maintenance materials and supplies	8,232	7,171	227	352	57,143	84,941	103,700	55,342	360,580	387,253
Grants and contributions	9,957	15,957	-	1,798	122,122	111,890	-	-	197,012	161,258
Amortization	-	-	-	-	58,804	55,308	27,305	26,814	250,922	204,172
Interest on long term debt	-	-	-	-	-	-	-	-	8,612	1,090
Other	967	8,354	3,583	-	7,207	34,990	-	-	49,597	92,836
Total expenses	\$ 47,495	\$ 60,221	\$ 25,360	\$ 23,841	\$ 674,400	\$ 623,147	\$ 158,554	\$ 117,210	\$ 2,481,581	\$ 2,432,672
Surplus (Deficit)	\$ (9,984)	\$ (24,518)	\$ (18,812)	\$ (23,841)	\$ (369,042)	\$ (419,378)	\$ (23,344)	\$ 15,994	\$ 315,365	\$ 78,504

TOWN OF CARBERRY

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

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 1,366,897	\$ 1,305,929	\$ -	\$ -	\$ -	\$ -	\$ 1,366,897	\$ 1,305,929
Grants in lieu of taxation	33,036	31,937	-	-	-	-	33,036	31,937
User fees	123,443	102,577	-	-	245,746	217,829	369,189	320,406
Grants - other	93,616	87,344	-	-	125,497	70,785	219,113	158,129
Permits, licences and fines	13,543	16,604	-	-	24,542	25,316	38,085	41,920
Investment income	16,380	23,673	-	-	848	751	17,228	24,424
Other revenue	171,799	52,353	-	-	3,792	10,240	175,591	62,593
Water and sewer	132,415	129,806	-	-	-	-	132,415	129,806
Prov of MB - Unconditional Grants	293,932	293,932	-	-	-	-	293,932	293,932
Prov of MB - Conditional Grants	88,372	65,843	-	-	63,088	76,257	151,460	142,100
Total revenue	\$ 2,333,433	\$ 2,109,998	\$ -	\$ -	\$ 463,513	\$ 401,178	\$ 2,796,946	\$ 2,511,176
EXPENSES								
Personnel services	\$ 649,672	\$ 636,308	\$ -	\$ -	\$ 137,131	\$ 129,460	\$ 786,803	\$ 765,768
Contract services	523,531	600,040	-	-	163,983	64,390	687,514	664,430
Utilities	81,217	89,628	-	-	59,324	66,237	140,541	155,865
Maintenance materials and supplies	317,518	317,562	-	-	43,062	69,691	360,580	387,253
Grants and contributions	245,315	209,301	-	-	(48,303)	(48,043)	197,012	161,258
Amortization	224,455	185,953	-	-	26,467	18,219	250,922	204,172
Interest on long term debt	7,868	-	-	-	744	1,090	8,612	1,090
Other	37,917	46,934	-	-	11,680	45,902	49,597	92,836
Total expenses	\$ 2,087,493	\$ 2,085,726	\$ -	\$ -	\$ 394,088	\$ 346,946	\$ 2,481,581	\$ 2,432,672
Surplus	\$ 245,940	\$ 24,272	\$ -	\$ -	\$ 69,425	\$ 54,232	\$ 315,365	\$ 78,504

TOWN OF CARBERRY

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

SCHEDULE 6

	2016					5856
	General Reserve	Replacement Reserve	Fire Reserve	Health Care Reserve	Hall Reserve	Sub-total
REVENUE						
Investment income	\$ 1,802	\$ -	\$ 721	\$ 603	\$ 388	\$ 3,514
Other income	-	-	-	-	-	-
Total revenue	1,802	-	721	603	388	3,514
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	1,802	-	721	603	388	3,514
TRANSFERS						
Transfers from general operating fund	-	50,000	85,000	-	31,500	166,500
Transfers to general operating fund	-	-	-	(14,558)	(4,900)	(19,458)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(31,249)	(168,018)	-	(5,132)	(204,399)
CHANGE IN RESERVE FUND BALANCES	1,802	18,751	(82,297)	(13,955)	21,856	(53,843)
FUND SURPLUS, BEGINNING OF YEAR	174,091	250	84,436	52,460	67,473	378,710
FUND SURPLUS, END OF YEAR	\$ 175,893	\$ 19,001	\$ 2,139	\$ 38,505	\$ 89,329	\$ 324,867

TOWN OF CARBERRY

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

SCHEDULE 6

					2015	
	Gas Tax Reserve	Fire Truck Reserve	Heritage District Reserve	Utility Reserve	Total	Total
REVENUE						
Investment income	\$ 1,852	\$ 173	\$ 317	\$ 2,795	\$ 8,651	\$ 12,951
Other income	-	-	-	-	-	-
Total revenue	1,852	173	317	2,795	8,651	12,951
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	1,852	173	317	2,795	8,651	12,951
TRANSFERS						
Transfers from general operating fund	90,136	12,500	-	-	269,136	369,095
Transfers to general operating fund	(24,013)	(8,434)	(9,000)	-	(60,905)	(181,200)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	45,593	45,593	32,080
Transfers to utility operating fund	-	-	-	(68,435)	(68,435)	-
Acquisition of tangible capital assets	-	-	-	(72,573)	(276,972)	(278,186)
CHANGE IN RESERVE FUND BALANCES	67,975	4,239	(8,683)	(92,620)	(82,932)	(45,260)
FUND SURPLUS, BEGINNING OF YEAR	248,474	18,750	27,592	238,995	912,521	957,781
FUND SURPLUS, END OF YEAR	\$ 316,449	\$ 22,989	\$ 18,909	\$ 146,375	\$ 829,589	\$ 912,521

TOWN OF CARBERRY
 SCHEDULE OF TRUST FUNDS
 For the Year Ended December 31, 2016

SCHEDULE 7

	Fire Trust	Recycling Trust	X-mas Cheer Trust	Total 2016	2015
ASSETS					
Cash and temporary investments	\$ 9,045	\$ 2,526	\$ 2,263	\$ 13,834	\$ 13,665
Portfolio investments	-	-	-	-	-
Due from Municipality	-	-	-	-	-
	<u>\$ 9,045</u>	<u>\$ 2,526</u>	<u>\$ 2,263</u>	<u>\$ 13,834</u>	<u>\$ 13,665</u>
LIABILITIES AND FUND BALANCES					
Due to Municipality	\$ -	\$ -	\$ 426	\$ 426	\$ 313
Fund balance	9,045	2,526	1,837	13,408	13,352
	<u>\$ 9,045</u>	<u>\$ 2,526</u>	<u>\$ 2,263</u>	<u>\$ 13,834</u>	<u>\$ 13,665</u>
REVENUES					
Contributions and donations	\$ -	\$ -	\$ 2,868	\$ 2,868	\$ 14,333
Investment income	99	28	42	169	237
	<u>99</u>	<u>28</u>	<u>2,910</u>	<u>3,037</u>	<u>14,570</u>
EXPENDITURES					
Cemetery maintenance	-	-	-	-	-
Distribution to beneficiaries	-	-	2,981	2,981	17,707
Other	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>2,981</u>	<u>2,981</u>	<u>17,707</u>
EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	99	28	(71)	56	(3,137)
FUND BALANCE, BEGINNING OF YEAR	8,946	2,498	1,908	13,352	16,489
FUND BALANCE, END OF YEAR	<u>\$ 9,045</u>	<u>\$ 2,526</u>	<u>\$ 1,837</u>	<u>\$ 13,408</u>	<u>\$ 13,352</u>

TOWN OF CARBERRY
SCHEDULE OF FINANCIAL POSITION FOR UTILITY
As at December 31, 2016

SCHEDULE 8

	<u>2016</u>	<u>2015</u>
	Utility	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 2,118	\$ 2,118
Due from other funds	<u>415,046</u>	<u>345,445</u>
	<u>\$ 417,164</u>	<u>\$ 347,563</u>
LIABILITIES		
Due to other funds	<u>\$ 45,593</u>	<u>\$ -</u>
NET FINANCIAL ASSETS	<u>\$ 371,571</u>	<u>\$ 347,563</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	<u>\$ 774,572</u>	<u>\$ 729,304</u>
FUND SURPLUS	<u><u>\$ 1,146,143</u></u>	<u><u>\$ 1,076,867</u></u>
COMMITMENTS AND CONTINGENCIES (NOTES 8 AND 11)		

TOWN OF CARBERRY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

SCHEDULE 9

REVENUE	<u>Budget</u>	<u>2016</u>	<u>2015</u>
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	124,345	124,345	122,315
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>124,345</u>	<u>124,345</u>	<u>122,315</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	1,000	5,003	6,490
Penalties	-	-	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,000	3,067	1,001
sub-total- other	<u>2,000</u>	<u>8,070</u>	<u>7,491</u>
Total revenue	<u>126,345</u>	<u>132,415</u>	<u>129,806</u>

TOWN OF CARBERRY
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2016

SCHEDULE 9

EXPENSES	Budget	2016	2015
General			
Administration	10,195	10,195	10,185
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>10,195</u>	<u>10,195</u>	<u>10,185</u>
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Collection system costs	20,500	4,224	21,384
Treatment and disposal cost	50,000	103,900	47,070
Lift Station costs	11,150	12,930	11,757
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>81,650</u>	<u>121,054</u>	<u>80,211</u>
Sewage Amortization & Interest			
Amortization	27,305	27,305	26,814
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>27,305</u>	<u>27,305</u>	<u>26,814</u>
Total expenses	<u>119,150</u>	<u>158,554</u>	<u>117,210</u>
NET OPERATING SURPLUS (DEFICIT)	7,195	(26,139)	12,596
TRANSFERS			
Transfers from accumulated surplus	-	-	-
Transfers from reserve funds	-	141,008	-
Transfers to reserve funds	(45,593)	(45,593)	10,025
CHANGE IN UTILITY FUND BALANCE	<u>\$ (38,398)</u>	69,276	22,621
FUND SURPLUS, BEGINNING OF YEAR		<u>1,076,867</u>	<u>1,054,246</u>
FUND SURPLUS, END OF YEAR		<u>\$ 1,146,143</u>	<u>\$ 1,076,867</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,357,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,357,104
Grants in lieu of taxation	33,036	-	-	-	-	-	-	33,036
User fees	104,000	-	-	-	-	-	245,746	349,746
Permits, licences and fines	17,000	-	-	-	-	-	24,542	41,542
Investment income	10,500	-	-	-	-	-	848	11,348
Other revenue	52,500	-	-	-	-	-	3,792	56,292
Water and sewer		126,345	-	-	-	-	-	126,345
Grants - Province of Manitoba	330,449	-	-	-	-	-	63,088	393,537
Grants - other	90,136	-	-	-	-	-	125,497	215,633
Transfers from accumulated surplus	-	11,093	-	-	(11,093)	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 1,994,725</u>	<u>\$ 137,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,093)</u>	<u>\$ -</u>	<u>\$ 463,513</u>	<u>\$ 2,584,583</u>
EXPENSES								
General government services	\$ 283,123	\$ -	\$ 8,440	\$ -	\$ 12,731	\$ -	\$ -	\$ 304,294
Protective services	281,000	-	43,090	7,868	-	-	-	331,958
Transportation services	416,000	-	71,047	-	-	-	26,268	513,315
Environmental health services	170,000	-	14,407	-	-	-	80,198	264,605
Public health and welfare services	19,500	-	1,609	-	-	-	38,860	59,969
Regional planning and development	15,100	-	-	-	-	-	29,662	44,762
Resource cons and industrial dev	25,000	-	-	-	-	-	-	25,000
Recreation and cultural services	278,190	-	58,557	-	-	-	219,100	555,847
Water and sewer services	-	91,845	27,305	-	-	-	-	119,150
Fiscal services:								
Deficit recovery	28,000	-	-	-	(28,000)	-	-	-
Debt charges	98,445	-	-	(98,445)	-	-	-	-
Short term interest	12,000	-	-	-	(12,000)	-	-	-
Transfer to reserves	367,636	45,593	-	-	(413,229)	-	-	-
Allowance for tax assets	731	-	-	-	(731)	-	-	-
Total expenses	<u>\$ 1,994,725</u>	<u>\$ 137,438</u>	<u>\$ 224,455</u>	<u>\$ (90,577)</u>	<u>\$ (441,229)</u>	<u>\$ -</u>	<u>\$ 394,088</u>	<u>\$ 2,218,900</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (224,455)</u>	<u>\$ 90,577</u>	<u>\$ 430,136</u>	<u>\$ -</u>	<u>\$ 69,425</u>	<u>\$ 365,683</u>

**TOWN OF CARBERRY
ANALYSIS OF TAXES ON ROLL
December 31, 2016**

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 74,254	\$ 59,577
Add:		
Tax levy (Schedule 12)	2,088,503	1,998,515
Taxes added	40,686	56,762
Penalties or interest	12,224	10,559
Tax sale costs	5,743	-
Sub-total	<u>2,147,156</u>	<u>2,065,836</u>
Deduct:		
Cash collections - current	1,624,335	1,616,247
Cash collections - arrears	63,189	54,556
Writeoffs	10,601	1,630
Tax discounts	12,274	12,097
M.P.T.C. - cash advance	368,800	366,629
Sub-total	<u>2,079,199</u>	<u>2,051,159</u>
Balance, end of year	<u><u>\$ 142,211</u></u>	<u><u>\$ 74,254</u></u>

TOWN OF CARBERRY
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Fire Line Extension By-Law 1-2016	63,385,000	1.510	95,711	-
Deficit Recovery	63,385,000	0.214	13,310	-
Reserves:				
Equipment Replacement	63,385,000	1.080	68,456	68,108
Municipal Building	63,385,000	0.760	48,173	87,115
Fire Safety	63,385,000	1.310	83,034	87,115
CCPC Capital Contribution	63,385,000	0.610	38,665	-
Recreation Reserve	63,385,000	0.920	58,314	-
sub-total- Reserves			296,642	242,338
General municipal	63,385,000	6.820	432,287	438,213
Special levies:				
Recreation	-	0.000	-	58,076
CPCC Capital Contributions	-	0.000	-	39,070
Section 891A No. 2221	75,408,670	4.599	346,879	295,242
Scavenging & Recreation (per parcel)			136,800	171,830
sub-total- Special levies			483,679	564,218
Business tax			4,582	4,398
Total municipal taxes (Schedule 2)			1,326,211	1,249,167
Education support levy	6,638,530	10.500	69,705	68,676
Special levies:				
Beautiful Plains School Division	60,487,920	11.450	692,587	680,672
Total education taxes			762,292	749,348
Total tax levy (Schedule 11)			\$ 2,088,503	\$ 1,998,515

TOWN OF CARBERRY
 ANALYSIS OF SCHOOL ACCOUNTS
 December 31, 2016

SCHEDULE 13

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 81,183	\$ (81,183)	\$ -
Special levies				
Beautiful Plains School Division	-	718,855	(718,855)	-
Total	<u>\$ -</u>	<u>\$ 800,038</u>	<u>\$ (800,038)</u>	<u>\$ -</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 65,466	\$ 53,294
General administrative	208,697	236,583
Other	49,489	55,789
	<u>323,652</u>	<u>345,666</u>
Protective services:		
Police	204,320	204,320
Fire	131,846	59,933
Emergency measures	9,312	8,152
Other	1,613	2,032
	<u>347,091</u>	<u>274,437</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	438,040	542,965
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	11,730	74,364
Street lighting	28,340	27,016
Other	-	-
Air transport	-	-
Public transit	8,500	8,561
Other	-	-
	<u>486,610</u>	<u>652,906</u>
Environmental health services:		
Waste collection and disposal	211,622	158,085
Recycling	2,531	2,252
Other	5,685	5,536
	<u>219,838</u>	<u>165,873</u>
Public health and welfare services:		
Public health	45,038	27,211
Medical care	4,558	5,254
Social assistance	3,659	3,659
Other	-	-
	<u>53,255</u>	<u>36,124</u>
Regional planning and development		
Planning and zoning	14,100	14,100
Urban renewal	-	-
Beautification and land rehabilitation	3,733	9,829
Urban area weed control	-	-
Other	-	-
	<u>17,833</u>	<u>23,929</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	25,360	23,841
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>25,360</u>	<u>23,841</u>
Sub-totals forward	<u>1,473,639</u>	<u>1,522,776</u>

TOWN OF CARBERRY

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	<u>2016 Actual</u>	<u>2015 Actual</u>
Sub-totals forward	<u>1,473,639</u>	<u>1,522,776</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	17,638	17,395
Swimming pools and beaches	-	-
Golf courses	1,000	1,000
Skating and curling rinks	129,010	123,708
Parks and playgrounds	197,010	204,695
Other recreational facilities	60,000	60,000
Museums	5,587	5,544
Libraries	21,680	19,654
Other cultural facilities	23,375	13,744
	<u>455,300</u>	<u>445,740</u>
Total expenses	<u>\$ 1,928,939</u>	<u>\$ 1,968,516</u>

TOWN OF CARBERRY
 SCHEDULE OF L.U.D. OPERATIONS
 For the Year Ended December 31, 2016

SCHEDULE 15

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	\$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year	\$ -	\$ -	-

TOWN OF CARBERRY

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2016

SCHEDULE 17

	General	2016 Utility	Total	2015 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 417,596	\$ 24,008	\$ 441,604	\$ (509,040)
Adjustments for reporting under public sector accounting standards				
Eliminate interfund transfers	-	-	-	-
Eliminate expense - transfers to reserves	269,136	45,593	314,729	401,175
Eliminate revenue - transfers from reserves	(265,304)	(141,008)	(406,312)	(459,386)
Increase revenue - reserve funds interest	8,651	-	8,651	12,951
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	69,425	-	69,425	54,232
Increase expense - amortization of tangible capital assets	(197,150)	(27,305)	(224,455)	(185,953)
Decrease expense - principal portion of debenture debt	90,577	-	90,577	-
Decrease expense - debt proceeds	(445,000)	-	(445,000)	-
Eliminate expense - acquisitions of tangible capital assets	393,573	72,573	466,146	764,525
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 341,504	\$ (26,139)	\$ 315,365	\$ 78,504