

# **CITY OF DAUPHIN**

**Consolidated Financial Statements  
For the Year Ended December 31, 2010**

## **STATEMENT OF RESPONSIBILITY**

The accompanying Consolidated Financial Statements are the responsibility of the management of the *City of Dauphin* 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 Canadian Institute of Chartered Accountants.

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.

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

*Zaplitny and Zamrykut* 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.



**Brad Collett, CA**

Chief Administrative Officer, City of Dauphin

## AUDITOR'S REPORT

To the Mayor and members of Council of the City of Dauphin

We have audited the accompanying consolidated financial statements of the **City of Dauphin**, which comprises of the consolidated statement of financial position as of December 31, 2010 and the consolidated statements of operations and accumulated surplus, cash flows, change in net financial assets for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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 that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City'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 purposes of expressing an opinion on the effectiveness of the City'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 consolidated financial statements.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the **City of Dauphin** at December 31, 2010 and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Zaprutny and Zamrykut  
Chartered Accountants

Dauphin, MB  
June 28, 2011

# **CITY OF DAUPHIN**

## **Consolidated Financial Statements For the Year Ended December 31, 2010**

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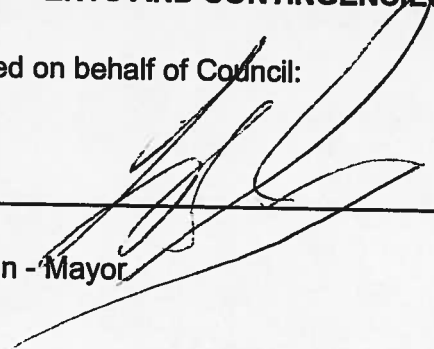
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**CITY OF DAUPHIN  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 2,715,837	\$ 3,324,225
Amounts receivable (Note 4)	3,455,469	1,991,178
Portfolio investments (Note 5)	185,528	168,918
Loans and advances	11,306	82,627
	<u>\$ 6,368,140</u>	<u>\$ 5,566,948</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 1,461,154	\$ 966,309
Severance and vested sick leave payable	393,184	314,471
Deferred revenue	33,533	293,074
Landfill closure and post closure liabilities (Note 8)	178,958	166,702
Long-term debt (Note 9)	1,631,344	2,106,580
	<u>3,698,173</u>	<u>3,847,136</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 2,669,967</u>	<u>\$ 1,719,812</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 47,961,026	\$ 45,323,917
Inventories (Note 6)	258,758	226,364
Prepaid expenses	109,881	124,497
	<u>48,329,665</u>	<u>45,674,778</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 50,999,632</u>	<u>\$ 47,394,590</u>

**COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)**

Approved on behalf of Council:

  
\_\_\_\_\_  
Eric Irwin - Mayor

  
\_\_\_\_\_  
Al Dowhan - Councillor

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2010**

	<u>2010 Budget (Note 15)</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 6,132,451	\$ 6,129,911	\$ 6,014,287
Grants in lieu of taxation	477,116	477,202	515,792
User fees	1,481,883	1,621,365	1,387,982
Grants - Province of Manitoba	2,279,609	2,222,770	2,193,163
Grants - other	1,227,407	1,763,911	1,207,530
Permits, licences and fines	143,140	171,125	152,904
Investment income	21,828	49,629	43,434
Other revenue	1,231,955	2,007,061	428,873
Water and sewer	<u>3,262,279</u>	<u>3,178,842</u>	<u>2,292,939</u>
Total revenue (Schedules 2, 4 and 5)	<u>16,257,668</u>	<u>17,621,816</u>	<u>14,236,904</u>
<b>EXPENSES</b>			
General government services	1,371,069	1,970,899	1,288,579
Protective services	2,311,305	2,208,086	2,080,748
Transportation services	2,280,549	2,364,082	2,423,072
Environmental health services	979,119	993,219	880,849
Public health and welfare services	93,963	87,715	86,568
Regional planning and development	198,477	181,918	151,595
Resource conservation and industrial development	483,061	428,982	486,341
Recreation and cultural services	2,803,229	3,225,796	3,429,109
Water and sewer services	<u>2,609,701</u>	<u>2,556,077</u>	<u>2,589,395</u>
Total expenses (Schedules 3, 4 and 5)	<u>13,130,473</u>	<u>14,016,774</u>	<u>13,416,256</u>
<b>ANNUAL SURPLUS</b>	<u>3,127,195</u>	3,605,042	820,648
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>47,394,590</u>	<u>46,573,942</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 50,999,632</u>	<u>\$ 47,394,590</u>

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year Ended December 31, 2010**

	<u>2010</u> <u>Actual</u>	<u>2009</u> <u>Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 3,605,042</b>	<b>\$ 820,648</b>
Acquisition of tangible capital assets	(4,886,434)	(2,364,637)
Amortization of tangible capital assets	2,244,328	2,175,916
Loss (Gain) on sale of tangible capital assets	(2,600)	56,947
Proceeds on sale of tangible capital assets	7,600	48,700
Decrease (increase) in inventories	(32,396)	(12,110)
Decrease (increase) in prepaid expense	14,615	(18,747)
	<u>(2,654,887)</u>	<u>(113,931)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>950,155</b>	<b>706,717</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u><b>1,719,812</b></u>	<u><b>1,013,095</b></u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u><b>\$ 2,669,967</b></u></u>	<u><u><b>\$ 1,719,812</b></u></u>

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 3,605,042	\$ 820,648
Changes in non-cash items:		
Amounts receivable	(1,464,291)	(477,217)
Inventories	(32,396)	(12,110)
Prepays	14,615	(18,747)
Accounts payable and accrued liabilities	494,845	(197,286)
Severance and vested sick leave payable	78,713	37,984
Deferred revenue	(259,541)	258,089
Landfill closure and post closure liabilities	12,256	11,632
Loss (Gain) on sale of tangible capital asset	(2,600)	56,947
Amortization	2,244,328	2,175,916
Cash provided by operating transactions	<u>4,690,971</u>	<u>2,655,856</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	7,600	48,700
Cash used to acquire tangible capital assets	<u>(4,886,434)</u>	<u>(2,364,637)</u>
Cash applied to capital transactions	<u>(4,878,834)</u>	<u>(2,315,937)</u>
<b>INVESTING TRANSACTIONS</b>		
Loans and advances repaid	71,321	4,973
Purchase of portfolio investments	<u>(16,610)</u>	<u>(7,986)</u>
Cash applied to investing transactions	<u>54,711</u>	<u>(3,013)</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	<u>(475,236)</u>	<u>(491,816)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(608,388)</b>	<b>(154,910)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u><b>3,324,225</b></u>	<u><b>3,479,135</b></u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u><b>2,715,837</b></u></u>	<u><u><b>\$ 3,324,225</b></u></u>



**CITY OF DAUPHIN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2010**

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**1. Status of the City of Dauphin**

The incorporated City of Dauphin ("the City") is a municipal government that was created in 1998 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Municipality owns one utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

**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. 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. The controlled organizations include:

Dauphin Community Concert Band  
Dauphin & District Community Development Corporation

The City 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 City'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:

Riverside Cemetery Board (50%)(2009 - 50%)  
Parkland Regional Library Service (21.41%)(2009 - 21.41%)  
Dauphin Public Library (77.26%)(2009 - 77.26%)  
Dauphin Regional Airport Authority Inc. (77.26%)(2009 - 77.26%)  
Dauphin Recreation Services (77.26%)(2009 - 77.26%)

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

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

**b) Basis of Accounting**

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

**c) Cash and Temporary Investments**

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

**d) Investments**

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

#### e) 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 balance sheet 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 revenues 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 interest charges as part of the cost of its tangible capital assets.

##### General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 100 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 to 10 years

##### Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 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	50 years
Buildings	25 to 40 years
Underground networks	40 to 75 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.

**l) 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.

**j) Inventories**

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

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.

**l) 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.

Measurement uncertainty in these 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 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>2010</u>	<u>2009</u>
Cash	\$ 2,621,719	\$ 3,185,568
Temporary Investments	<u>94,118</u>	<u>138,657</u>
	<u>\$ 2,715,837</u>	<u>\$ 3,324,225</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2010</u>	<u>2009</u>
Taxes on roll (Schedule 11)	\$ 346,434	\$ 338,110
Government grants	2,262,151	846,450
Utility customers	285,304	289,125
Accrued interest	323	715
Organizations and Individuals	637,520	591,250
Other governments	<u>-</u>	<u>-</u>
	3,531,732	2,065,650
Less allowances for doubtful amounts	<u>(76,263)</u>	<u>(74,472)</u>
	<u>\$ 3,455,469</u>	<u>\$ 1,991,178</u>

5. Portfolio Investments

	<u>2010</u>	<u>2009</u>
Marketable securities:		
Toronto Dominion Mutual Funds	\$ 160,679	\$ 152,576
Other investments	<u>24,849</u>	<u>16,342</u>
	<u>\$ 24,849</u>	<u>\$ 16,342</u>

The aggregate market value of the marketable securities at December 31, 2010 is \$185,528 (2009 - \$168,918). Portfolio Investments earned \$4,044 in investment income during the year and earned investment income in 2009 of \$5,752.

6. Inventories

Inventories for sale:

	<u>2010</u>	<u>2009</u>
Food and beverages	\$ 12,029	\$ 8,569
Fuel (Airport)	<u>30,780</u>	<u>10,571</u>
	<u>\$ 42,809</u>	<u>\$ 19,140</u>

Inventories for use:

	<u>2010</u>	<u>2009</u>
Chemicals	\$ 11,581	\$ 10,689
Pipes and water supplies	160,131	135,823
Aggregate and other	<u>44,237</u>	<u>60,712</u>
	<u>\$ 215,949</u>	<u>\$ 207,224</u>

7. Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Accounts payable and accrued expenses	\$ 1,337,422	\$ 885,319
Accrued interest payable	10,158	13,664
School levies (Schedule 13)	113,574	67,326
Other governments	-	-
	<u>\$ 1,461,154</u>	<u>\$ 966,309</u>

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 1 landfill site in the RM of Dauphin. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2010</u>	<u>2009</u>
Estimated closure and post closure costs over the next 27 years	<u>\$ 607,161</u>	<u>\$ 607,161</u>
Discount rate	<u>3.75%</u>	<u>3.75%</u>
Discounted costs	<u>\$ 292,460</u>	<u>\$ 281,889</u>
Expected year capacity will be reached	2029	2029
Capacity (tonnes):		
Used to date	755,725	730,366
Remaining	<u>479,308</u>	<u>504,667</u>
Total	<u><u>1,235,033</u></u>	<u><u>1,235,033</u></u>
Percent utilized	<u>61.19%</u>	<u>59.14%</u>
Liability based on percentage	<u>\$ 178,958</u>	<u>\$ 166,702</u>

**9. Long Term Debt**

**General Authority:**

	<u>2010</u>	<u>2009</u>
Debenture, interest at 8.75%, payable at \$37,915 annually including interest, maturing December, 2010	\$ -	\$ 34,824
Debenture, interest at 7.5%, payable at \$82,643 annually including interest, maturing December, 2011	76,876	148,390
Debenture, interest at 7.85%, payable at \$114,247 annually including interest, maturing December, 2011	105,907	204,082
Debenture, interest at 6.75%, payable at \$31,414 annually including interest, maturing December, 2010	-	29,430
Debenture, interest at 6.75% payable at \$20,741 annually including interest, maturing December, 2010	-	19,430
Debenture, interest at 6.75%, payable at \$10,698 annually including interest, maturing December, 2011	10,022	19,410
Debenture, interest at 7.0%, payable at \$50,926 annually including interest, maturing December, 2016	242,742	274,455
Debenture, interest at 6.75%, payable at \$8,699 annually including interest, maturing December, 2011	8,149	15,782
Debenture, interest at 6.875%, payable at \$98,036 annually including interest, maturing December, 2016	469,103	530,657
Bank loan in the name of Riverside Cemetery Board (50% City), interest rate of 6.85%, payable at \$700 plus interest semi-annually.	2,800	4,200
Bank loan in the name of Riverside Cemetery Board (50% City), interest a prime plus 1%, payable at \$104 monthly principal payments plus interest, maturing in 2010.	-	521
Bank loan in the name of Riverside Cemetery Board (50% City), interest a 5.99%, payable at \$319 monthly principal payments plus interest, maturing in 2015.	17,554	-
	<u>\$ 933,153</u>	<u>\$ 1,281,181</u>

**Utility Funds:**

Debenture, interest at 7.35%, payable at \$60,588 annually including interest, maturing December, 2014	\$ 203,497	\$ 245,946
Debenture, interest at 6.75%, payable at \$16,241 annually including interest, maturing December, 2010	-	15,214
Debenture, interest at 6.875%, payable at \$36,789 annually including interest, maturing December, 2015	151,350	176,037
Debenture, interest at 7.0%, payable at \$72,032 annually including interest, maturing December, 2016	<u>343,344</u>	<u>388,202</u>
	<u>698,191</u>	<u>825,399</u>
	<u>\$ 1,631,344</u>	<u>\$ 2,106,580</u>

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

2011	425,866
2012	240,346
2013	255,463
2014	273,142
2015	229,883
Subsequent years	206,644

**10. Commitments**

The City of Dauphin has negotiated a non-exclusive long-term contract with Portage & District Recycling Inc. for the collection, processing and sale of residential and commercial recyclables. The contract expires on March 31, 2016. Annual charges under the contract are determined by recycling volumes collected. Payments made under the contract for the year 2010 were approximately \$215,124 (2009 - \$198,476).

**11. Contingencies**

A lawsuit has been filed against the municipality for incidents which arose in the ordinary course of operations. This lawsuit was settled in 2011 and the City's liability for this lawsuit was limited to \$2,500 as all other costs, including legal fees, were paid by the City's insurer.

## **12. Retirement Benefits**

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% 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 \$392,200 (2009 - \$340,055) 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, 2008 indicates the plan is fully funded on a going concern basis but has an unfunded solvency liability of \$1.1 million. The solvency position of the plan is determined by comparing the solvency of the plan assets to the actuarial present value of the benefits accrued in respect of credited service prior to the valuation date, calculated as if the plan were wound up on December 31, 2008. The current contribution rates are sufficient to fund the solvency liability by December 2013.

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

## **13. Subsequent Events**

On March 21, 2011 the City of Dauphin gave third reading to By-Law No. 01/2011, formalizing an agreement with the Rural Municipality of Dauphin to provide fire protection and prevention services for a period of ten years. The agreement requires the Rural Municipality to be responsible for thirty-five percent (35%) of the annual operating cost of the Dauphin Fire Department, as well as thirty-five percent (35%) of capital equipment costs.

Also subsequent to year-end, the City entered into an agreement to purchase a 2011 Crimson Pumper Rescue truck at a cost of \$377,910. This purchase is to be financed by the City of Dauphin Fire Reserve and the Rural Municipality of Dauphin.

## **14. 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.

**15. Public Sector Compensation Disclosure**

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2010:

- a) Compensation paid to members of council amounted to \$93,367 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 Eric Irwin	\$ 4,505	\$ 1,088	\$ 5,593
Former Mayor Alex Paul	20,927	3,850	24,777
Deputy Mayor Allen Dowhan	10,560	3,059	13,619
Former Deputy Mayor Brian Chita	12,020	3,820	15,840
Councillor Wes Bernat	13,823	4,048	17,871
Councillor Patti Eilers	11,240	5,893	17,133
Councillor Rodney Juba	1,808	632	2,440
Councillor Keith Tkachyk	1,756	688	2,444
Councillor Martin Kaminski	1,804	758	2,562
Former Councillor Victoria Yakemishin	7,559	72	7,631
Former Councillor Paul Overgaard	7,365	133	7,498
	<u>\$ 93,367</u>	<u>\$ 24,041</u>	<u>\$ 117,408</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Cameron Abrey</i>	<i>Fire Prevention Officer</i>	\$ 66,770
<i>Darrell Aitken</i>	<i>Engineering Technologist</i>	\$ 53,574
<i>Bill Brenner</i>	<i>WT &amp; Technology Manager</i>	\$ 77,993
<i>Garry Burla</i>	<i>Labourer</i>	\$ 50,811
<i>Scott Carr</i>	<i>Director of Finance</i>	\$ 77,933
<i>Brad Collett</i>	<i>Chief Administrative Officer</i>	\$ 107,917
<i>David Derkach</i>	<i>Building Inspector</i>	\$ 62,889
<i>Terry Genik</i>	<i>Public Works Foreman</i>	\$ 58,879
<i>Brian Harvey</i>	<i>Utility Operations Supervisor</i>	\$ 53,253
<i>Duane Harapiak</i>	<i>Mechanic</i>	\$ 59,147
<i>Randy Hlady</i>	<i>Water Treatment Plant Tech</i>	\$ 57,942
<i>Kevin Komarnicki</i>	<i>Director of Operations</i>	\$ 104,334
<i>Gordon Love</i>	<i>Airport Manager</i>	\$ 55,145
<i>Dwight Olsen</i>	<i>Utility Foreman</i>	\$ 62,779
<i>Lyle Stokotelnny</i>	<i>Superintendent of Works &amp; Op</i>	\$ 73,322
<i>Martijn Van Luijn</i>	<i>Economic Development Manager</i>	\$ 61,628
<i>Pat Wozny</i>	<i>Assistant Administrative Officer</i>	\$ 66,892
<i>Lynn Innerst</i>	<i>Regional Library Asst. Director</i>	\$ 53,355
<i>Paul Ennis</i>	<i>General Manager - Dauphin Rec.</i>	\$ 69,085
<i>Bob Day</i>	<i>Operations Manager - Dphn Rec.</i>	\$ 58,471



## 16. Public Utilities Board

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

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

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

### Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Water Treatment Plant	4,360,295	-	150,355	4,209,940
Industrial Park Water	-	219,843	916	218,927
Hydrant upgrades	-	699,670	4,373	695,297
	<u>\$ 4,360,295</u>	<u>\$ 919,513</u>	<u>\$ 155,644</u>	<u>\$ 5,124,164</u>

### Sewer services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Lagoon Cell 1 Upgrades	\$ 149,500	\$ -	\$ 3,250	\$ 146,250
Lagoon Cell 2 Upgrades	171,436	-	3,648	167,788
Lagoon Cell 6 Upgrades	304,001	-	6,333	297,668
Low Pressure Sewer	109,796	-	1,861	107,935
	<u>\$ 734,733</u>	<u>\$ -</u>	<u>\$ 15,092</u>	<u>\$ 719,641</u>

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2010**

**SCHEDULE 1**

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer		2010	2009	
Cost										
Opening costs	\$ 4,396,554	\$ 18,353,614	\$ 5,859,972	\$ 229,523	\$ 30,547,471	\$ 22,739,897	\$	\$ 82,127,031	\$	\$ 80,162,192
Additions during the year	737,138	1,009,560	542,879	11,252	1,004,800	1,580,805		4,886,434		2,364,637
Disposals and write downs	-	-	(140,199)	(903)	(23,295)	-		(164,397)		(399,799)
Closing costs	\$ 5,133,692	\$ 19,363,174	\$ 6,262,652	\$ 239,872	\$ 31,528,976	\$ 24,320,702	\$	\$ 86,849,068	\$	\$ 82,127,030
Accumulated Amortization										
Opening accum'd amortization	\$ 866,041	\$ 5,399,475	\$ 3,235,801	\$ 76,350	\$ 16,624,980	\$ 10,600,464	\$	\$ 36,803,111	\$	\$ 34,921,349
Amortization	82,124	552,427	373,065	29,989	675,654	531,069		2,244,328		2,175,916
Disposals and write downs	-	-	(135,199)	(903)	(23,295)	-		(159,397)		(294,152)
Closing accum'd amortization	\$ 948,165	\$ 5,951,902	\$ 3,473,667	\$ 105,436	\$ 17,277,339	\$ 11,131,533	\$	\$ 38,888,042	\$	\$ 36,803,113
Net Book Value of Tangible Capital Assets	\$ 4,185,527	\$ 13,411,272	\$ 2,788,985	\$ 134,436	\$ 14,251,637	\$ 13,189,169	\$	\$ 47,961,026	\$	\$ 45,323,917

	2010 Actual	2009 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 6,002,451	\$ 5,878,763
Taxes added	62,706	72,779
Penalties and interest	64,754	62,745
	<u>6,129,911</u>	<u>6,014,287</u>
<b>Grants in lieu of taxation:</b>		
Federal government	66,885	69,393
Provincial government	399,731	435,924
Other local governments	10,586	10,475
	<u>477,202</u>	<u>515,792</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	-	-
Sales of goods	1,216,354	1,162,357
Rentals	204,085	40,972
Development charges	191,280	179,997
	9,646	4,656
	<u>1,621,365</u>	<u>1,387,982</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	1,264,336	1,185,084
General support grant	63,210	59,480
VLT revenues	114,921	165,098
Conditional grants	780,303	783,501
	<u>2,222,770</u>	<u>2,193,163</u>
<b>Grants - other</b>		
Federal government - gas tax funding	431,502	456,200
Federal government - other	933,006	380,278
Other local governments	399,403	371,052
	<u>1,763,911</u>	<u>1,207,530</u>
<b>Permits, licences and fines</b>		
Permits	25,660	26,593
Licences	56,545	40,537
Fines	88,920	85,774
	<u>171,125</u>	<u>152,904</u>
<b>Investment income:</b>		
Cash and temporary investments	47,054	35,700
Marketable securities	-	6,652
Customer charges	2,575	1,082
	<u>49,629</u>	<u>43,434</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	2,600	-
Insurance and other rebates	1,122,438	62,238
Donations	640,671	3,534
Expenses recovered	96,600	326,727
Other	144,752	36,374
	<u>2,007,061</u>	<u>428,873</u>
<b>Water and sewer (Schedule 9)</b>	<u>3,178,842</u>	<u>2,292,939</u>
<b>Total revenue</b>	<u>\$ 17,621,816</u>	<u>\$ 14,236,904</u>

CONSOLIDATED SCHEDULE OF EXPENSES  
Year Ended December 31, 2010

	2010 Actual	2009 Actual
<b>General government services:</b>		
Legislative	\$ 93,367	\$ 97,988
General administrative	773,042	750,418
Other	1,104,490	440,173
	<u>1,970,899</u>	<u>1,288,579</u>
<b>Protective services:</b>		
Police	1,545,981	1,461,363
Fire	467,356	437,050
Emergency measures	2,768	6,166
Other protection	191,981	176,169
	<u>2,208,086</u>	<u>2,080,748</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	434,268	450,527
Road and street maintenance	626,914	677,375
Bridge maintenance	1,478	1,235
Sidewalk and boulevard maintenance	79,239	59,933
Street lighting	146,835	146,201
Other	833,742	818,679
Air transport	241,606	269,122
	<u>2,364,082</u>	<u>2,423,072</u>
<b>Environmental health services:</b>		
Waste collection and disposal	751,489	653,088
Recycling	241,730	227,761
	<u>993,219</u>	<u>880,849</u>
<b>Public health and welfare services:</b>		
Public health	87,715	86,568
<b>Regional planning and development</b>		
Planning and zoning	35,465	160
Urban renewal	35	-
Beautification and land rehabilitation	107,112	106,769
Urban area weed control	23,059	22,992
Other	16,247	21,674
	<u>181,918</u>	<u>151,595</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	11,648	17,894
Tourism	136,401	95,637
Other	280,933	372,810
	<u>428,982</u>	<u>486,341</u>
<b>Recreation and cultural services:</b>		
Community centers and halls	28,530	28,285
Other recreational facilities	2,813,400	3,010,768
Museums	43,400	41,900
Libraries	340,466	348,156
	<u>3,225,796</u>	<u>3,429,109</u>
<b>Water and sewer services (Schedule 9)</b>	<u>2,556,077</u>	<u>2,589,395</u>
<b>Total expenses</b>	<u>\$ 14,016,774.00</u>	<u>\$ 13,416,256.00</u>

CITY OF DAUPHIN

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2010

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>REVENUE</b>										
Property taxes	\$ 6,129,911	\$ 6,014,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	477,202	515,792	-	-	-	-	-	-	-	-
User fees	205,000	99,332	99,295	89,576	291,980	363,954	326,602	131,866	45,188	56,691
Prov of MB - Unconditional Grants	1,327,546	1,244,564	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	7,043	9,998	3,930	-	131,948	309,399	190,713	119,814	582	-
Grants - other	437,742	462,683	5,201	-	759,090	282,975	-	-	-	-
Permits, licences and fines	104,037	74,997	62,326	72,648	-	-	-	-	-	-
Investment income	32,052	25,427	-	-	350	264	-	-	10,056	6,652
Other revenue	726,203	95,056	40,883	58,209	6,640	12,676	-	-	539	5,993
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 9,446,736</b>	<b>\$ 8,542,136</b>	<b>\$ 211,635</b>	<b>\$ 220,433</b>	<b>\$ 1,190,008</b>	<b>\$ 969,268</b>	<b>\$ 517,315</b>	<b>\$ 251,680</b>	<b>\$ 56,365</b>	<b>\$ 69,336</b>
<b>EXPENSES</b>										
Personnel services	\$ 624,488	\$ 605,755	\$ 541,688	\$ 487,819	\$ 927,089	\$ 945,585	\$ 319,652	\$ 298,912	\$ 39,732	\$ 38,253
Contract services	116,612	115,267	1,473,966	1,399,472	179,510	179,919	241,941	245,699	39,359	38,139
Utilities	51,428	56,211	27,685	28,733	196,877	200,826	1,415	3,445	1,525	1,621
Maintenance materials and supplies	76,780	62,140	67,087	74,367	505,809	499,633	8,654	8,047	5,499	7,899
Grants and contributions	659,585	8,827	-	-	25,573	32,157	83,079	-	-	-
Amortization	139,165	138,263	44,312	42,470	890,273	846,198	62,534	54,519	-	-
Interest on long term debt	55,147	61,216	-	-	4,274	7,695	-	-	507	396
Other	247,694	240,900	53,348	47,887	(365,323)	(288,941)	275,944	270,227	1,093	260
<b>Total expenses</b>	<b>\$ 1,970,899</b>	<b>\$ 1,288,579</b>	<b>\$ 2,208,086</b>	<b>\$ 2,080,748</b>	<b>\$ 2,364,082</b>	<b>\$ 2,423,072</b>	<b>\$ 993,219</b>	<b>\$ 880,849</b>	<b>\$ 87,715</b>	<b>\$ 86,568</b>
<b>Surplus (Deficit)</b>	<b>\$ 7,475,837</b>	<b>\$ 7,253,557</b>	<b>\$ (1,996,451)</b>	<b>\$ (1,860,315)</b>	<b>\$ (1,174,074)</b>	<b>\$ (1,453,804)</b>	<b>\$ (475,904)</b>	<b>\$ (629,169)</b>	<b>\$ (31,350)</b>	<b>\$ (17,232)</b>

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

CITY OF DAUPHIN

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2010

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,129,911	\$ 6,014,287
Grants in lieu of taxation	-	-	-	-	-	-	-	-	477,202	515,792
User fees	-	-	10,000	10,000	643,300	636,563	-	-	1,621,365	1,387,982
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,327,546	1,244,564
Prov of MB - Conditional Grants	10,000	10,000	23,796	70,149	527,212	429,239	-	-	895,224	948,599
Grants - other	-	-	26,810	56,271	535,068	405,601	-	-	1,763,911	1,207,530
Permits, licences and fines	-	-	-	-	4,762	5,259	-	-	171,125	152,904
Investment income	-	-	5,967	7,425	1,204	3,666	-	-	49,629	43,434
Other revenue	2,633	2,020	41,422	23,976	1,188,741	230,943	-	-	2,007,061	428,873
Water and sewer	-	-	-	-	-	-	3,178,842	2,292,939	3,178,842	2,292,939
<b>Total revenue</b>	<b>\$ 12,633</b>	<b>\$ 12,020</b>	<b>\$ 107,995</b>	<b>\$ 167,821</b>	<b>\$ 2,900,287</b>	<b>\$ 1,711,271</b>	<b>\$ 3,178,842</b>	<b>\$ 2,292,939</b>	<b>\$ 17,621,816</b>	<b>\$ 14,236,904</b>
<b>EXPENSES</b>										
Personnel services	\$ 15,496	\$ 15,391	\$ 197,305	\$ 208,505	\$ 1,293,752	\$ 1,173,116	\$ 853,245	\$ 836,061	\$ 4,812,447	\$ 4,609,397
Contract services	95,442	75,442	27,413	26,012	234,573	565,471	104,062	143,837	2,512,878	2,789,258
Utilities	-	-	8,254	10,786	221,657	249,862	130,171	131,415	639,012	682,899
Maintenance materials and supplies	11,536	12,229	8,339	12,713	438,078	364,442	688,478	681,389	1,810,260	1,722,859
Grants and contributions	46,948	44,377	11,646	11,646	355,171	366,399	-	-	1,182,002	463,406
Amortization	-	-	6,248	6,248	570,727	566,403	531,069	521,815	2,244,328	2,175,916
Interest on long term debt	-	-	1,022	3,943	28,476	43,603	57,677	67,642	147,103	184,495
Other	12,496	4,156	168,755	206,488	83,362	99,813	191,375	207,236	668,744	788,026
<b>Total expenses</b>	<b>\$ 181,918</b>	<b>\$ 151,595</b>	<b>\$ 428,982</b>	<b>\$ 486,341</b>	<b>\$ 3,225,796</b>	<b>\$ 3,429,109</b>	<b>\$ 2,556,077</b>	<b>\$ 2,589,395</b>	<b>\$ 14,016,774</b>	<b>\$ 13,416,256</b>
<b>Surplus (Deficit)</b>	<b>\$ (169,285)</b>	<b>\$ (139,575)</b>	<b>\$ (320,987)</b>	<b>\$ (318,520)</b>	<b>\$ (325,509)</b>	<b>\$ (1,717,838)</b>	<b>\$ 622,765</b>	<b>\$ (296,456)</b>	<b>\$ 3,605,042</b>	<b>\$ 820,648</b>

**CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS**  
**Year Ended December 31, 2010**

**SCHEDULE 5**

	Core Government		Controlled Entities		Government Partnerships		Total
	2010	2009	2010	2009	2010	2009	
<b>REVENUE</b>							
Property taxes	\$ 6,129,911	\$ 6,014,287	\$ -	\$ -	\$ -	\$ -	\$ 6,014,287
Grants in lieu of taxation	477,202	515,792	-	-	-	-	515,792
User fees	966,780	723,474	-	-	654,585	664,508	1,387,982
Prov of MB - Unconditional Grants	1,327,546	1,244,564	-	-	-	-	1,244,564
Prov of MB - Conditional Grants	482,351	741,394	-	1,866	412,873	205,339	948,599
Grants - other	514,957	747,853	500	500	1,248,454	459,177	1,207,530
Permits, licences and fines	166,362	147,645	-	-	4,763	5,259	152,904
Investment income	32,038	25,410	5,981	7,442	11,610	10,582	43,434
Other revenue	810,454	177,749	1,187	1,514	1,195,420	249,610	428,873
Water and sewer	3,178,842	2,292,939	-	-	-	-	2,292,939
<b>Total revenue</b>	<b>\$ 14,086,443</b>	<b>\$ 12,631,107</b>	<b>\$ 7,668</b>	<b>\$ 11,322</b>	<b>\$ 3,527,705</b>	<b>\$ 1,594,475</b>	<b>\$ 17,621,816</b>
<b>EXPENSES</b>							
Personnel services	\$ 3,478,964	\$ 3,399,481	\$ -	\$ -	\$ 1,333,483	\$ 1,209,916	\$ 4,609,397
Contract services	2,246,086	2,178,298	14,314	13,572	252,478	597,388	2,789,258
Utilities	404,229	418,913	-	-	234,783	263,986	682,899
Maintenance materials and supplies	1,309,442	1,283,568	296	1,495	500,522	437,796	1,722,859
Grants and contributions	2,666,825	1,825,097	(11,524)	(11,524)	(1,473,299)	(1,350,167)	463,406
Amortization	1,581,525	1,520,583	-	-	662,803	655,333	2,175,916
Interest on long term debt	146,596	184,099	-	-	507	396	184,495
Other	548,974	658,351	17,893	12,261	101,877	117,414	788,026
<b>Total expenses</b>	<b>\$ 12,382,641</b>	<b>\$ 11,468,390</b>	<b>\$ 20,979</b>	<b>\$ 15,804</b>	<b>\$ 1,613,154</b>	<b>\$ 1,932,062</b>	<b>\$ 13,416,256</b>
<b>Surplus (Deficit)</b>	<b>\$ 1,703,802</b>	<b>\$ 1,162,717</b>	<b>\$ (13,311)</b>	<b>\$ (4,482)</b>	<b>\$ 1,914,551</b>	<b>\$ (337,587)</b>	<b>\$ 820,648</b>

CITY OF DAUPHIN  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 Year Ended December 31, 2010

SCHEDULE 6

	2010							2009		
	General Reserve	Machinery Reserve	Fire Reserve	Public Land Reserve	Civic Bldgs Reserve	Centennial Reserve	Gas Tax Reserve	Recreation Reserve	Water & Sewer Reserve	Total
<b>REVENUE</b>										
Investment Income	\$ 2,250	\$ 1,192	\$ 2,892	\$ 13	\$ 287	\$ 41	\$ 3,894	\$ 3,414	\$ 3,002	\$ 16,985
<b>TRANSFERS</b>										
Transfers from (to) operating fund	405,000	225,000	74,000	-	25,000	-	431,502	50,079	-	1,210,581
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	50,000	50,000
Acquisition of tangible capital assets	-	(214,160)	-	-	-	-	(80,494)	(221,586)	(57,806)	(574,046)
<b>CHANGE IN RESERVE FUND BALANCES</b>	407,250	12,032	76,892	13	25,287	41	354,902	(168,093)	(4,804)	703,520
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	2,286,076	230,945	560,238	73,239	99,312	8,116	712,421	661,605	589,630	5,221,582
<b>FUND SURPLUS, END OF YEAR</b>	\$ 2,693,326	\$ 242,977	\$ 637,130	\$ 73,252	\$ 124,599	\$ 8,157	\$ 1,067,323	\$ 493,512	\$ 584,826	\$ 5,925,102
										\$ 20,629



**CITY OF DAUPHIN**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**Year Ended December 31, 2010**

**SCHEDULE 8**

	<u>2010</u>	<u>2009</u>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 1,169,248	\$ 449,245
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 199,861	\$ 167,217
Long-term debt (Note 9)	698,192	825,399
Other	1,668,077	451,137
	<u>\$ 2,566,130</u>	<u>\$ 1,443,753</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ (1,396,882)</u>	<u>\$ (994,508)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 13,189,169	\$ 12,139,431
Inventories	171,711	146,512
Prepaid expenses	23,201	10,054
	<u>13,384,081</u>	<u>12,295,997</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u>\$ 11,987,199</u>	<u>\$ 11,301,489</u>
<b>COMMITMENTS AND CONTINGENCIES (Notes 10 and 11)</b>		

**SCHEDULE OF UTILITY OPERATIONS**  
**For the Year Ended December 31, 2010**

<b>REVENUE</b>	<b>Budget</b>	<b>2010</b>	<b>2009</b>
<b>Water</b>			
Water fees	\$ 1,332,328	\$ 1,299,633	\$ 1,294,834
Bulk Water fees	20,000	17,588	20,299
sub-total- water	<u>1,352,328</u>	<u>1,317,221</u>	<u>1,315,133</u>
<b>Sewer</b>			
Sewer fees	371,321	358,033	356,849
Lagoon tipping fees	11,000	11,040	10,490
sub-total- sewer	<u>382,321</u>	<u>369,073</u>	<u>367,339</u>
<b>Government transfers</b>			
Capital	<u>1,051,580</u>	<u>919,513</u>	<u>128,323</u>
<b>Other</b>			
Hydrant rentals	49,800	900	900
Connection charges	9,500	9,570	9,200
Installation service	125,000	214,695	-
Penalties	3,650	4,329	3,684
Administration fees	315,000	316,604	315,148
Other income	22,000	26,937	153,212
sub-total- other	<u>524,950</u>	<u>573,035</u>	<u>482,144</u>
<b>Total revenue</b>	<u><b>3,311,179</b></u>	<u><b>3,178,842</b></u>	<u><b>2,292,939</b></u>

**CITY OF DAUPHIN**  
**SCHEDULE OF UTILITY OPERATIONS (cont'd)**  
**For the Year Ended December 31, 2010**

**SCHEDULE 9**

<b>EXPENSES</b>	<b>Budget</b>	<b>2010</b>	<b>2009</b>
<b>General</b>			
Administration	330,409	320,907	330,759
Training costs	33,071	26,579	23,180
Billing and collection	18,006	17,315	17,446
Utilities (telephone, electricity, etc.)	6,800	6,367	6,112
sub-total- general	<u>388,286</u>	<u>371,168</u>	<u>377,497</u>
<b>Water General</b>			
Purification and treatment	717,579	703,229	694,269
Transmission and distribution	384,460	297,737	365,152
Transportation services	56,400	57,126	54,572
Water supply	80,875	88,028	75,499
Connection costs	48,485	56,802	39,649
Other expenses	75,000	145,694	71,746
sub-total- water general	<u>1,362,799</u>	<u>1,348,616</u>	<u>1,300,887</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	-	265,535	260,908
Capital Expenditure	1,702,058	-	-
Interest on long term debt	169,409	56,737	65,735
sub-total- water amortization & interest	<u>1,871,467</u>	<u>322,272</u>	<u>326,643</u>
<b>Sewer General</b>			
Collection system costs	138,200	93,190	184,184
Treatment and disposal cost	99,780	112,378	98,233
Lift Station costs	41,125	41,979	39,137
sub-total- sewer general	<u>279,105</u>	<u>247,547</u>	<u>321,554</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	265,534	260,907
Capital Expenditure	54,000	-	-
Interest on long term debt	16,241	940	1,907
sub-total- sewer amortization & interest	<u>70,241</u>	<u>266,474</u>	<u>262,814</u>
<b>Total expenses</b>	<u>3,971,898</u>	<u>2,556,077</u>	<u>2,589,395</u>
<b>NET OPERATING SURPLUS</b>	(660,719)	622,765	(296,456)
<b>TRANSFERS</b>			
Eliminating PSAB entries	-	38,900	38,805
Transfers from debentures	475,478	-	-
Transfers from (to) operating fund	16,241	16,241	41,513
Transfers from (to) reserve funds	169,000	7,804	51,574
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ -</u>	685,710	(164,564)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>11,301,489</u>	<u>11,466,053</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 11,987,199</u>	<u>\$ 11,301,489</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2010

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 6,132,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,132,451
Grants in lieu of taxation	477,116	-	-	-	-	-	-	477,116
User fees	1,056,305	-	-	-	(250,000)	-	675,578	1,481,883
Grants - Province of Manitoba	2,258,632	-	-	-	(432,988)	-	453,965	2,279,609
Grants - other	911,564	-	-	-	(395,324)	-	711,167	1,227,407
Permits, licences and fines	138,725	-	-	-	-	-	4,415	143,140
Investment income	4,500	-	-	-	-	-	17,328	21,828
Other revenue	327,511	-	(5,500)	(215,935)	-	-	1,125,879	1,231,955
Water and sewer	-	3,786,657	-	(475,478)	(48,900)	-	-	3,262,279
Transfers from General Fund	-	16,241	-	-	(16,241)	-	-	-
Transfers from reserves	-	219,000	-	-	(1,232,611)	-	-	-
Total revenue	\$ 12,320,415	\$ 4,021,898	\$ (5,500)	\$ (691,413)	\$ (2,376,064)	\$ -	\$ 2,988,332	\$ 16,257,668
<b>EXPENSES</b>								
General government services	\$ 1,245,612	\$ -	\$ 139,165	\$ 55,694	\$ (85,986)	\$ -	\$ 16,584	\$ 1,371,069
Protective services	2,315,893	-	44,312	-	(48,900)	-	-	2,311,305
Transportation services	1,590,862	-	781,990	4,607	(114,514)	-	17,604	2,280,549
Environmental health services	904,329	-	62,534	-	-	12,256	-	979,119
Public health and welfare services	33,749	-	6,248	-	-	-	-	93,963
Regional planning and development	198,477	-	-	-	-	-	-	198,477
Resource cons and industrial dev	448,268	-	16,207	1,065	-	-	17,521	483,061
Recreation and cultural services	2,812,902	-	-	30,291	(828,312)	-	788,348	2,803,229
Water and sewer services	-	2,030,190	531,069	58,442	(10,000)	-	-	2,609,701
Fiscal services:								
Transfer to Utility	16,241	-	-	-	(16,241)	-	-	-
Property tax discounts	14,500	-	-	-	(14,500)	-	-	-
Transfer to capital	1,258,194	1,756,058	(3,014,252)	-	-	-	-	-
Debt charges	650,807	185,650	-	(836,457)	-	-	-	-
Transfer to reserves	805,581	50,000	-	-	(855,581)	-	-	-
Allowance for tax assets	25,000	-	-	-	(25,000)	-	-	-
Total expenses	\$ 12,320,415	\$ 4,021,898	\$ (1,432,727)	\$ (686,358)	\$ (1,999,034)	\$ 12,256	\$ 894,023	\$ 13,130,473
Surplus (Deficit)	\$ -	\$ -	\$ 1,427,227	\$ (5,055)	\$ (377,030)	\$ (12,256)	\$ 2,094,309	\$ 3,127,195

**CITY OF DAUPHIN  
ANALYSIS OF TAXES ON ROLL  
Year Ended December 31, 2010**

**SCHEDULE 11**

	<u>2010</u>	<u>2009</u>
<b>Balance, beginning of year</b>	<b>\$ 338,110</b>	<b>\$ 336,714</b>
<b>Add:</b>		
Tax levy (Schedule 12)	10,244,341	10,087,675
Taxes added	62,706	72,779
Penalties or interest	64,754	62,745
Transfers and adjustments	31,067	42,519
<b>Sub-total</b>	<b><u>10,402,868</u></b>	<b><u>10,265,718</u></b>
<b>Deduct:</b>		
Cash collections - arrears	315,125	106,528
Cash collections - current	8,583,603	8,667,063
Writeoffs	23,210	19,549
Tax discounts	14,499	21,997
M.P.T.C. - cash advance	1,458,057	1,449,135
Other credits (Soldier Tax Credit)	50	50
<b>Sub-total</b>	<b><u>10,394,544</u></b>	<b><u>10,264,322</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 346,434</u></u></b>	<b><u><u>\$ 338,110</u></u></b>

## ANALYSIS OF TAX LEVY

Year Ended December 31, 2010

	2010		2009	
	<u>Assessment</u>	<u>Mill Rate</u>	<u>Levy</u>	<u>Levy</u>
Debt charges:				
LI.D.	235,774,370	0.280%	\$ 66,017	\$ 122,219
Other (At Large)	181,982,480	3.054%	555,774	371,206
Reserves:				
Equipment replacement	181,982,480	1.148%	208,916	184,236
Fire Equipment replacement	181,982,480	0.128%	23,294	23,173
Recreation	181,982,480	0.255%	46,406	46,203
Civic Building	181,982,480	0.378%	68,789	23,173
General Municipal				
At Large	181,982,480	27.629%	5,027,994	5,106,637
School Division not rateable property			(6,107)	(8,486)
Business tax			11,368	10,402
<b>Total municipal taxes (Schedule 2)</b>			<b>6,002,451</b>	<b>5,878,763</b>
Education support levy			619,876	664,125
Special levy:				
Mountain View School Division			3,615,907	3,536,301
MVSD - not rateable property			6,107	8,486
<b>Total education taxes</b>			<b>4,241,890</b>	<b>4,208,912</b>
<b>Total tax levy (Schedule 11)</b>			<b>\$ 10,244,341</b>	<b>\$ 10,087,675</b>

**CITY OF DAUPHIN  
 ANALYSIS OF SCHOOL ACCOUNTS  
 Year Ended December 31, 2010**

**SCHEDULE 13**

	2010			2009
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 16,238	\$ 754,717	\$ (745,295)	\$ 16,238
Special levies				
Mountain View School Division	51,088	3,924,786	(3,887,960)	51,088
<b>Total</b>	<b>\$ 67,326</b>	<b>\$ 4,679,503</b>	<b>\$ (4,633,255)</b>	<b>\$ 67,326</b>

NAME OF MUNICIPALITY  
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
 For the Year Ended December 31, 2010

SCHEDULE 14

	2010 Actual	2009 Actual
<b>General government services:</b>		
Legislative	\$ 93,367	\$ 97,988
General administrative	773,042	687,208
Other	936,867	244,676
Allowance for Tax Assets	25,000	25,000
	<u>1,828,276</u>	<u>1,054,872</u>
<b>Protective services:</b>		
Police	1,545,981	1,461,363
Fire	423,045	451,848
Emergency measures	2,768	6,166
Other	191,980	176,168
	<u>2,163,774</u>	<u>2,095,545</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	434,268	442,832
Road and street maintenance	626,914	212,266
Bridge maintenance	1,478	1,235
Sidewalk and boulevard maintenance	79,239	59,933
Street lighting	146,835	146,201
Other	51,752	691,906
Air transport	112,459	141,346
	<u>1,452,945</u>	<u>1,695,719</u>
<b>Environmental health services:</b>		
Waste collection and disposal	688,955	586,937
Recycling	241,730	227,761
	<u>930,685</u>	<u>814,698</u>
<b>Public health and welfare services:</b>		
Social assistance	33,749	33,749
<b>Regional planning and development</b>		
Planning and zoning	35,465	160
Urban renewal	35	-
Beautification and land rehabilitation	107,112	106,769
Urban area weed control	23,059	22,992
Other	16,247	21,674
	<u>181,918</u>	<u>151,595</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	11,648	11,646
Regional development	-	65,579
Tourism	136,401	95,637
Other	257,164	289,714
	<u>405,213</u>	<u>462,576</u>
<b>Recreation and cultural services:</b>		
Community centers and halls	28,530	28,285
Other recreational facilities	1,550,781	1,159,404
Museums	43,400	41,900
Libraries	156,837	155,073
	<u>1,779,548</u>	<u>1,384,662</u>
<b>Total expenses</b>	<u><u>8,776,108</u></u>	<u><u>7,693,416</u></u>



**SCHEDULE OF DEBENTURES PENDING  
Year Ended December 31, 2010**

<b>Authority</b>	<b>Purpose</b>	<b>Source of Funds</b>	<b>Authorized</b>	<b>Expended</b>
03/2010	Rehabilitation of Vermillion Park	Province of MB	\$ 166,666	\$ -
04/2010	Removal/Replacement Fire Hydrants	Province of MB	374,878	374,878
05/2010	Upgrades to Industrial Park	Province of MB	149,869	119,596
			<u>\$ 691,413</u>	<u>\$ 494,474</u>