

CITY OF DAUPHIN

**Consolidated Financial Statements
For the Year Ended December 31, 2014**

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 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.

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, 2014 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.

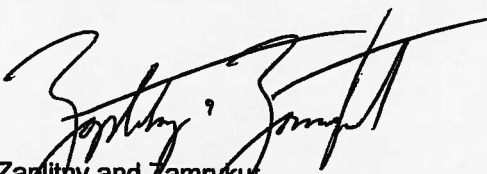
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material 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, 2014 and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Zaprithy and Zamnykut
Chartered Accountants

Dauphin, MB
June 30, 2015

CITY OF DAUPHIN

Consolidated Financial Statements

For the Year Ended December 31, 2014

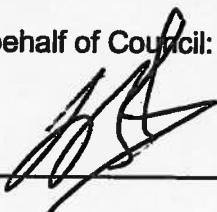
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	18
Schedule 2 - Consolidated Schedule of Revenues	19
Schedule 3 - Consolidated Schedule of Expenses	20
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	25
Schedule 8 - Schedule of Financial Position for Utilities	26
Schedule 9 - Schedule of Utility Operations	27
Schedule 10 - Reconciliation of the Financial Plan to the Budget	29
Schedule 11 - Analysis of Taxes on Roll	30
Schedule 12 - Analysis of Tax Levy	31
Schedule 13 - Analysis of School Accounts	32
Schedule 14 - Schedule of General Operating Fund Expenses	33
Schedule 15 - Schedule of General Operating Fund Expenses	34
Schedule 16 - Schedule of Debentures Pending	35
Schedule 17 - Reconciliation of Annual Surplus (Deficit)	36

**CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 7,857,727	\$ 7,838,459
Amounts receivable (Note 4)	1,799,832	1,430,156
Portfolio investments (Note 5)	247,347	236,063
Loans and advances	58,570	1,024
Inventories for resale (Note 6)	<u>35,077</u>	<u>46,195</u>
	<u>\$ 9,998,553</u>	<u>\$ 9,551,897</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 2,721,753	\$ 1,788,087
Severance and vested sick leave payable	382,636	369,195
Deferred revenue	87,342	132,147
Landfill closure and post closure liabilities (Note 8)	247,447	219,774
Long-term debt (Note 9)	<u>880,483</u>	<u>1,166,643</u>
	<u>\$ 4,319,661</u>	<u>\$ 3,675,846</u>
NET FINANCIAL ASSETS	<u>\$ 5,678,892</u>	<u>\$ 5,876,051</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 47,912,042	\$ 46,758,008
Inventories for use (Note 6)	209,713	185,451
Prepaid expenses	<u>132,627</u>	<u>133,207</u>
	<u>48,254,382</u>	<u>47,076,666</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 15)	<u>\$ 53,933,274</u>	<u>\$ 52,952,717</u>

COMMITMENTS AND CONTINGENCIES (NOTE 10)

Approved on behalf of Council:



Eric Irwin - Mayor



Al Dowhan - Deputy Mayor

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2014

	<u>2014</u> <u>Budget</u> <u>(unaudited)</u> <u>(Note 14)</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
REVENUE			
Property taxes	\$ 5,598,763	\$ 5,575,293	\$ 5,784,835
Grants in lieu of taxation	375,546	374,302	422,820
User fees	1,952,795	1,710,508	1,842,597
Grants - Province of Manitoba	2,426,940	2,294,222	2,072,663
Grants - other	821,169	823,402	1,069,369
Permits, licences and fines	170,084	192,775	162,776
Investment income	48,455	163,319	136,334
Other revenue	544,652	448,640	295,229
Water and sewer	4,244,398	3,670,389	2,313,048
Total revenue (Schedules 2, 4 and 5)	<u>16,182,802</u>	<u>15,252,850</u>	<u>14,099,671</u>
EXPENSES			
General government services	1,302,024	1,238,079	1,205,504
Protective services	2,686,968	2,493,445	2,671,922
Transportation services	2,895,333	2,868,176	2,674,061
Environmental health services	850,110	732,207	766,435
Public health and welfare services	99,656	93,540	84,863
Regional planning and development	164,200	117,112	131,551
Resource conservation and industrial development	448,519	412,051	431,782
Recreation and cultural services	3,360,218	3,300,225	3,152,559
Water and sewer services	2,895,214	2,941,016	2,574,848
Total expenses (Schedules 3, 4 and 5)	<u>14,702,242</u>	<u>14,195,851</u>	<u>13,693,525</u>
ANNUAL SURPLUS	<u>\$ 1,480,560</u>	1,056,999	406,146
ADJUSTMENT FOR CHANGE IN PARTNERSHIP INTEREST (Note 12)		1,275	9,308
PRIOR PERIOD ADJUSTMENT (Note 13)		(77,717)	(47,710)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>52,952,717</u>	<u>52,584,973</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 53,933,274</u>	<u>\$ 52,952,717</u>

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2014

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
ANNUAL SURPLUS	\$ 1,056,999	\$ 406,146
Acquisition of tangible capital assets	(3,755,886)	(1,768,391)
Amortization of tangible capital assets	2,459,689	2,325,646
Adjustment for change in percentage of partnership (Note 12)	(7)	5,788
Adjustment for change in accumulated surplus (Note 13)	-	(47,710)
Loss (Gain) on sale of tangible capital assets	(62,648)	(8,873)
Proceeds on sale of tangible capital assets	128,376	21,900
Decrease (increase) in inventories for use	(24,262)	9,380
Decrease (increase) in prepaid expense	580	(35,748)
	<u>(1,254,158)</u>	<u>501,992</u>
CHANGE IN NET FINANCIAL ASSETS	(197,159)	908,138
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,876,051	4,967,913
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 5,678,892</u>	<u>\$ 5,876,051</u>

**CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,056,999	\$ 406,146
Changes in non-cash items:		
Amounts receivable	(369,676)	146,303
Inventories	(13,144)	1,749
Prepays	580	(35,748)
Accounts payable and accrued liabilities	933,666	(309,552)
Severance and vested sick leave payable	13,441	22,981
Deferred revenue	(44,805)	78,298
Landfill closure and post closure liabilities	27,673	14,311
Loss (Gain) on sale of tangible capital asset	(62,648)	(7,873)
Loss (Gain) on sale of tangible capital assets-Water & Sewer	-	(1,000)
Adjustment to accumulated surplus	-	(47,710)
Amortization	<u>2,459,689</u>	<u>2,325,646</u>
Cash provided by operating transactions	<u>4,001,775</u>	<u>2,593,551</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	128,376	21,900
Cash used to acquire tangible capital assets	<u>(3,755,886)</u>	<u>(1,768,391)</u>
Cash applied to capital transactions	<u>(3,627,510)</u>	<u>(1,746,491)</u>
INVESTING TRANSACTIONS		
Adjustment for change in percentage of partnerships (Note 12)	(7)	5,788
Loans and advances repaid (advanced)	(57,546)	3,101
Redemption (Purchase) of portfolio investments	<u>(11,284)</u>	<u>(40,793)</u>
Cash applied to investing transactions	<u>(68,837)</u>	<u>(31,904)</u>
FINANCING TRANSACTIONS		
Loan proceeds received	-	-
Debt repayment to 3rd party	<u>(286,160)</u>	<u>(267,717)</u>
Cash applied to financing transactions	<u>(286,160)</u>	<u>(267,717)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	19,268	547,439
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,838,459</u>	<u>7,291,020</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 7,857,727</u>	<u>\$ 7,838,459</u>

CITY OF DAUPHIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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 utility, 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

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%)(2013 - 50%)
Parkland Regional Library Service (22.81%)(2013 - 22.81%)
Dauphin Public Library (78.95%)(2013 - 77.26%)
Dauphin Regional Airport Authority Inc. (78.95%)(2013 - 78.95%)
Dauphin Recreation Services (78.95%)(2013 - 78.95%)

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. The Municipality held no funds in trust on December 31, 2014.

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 internal finance 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.

i) 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 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.

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>2014</u>	<u>2013</u>
Cash	\$ 1,801,842	\$ 7,794,041
Temporary Investments	<u>6,055,885</u>	<u>44,418</u>
	<u>\$ 7,857,727</u>	<u>\$ 7,838,459</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>2014</u>	<u>2013</u>
Taxes on roll (Schedule 11)	\$ 405,873	\$ 385,982
Grants in lieu	72,563	41,747
Government grants	766,592	494,188
Utility customers	315,787	297,689
Accrued interest	43,199	876
Organizations and individuals	373,670	295,405
Other governments	<u>3,334</u>	<u>3,569</u>
	1,981,018	1,519,456
Less allowances for doubtful amounts	<u>(181,186)</u>	<u>(89,300)</u>
	<u>\$ 1,799,832</u>	<u>\$ 1,430,156</u>

The City of Dauphin encourages property owners to prepay property taxes by using an electronic funds transfer program. As at December 31, 2014, the City was in receipt of \$185,040 (2013 - \$168,126) in prepaid property taxes. The Taxes on Roll balance outstanding on December 31, 2014 and 2013 is net of these credits.

5. Portfolio Investments

	<u>2014</u>	<u>2013</u>
Marketable securities:		
- Toronto Dominion Mutual Funds	\$ 213,999	\$ 196,629
Term Deposit	33,027	39,138
Other investments	<u>321</u>	<u>296</u>
	<u>\$ 247,347</u>	<u>\$ 236,063</u>

The aggregate market value of the marketable securities at December 31, 2014 is \$213,999 (2013 - \$196,629). Portfolio investments earned \$15,371 in investment income during the year and earned investment income in 2013 of \$269.

6. Inventories

Inventories for sale:

	<u>2014</u>	<u>2013</u>
Food and beverages	\$ 8,431	\$ 7,835
Fuel (Airport)	<u>26,646</u>	<u>38,360</u>
	<u>\$ 35,077</u>	<u>\$ 46,195</u>

Inventories for use:

Chemicals	13,850	12,329
Pipes and water supplies	151,979	133,847
Aggregate and other	<u>43,884</u>	<u>39,275</u>
	<u>\$ 209,713</u>	<u>\$ 185,451</u>

7. Accounts Payable and Accrued Liabilities

	<u>2014</u>	<u>2013</u>
Accounts payable and accrued expenses	\$ 1,704,575	\$ 1,533,411
Accrued interest payable	4,360	6,034
School levies (Schedule 13)	149,728	150,947
Other governments	<u>863,090</u>	<u>97,695</u>
	<u>\$ 2,721,753</u>	<u>\$ 1,788,087</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.

In 2014, a new landfill study was conducted as part of the Provincial Licensing requirements. This study also estimated the remaining capacity of the landfill and revised the annual estimates of waste entering the landfill. It was determined that the remaining capacity available was less than previously estimated; however, due to new landfill practices and a reduction in waste, the estimated useful life of the landfill has actually increased by 10 years. As a result of these revised estimates, the landfill is not expected to reach capacity until 2039.

	<u>2014</u>	<u>2013</u>
Estimated closure and post closure costs over the next 34 years (24 years - 2013)	\$ 910,275	\$ 607,161
Discount rate	3.75%	3.75%
Discounted costs	<u>\$ 338,858</u>	<u>\$ 326,610</u>
Expected year capacity will be reached	2039	2029
Capacity (tonnes):		
Used to date	901,866	831,044
Remaining	<u>333,167</u>	<u>403,989</u>
Total	<u>1,235,033</u>	<u>1,235,033</u>
Percent utilized	<u>73.02%</u>	<u>67.29%</u>
Liability based on percentage	<u>\$ 247,447</u>	<u>\$ 219,774</u>

9. Long Term Debt

	<u>2014</u>	<u>2013</u>
General Authority:		
Debenture, interest at 7.0%, payable at \$50,926 annually including interest, maturing December, 2016	\$ 92,075	\$ 133,646
Debenture, interest at 6.875%, payable at \$98,036 annually including interest, maturing December, 2016	177,559	257,867
Debenture, interest at 4.75%, payable at \$3,614 annually including interest, maturing December, 2031	41,517	43,085
	<u>\$ 311,151</u>	<u>\$ 434,598</u>
Utility Funds:		
Debenture, interest at 7.35%, payable at \$60,588 annually including interest, maturing December, 2014	\$ -	\$ 56,426
Debenture, interest at 6.875%, payable at \$36,789 annually including interest, maturing December, 2015	34,423	66,632
Debenture, interest at 7.0%, payable at \$72,032 annually including interest, maturing December, 2016	130,236	189,035
Debenture, interest at 4.75%, payable at \$29,447 annually including interest, maturing December, 2031	338,272	351,044
Debenture, interest at 4.75%, payable at \$5,780 annually including interest, maturing December, 2031	66,401	68,908
	<u>\$ 569,332</u>	<u>\$ 732,045</u>
	<u>\$ 880,483</u>	<u>\$ 1,166,643</u>

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

2015	245,296
2016	225,130
2017	19,363
2018	20,283
2019	21,247
Subsequent years	<u>349,164</u>
	<u>\$ 880,483</u>

10. Commitments and Contingencies

Royal Canadian Mounted Police and the Government of Canada

On April 1, 2012, the City of Dauphin entered into an agreement with the Government of Canada and Royal Canadian Mounted Police for the purpose of obtaining municipal policing services. The contract expires in March 2032 and can be terminated on any March 31 anniversary date with two years notice. Under the terms of the contract, the annual costs incurred by the RCMP for the policing services they provide will be cost shared between the City of Dauphin and the Province of Manitoba on a 70/30 basis. The City's cost of policing related services that were provided by the RCMP in 2014 totalled \$1,575,734 (2013 - \$1,811,233).

Portage & District Recycling Inc.

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 January 1, 2024. Annual charges under the contract are determined by recycling volumes collected. Recycling charges under the contract for the year 2014 were \$108,552 (2013 - \$124,242).

11. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$585,260 (2013 - \$496,414) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2013 indicated the plan was 93.3% funded on a going concern basis and had an unfunded solvency liability of \$139.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2013.

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

12. Adjustment for Change in Partnership Interest

The City of Dauphin has forged various partnerships with other municipal governments for the purpose of providing its residents with a variety of programs in a cost effective manner. For some of these programs, the funding allocation between different municipal governments is largely based current populations and therefore any population changes specific to any one municipal region could have an effect on the overall funding allocation and a municipality's partnership interest. On January 1, 2014, the City of Dauphin's funding responsibility and partnership interest for the programs carried out under Dauphin Public Library rose from 77.26% to 78.95%.

As per Chartered Professional Accountants of Canada Handbook section PS3060.40, a change in circumstances affecting a government's interest in a partnership is accounted for prospectively. The change in partnership interest that occurred on January 1, 2014 has been adjusted to accumulated surplus and the prior year figures have not been restated.

13. Prior Period Adjustment

On January 1, 2014 the Riverside Cemetery Board elected to change its method of accounting for capital assets. Amortization of capital assets will now be recognized as an expense and the book value of the respective capital asset will be reduced. The organization restated their prior year's balances and applied the change in accounting policy retroactively. This change in accounting policy resulted in a decrease in assets of \$77,717 and is immaterial for the City of Dauphin but exceeds materiality for the Riverside Cemetery Board. Because of this, the City of Dauphin comparative balances were not restated and the opening 2014 adjustment is shown as a prior period adjustment to accumulated surplus.

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. Accumulated Surplus

	<u>2014</u>	<u>2013</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	540,463	540,463
Utility operating fund(s) - Nominal surplus	48,349	48,349
Debenture pending included in nominal surplus	(314,454)	-
TCA tax sale properties included in nominal surplus	(27,032)	(48,645)
TCA net of related borrowings	33,151,235	31,579,868
Landfill closure & post closure liability	(247,447)	(219,774)
Reserve fund surplus	6,261,814	7,575,972
Reserve Fund borrowed to General Fund	-	(1,172,924)
	<u>39,412,928</u>	<u>38,303,309</u>
Accumulated surplus of municipality unconsolidated		
Accumulated surpluses of consolidated entities	<u>14,520,346</u>	<u>14,649,408</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 53,933,274</u>	<u>\$ 52,952,717</u>

16. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure

- a) Compensation paid to members of council amounted to \$ 95,779 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	\$ 26,854	\$ 5,666	\$ 32,520
Deputy Mayor Allen Dowhan	11,176	48	11,224
Councillor Wes Bernat	10,015	1,051	11,066
Councillor Patti Eilers	11,553	3,719	15,272
Councillor Rodney Juba	12,335	3,564	15,899
Councillor Keith Tkachyk	10,946	103	11,049
Councillor Martin Kaminski	8,933	728	9,661
Councillor Katherine Bellemare	1,888	45	1,933
Councillor Devin Shtykalo	2,080	-	2,080
	<u>\$ 95,780</u>	<u>\$ 14,924</u>	<u>\$ 110,704</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 Chief</i>	\$ 75,643
<i>Darrell Aitken</i>	<i>Engineering Technologist</i>	\$ 75,301
<i>Grant Baumung</i>	<i>Equipment Operator # 3</i>	\$ 54,775
<i>Bill Brenner</i>	<i>Director of PW & Operations</i>	\$ 107,271
<i>Garry Burla</i>	<i>Equipment Operator # 3</i>	\$ 55,871
<i>Carissa Caruk-Ganczar</i>	<i>Economic Development Manager</i>	\$ 51,966
<i>Scott Carr</i>	<i>Director of Finance</i>	\$ 89,978
<i>Brad Collett</i>	<i>Chief Administrative Officer</i>	\$ 124,701
<i>David Derkach</i>	<i>Building Inspector</i>	\$ 87,086
<i>Terry Genik</i>	<i>Public Works Foreman</i>	\$ 86,364
<i>Sharla Griffiths</i>	<i>Assistant Administrative Officer</i>	\$ 83,955
<i>Brian Harvey</i>	<i>Utility Operations Supervisor</i>	\$ 79,983
<i>Duane Harapiak</i>	<i>Mechanic</i>	\$ 65,974
<i>Randy Hlady</i>	<i>Water Treatment Plant Tech</i>	\$ 81,084
<i>Gordon Love</i>	<i>Airport Manager</i>	\$ 77,464
<i>Ron Paziuk</i>	<i>Utility Operator</i>	\$ 57,667
<i>Duane Porath</i>	<i>Mechanic</i>	\$ 57,046
<i>Melissa Stefaniw</i>	<i>Tourism Co-ordinator</i>	\$ 51,253
<i>Jeff Weselowski</i>	<i>Utility Foreman</i>	\$ 81,151
<i>Jean-Louis Guillas</i>	<i>Parkland Reg. Library Director</i>	\$ 62,528
<i>Terry Payne</i>	<i>General Manager-Dauphin Rec.</i>	\$ 77,642
<i>Wayne McIntyre</i>	<i>Operations Manager - Dphn Rec.</i>	\$ 53,387
<i>Ferris Vandernat</i>	<i>Finance Manager - Dauphin Rec.</i>	\$ 57,779
<i>Eddie Simpson</i>	<i>Parks Lead Hand - Dauphin Rec.</i>	\$ 50,100

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.

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	\$ 3,758,875	\$ -	\$ 150,355	\$ 3,608,520
Industrial Park Water	202,439	-	5,496	196,943
Hydrant upgrades	642,821	-	17,492	625,329
Water meter upgrades	109,242	549,698	52,243	606,697
Aqueduct upgrades	-	314,454	655	313,799
	<u>\$ 4,713,377</u>	<u>\$ 864,152</u>	<u>\$ 226,241</u>	<u>\$ 5,351,288</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	\$ 136,500	\$ -	\$ 3,250	\$ 133,250
Lagoon Cell 2 Upgrades	156,844	-	3,648	153,196
Lagoon Cell 6 Upgrades	278,669	-	6,333	272,336
Low Pressure Sewer	102,352	-	1,861	100,491
	<u>\$ 674,365</u>	<u>\$ -</u>	<u>\$ 15,092</u>	<u>\$ 659,273</u>

CITY OF DAUPHIN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2014

SCHEDULE 1

Cost	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		2014	2013	
Opening costs	\$ 5,981,215	\$ 20,285,775	\$ 7,664,727	\$ 248,279	\$ 33,234,059	\$ 24,879,840	\$	\$ 92,293,895	\$	\$ 90,609,013
Additions during the year	423,962	33,445	374,828	9,884	707,091	2,206,676		3,755,886		1,768,391
Disposals and write downs	(44,124)	-	(149,000)	(1,655)	(115,887)	(1,004)		(311,670)		(86,691)
Closing costs	\$ 6,361,053	\$ 20,319,220	\$ 7,890,555	\$ 256,508	\$ 33,825,263	\$ 27,085,512	\$	\$ 95,738,111	\$	\$ 92,290,713
Accumulated Amortization										
Opening accum'd amortization	1,217,552	7,671,350	4,380,303	162,635	19,347,337	12,833,145		45,612,322		43,280,723
Amortization	84,004	512,592	412,217	29,400	760,904	660,572		2,459,689		2,325,646
Disposals and write downs	-		(134,007)	(1,655)	(109,276)	(1,004)		(245,942)		(73,664)
Closing accum'd amortization	\$ 1,301,556	\$ 8,183,942	\$ 4,658,513	\$ 190,380	\$ 19,998,965	\$ 13,492,713	\$	\$ 47,826,069	\$	\$ 45,532,705
Net Book Value of Tangible Capital Assets	\$ 5,059,497	\$ 12,135,278	\$ 3,232,042	\$ 66,128	\$ 13,826,298	\$ 13,592,799	\$	\$ 47,912,042	\$	\$ 46,758,008

CITY OF DAUPHIN
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2014

SCHEDULE 2

	2014 Actual	2013 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,468,764	\$ 5,639,924
Taxes added	106,529	144,911
	<u>5,575,293</u>	<u>5,784,835</u>
Grants in lieu of taxation:		
Federal government	45,357	57,423
Provincial government	315,690	350,720
Other local governments	13,255	14,677
	<u>374,302</u>	<u>422,820</u>
User fees		
Parking meters	-	-
Sales of service	1,232,895	1,216,171
Sales of goods	241,746	383,616
Rentals	229,206	231,794
Development charges	6,661	11,016
	<u>1,710,508</u>	<u>1,842,597</u>
Grants - Province of Manitoba		
General assistance payment	1,308,879	1,308,879
General support grant	57,484	58,362
Municipal program grants (formerly VLT revenues)	124,507	124,507
Conditional grants	803,352	580,915
	<u>2,294,222</u>	<u>2,072,663</u>
Grants - other		
Federal government - gas tax funding	424,439	431,502
Federal government - other	14,039	270,366
Other local governments	384,924	367,501
	<u>823,402</u>	<u>1,069,369</u>
Permits, licences and fines		
Permits	60,850	59,482
Licences	62,600	55,840
Fines	69,325	47,454
	<u>192,775</u>	<u>162,776</u>
Investment income:		
Cash and temporary investments	161,247	131,924
Marketable securities	-	-
Customer charges	2,072	4,410
	<u>163,319</u>	<u>136,334</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	62,648	7,872
Insurance and other rebates	29,654	79,203
Donations	192,286	41,215
Expenses recovered	69,307	68,291
Penalties and interest	71,496	72,809
Other	23,249	25,839
	<u>448,640</u>	<u>295,229</u>
Water and sewer (Schedule 9)	<u>3,670,389</u>	<u>2,313,048</u>
Total revenue	<u>\$ 15,252,850</u>	<u>\$ 14,099,671</u>

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2013

	2014 Actual	2013 Actual
General government services:		
Legislative	\$ 95,780	\$ 94,832
General administrative	723,933	698,984
Other	418,366	411,688
	<u>1,238,079</u>	<u>1,205,504</u>
Protective services:		
Police	1,739,111	1,928,727
Fire	517,692	534,075
Emergency measures	9,635	4,653
Other protection	227,007	204,467
	<u>2,493,445</u>	<u>2,671,922</u>
Transportation services:		
Road transport		
Administration and engineering	497,618	440,067
Road and street maintenance	738,738	559,644
Bridge maintenance	1,330	1,505
Sidewalk and boulevard maintenance	94,071	56,506
Street lighting	165,284	159,356
Other	938,529	944,422
Air transport	432,606	512,561
	<u>2,868,176</u>	<u>2,674,061</u>
Environmental health services:		
Waste collection and disposal	640,791	621,139
Recycling	91,416	145,296
	<u>732,207</u>	<u>766,435</u>
Public health and welfare services:		
Public health	93,540	84,863
Regional planning and development		
Planning and zoning	2,737	3,396
Urban renewal	-	-
Beautification and land rehabilitation	94,089	103,965
Urban area weed control	8,432	14,109
Other	11,854	10,081
	<u>117,112</u>	<u>131,551</u>
Resource conservation and industrial development		
Veterinary services	11,646	11,646
Tourism	125,698	114,782
Other	274,707	305,354
	<u>412,051</u>	<u>431,782</u>
Recreation and cultural services:		
Community centers and halls	81,364	32,042
Other recreational facilities	2,856,259	2,754,866
Museums	47,400	47,400
Libraries	315,202	318,251
	<u>3,300,225</u>	<u>3,152,559</u>
Water and sewer services (Schedule 9)	<u>2,941,016</u>	<u>2,574,848</u>
Total expenses	<u>\$ 14,195,851</u>	<u>\$ 13,693,525</u>

CITY OF DAUPHIN

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2014

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE										
Property taxes	\$ 5,575,293	\$ 5,784,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	374,302	422,820	-	-	-	-	-	-	-	-
User fees	215,763	220,286	119,826	95,822	322,708	415,346	360,090	364,656	46,183	54,888
Prov of MB - Unconditional Grants	1,366,363	1,367,241	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	8,610	3,918	270,077	189,905	150,863	190,636	-	-
Grants - other	429,746	436,957	-	-	58,019	49,185	-	-	-	-
Permits, licences and fines	93,735	71,628	95,051	87,562	-	-	-	-	-	-
Investment income	135,391	101,874	-	-	2,860	3,059	-	-	21,238	19,692
Other revenue	181,395	162,996	44,432	48,893	4,210	5,880	-	-	374	151
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 8,371,988	\$ 8,568,637	\$ 267,919	\$ 371,195	\$ 657,874	\$ 663,375	\$ 510,953	\$ 555,292	\$ 67,795	\$ 74,731
EXPENSES										
Personnel services	\$ 558,178	\$ 541,226	\$ 592,970	\$ 529,690	\$ 984,540	\$ 897,756	\$ 186,408	\$ 213,560	\$ 41,874	\$ 38,646
Contract services	122,065	121,781	1,580,652	1,794,635	295,007	155,460	139,228	181,169	38,828	38,841
Utilities	58,506	53,449	39,186	23,996	221,992	213,866	7,489	6,087	1,901	1,869
Maintenance materials & supplies	87,293	81,916	72,449	103,964	627,398	666,475	14,030	10,816	5,329	4,816
Grants and contributions	17,247	15,416	-	-	28,304	22,726	78,032	72,292	-	-
Amortization	129,699	127,286	77,718	86,140	1,027,681	986,837	87,895	74,000	5,117	-
Interest on long term debt	26,368	34,299	-	-	-	-	-	-	-	-
Other	238,723	230,131	130,470	133,497	(316,746)	(269,059)	219,125	208,511	491	691
Total expenses	\$ 1,238,079	\$ 1,205,504	\$ 2,493,445	\$ 2,671,922	\$ 2,868,176	\$ 2,674,061	\$ 732,207	\$ 766,435	\$ 93,540	\$ 84,863
Surplus (Deficit)	\$ 7,133,909	\$ 7,363,133	\$ (2,225,526)	\$ (2,300,727)	\$ (2,210,302)	\$ (2,010,686)	\$ (221,254)	\$ (211,143)	\$ (25,745)	\$ (10,132)

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

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2014

	Core Government		Controlled Entities		Government Partnerships		Total
	2014	2013	2014	2013	2014	2013	
REVENUE							
Property taxes	\$ 5,575,293	\$ 5,784,835	\$ -	\$ -	\$ -	\$ -	\$ 5,784,835
Grants in lieu of taxation	374,302	422,820	-	-	-	-	422,820
User fees	901,338	876,378	-	-	809,170	966,219	1,842,597
Prov of MB - Unconditional Grants	1,366,363	1,367,241	-	-	-	-	1,367,241
Prov of MB - Conditional Grants	564,349	517,757	-	-	363,510	187,665	705,422
Grants - other	431,950	595,239	-	-	391,452	474,130	1,069,369
Permits, licences and fines	188,786	159,190	-	-	3,989	3,586	162,776
Investment income	135,391	101,861	-	13	27,928	34,460	136,334
Other revenue	397,495	225,025	2,919	2,800	48,226	67,404	295,229
Water and sewer	3,670,389	2,313,048	-	-	-	-	2,313,048
Total revenue	\$ 13,605,656	\$ 12,363,394	\$ 2,919	\$ 2,813	\$ 1,644,275	\$ 1,733,464	\$ 14,099,671
EXPENSES							
Personnel services	\$ 3,294,417	\$ 3,106,356	\$ -	\$ -	\$ 1,581,786	\$ 1,522,498	\$ 4,628,854
Contract services	2,409,677	2,507,955	12,985	13,128	162,611	139,027	2,660,110
Utilities	469,429	423,934	-	-	289,626	266,958	690,892
Maintenance materials and supplies	1,431,939	1,320,795	3,952	1,425	564,717	696,040	2,018,260
Grants and contributions	2,223,037	1,865,583	(11,584)	(11,412)	(1,605,936)	(1,357,261)	496,910
Amortization	1,869,453	1,727,179	-	-	590,236	598,468	2,325,647
Interest on long term debt	69,377	87,930	-	-	-	-	87,930
Other	728,706	677,201	298	435	111,125	107,286	784,922
Total expenses	\$ 12,496,035	\$ 11,716,933	\$ 5,651	\$ 3,576	\$ 1,694,165	\$ 1,973,016	\$ 13,693,525
Surplus (Deficit)	\$ 1,109,621	\$ 646,461	\$ (2,732)	\$ (763)	\$ (49,890)	\$ (239,552)	\$ 406,146

CITY OF DAUPHIN

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2014

	2014							
	General Reserve	Machinery Reserve	Fire Reserve	Public Land Reserve	Civic Bldgs Reserve	Gas Tax Reserve	Watson Arts Reserve	
REVENUE								
Investment income	\$ 45,904	\$ 6,076	\$ 8,469	\$ 494	\$ 2,852	\$ 20,584		
TRANSFERS								
Transfers from general operating fund	387,037	250,000	75,000	-	25,000	424,439	4,557	
Transfers to general operating fund	(1,372,812)							
Transfers from utility operating fund								
Transfers to utility operating fund	-	-	-	-	-	-	-	
Acquisition of tangible capital assets	(85,000)	(202,311)				(919,647)		
CHANGE IN RESERVE FUND BALANCES	(1,024,871)	53,765	83,469	494	27,852	(474,624)	4,557	
FUND SURPLUS, BEGINNING OF YEAR	3,980,790	368,665	513,883	73,760	200,062	1,223,941	-	
FUND SURPLUS, END OF YEAR	\$ 2,955,919	\$ 422,430	\$ 597,352	\$ 74,254	\$ 227,914	\$ 749,317	\$ 4,557	
	Recreation Reserve	Special Events Reserve	Snow & Ice Reserve	Enviro. Stewardship Reserve	Water & Sewer Reserve	2014 Total	2013 Total	
REVENUE								
Investment income	\$ 7,581	\$ 292	\$ 1,672	\$ 2,274	\$ 8,475	\$ 104,673	\$ 64,778	
TRANSFERS								
Transfers from general operating fund	50,000	-	-	105,958	-	1,321,991	1,603,787	
Transfers to general operating fund						(1,372,812)	(195,487)	
Transfers from utility operating fund	-	-	-	-	50,000	50,000	50,000	
Transfers to utility operating fund	(51,174)	-	-	(27,320)	(132,557)	-	(18,577)	
Acquisition of tangible capital assets						(1,418,009)	(1,091,692)	
CHANGE IN RESERVE FUND BALANCES	6,407	292	1,672	80,912	(74,082)	(1,314,157)	412,809	
FUND SURPLUS, BEGINNING OF YEAR	452,020	17,684	101,496	148,873	494,797	7,575,971	7,163,162	
FUND SURPLUS, END OF YEAR	\$ 458,427	\$ 17,976	\$ 103,168	\$ 229,785	\$ 420,715	\$ 6,261,814	\$ 7,575,971	

SCHEDULE 7

**CITY OF DAUPHIN
SCHEDULE OF TRUST FUNDS
Year Ended December 31, 2014**

	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	2014	Total	2013
ASSETS										
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES										
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES										
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES										
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS OF REVENUES OVER EXPENDITURES										
	-	-	-	-	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, END OF YEAR										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 335,698	\$ 299,433
LIABILITIES		
Accounts payable and accrued liabilities	\$ 203,132	\$ 307,537
Long-term debt (Note 9)	569,332	732,045
Other	584,337	115,341
	<u>\$ 1,356,801</u>	<u>\$ 1,154,923</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,021,103)</u>	<u>\$ (855,490)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 13,592,799	\$ 12,046,695
Inventories for use	165,829	146,176
Prepaid expenses	19,837	25,618
	<u>13,778,465</u>	<u>12,218,489</u>
FUND SURPLUS (DEFICIT)	<u>\$ 12,757,362</u>	<u>\$ 11,362,999</u>

COMMITMENTS AND CONTINGENCIES (Notes 10)

CITY OF DAUPHIN
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2014

SCHEDULE 9

REVENUE	Budget (unaudited)	2014	2013
Water			
Water fees	\$ 1,722,461	\$ 1,663,285	\$ 1,354,636
Bulk Water fees	56,000	46,893	20,373
sub-total- water	<u>1,778,461</u>	<u>1,710,178</u>	<u>1,375,009</u>
Sewer			
Sewer fees	459,870	425,118	372,993
Lagoon tipping fees	12,000	13,965	12,240
sub-total- sewer	<u>471,870</u>	<u>439,083</u>	<u>385,233</u>
Property taxes	<u>35,227</u>	-	-
Government transfers			
Capital	<u>1,419,840</u>	<u>879,670</u>	<u>110,160</u>
Other			
Hydrant rentals	55,360	2,000	1,906
Connection charges	20,000	25,000	13,100
Installation service	100,000	165,015	68,906
Penalties	5,750	6,620	6,254
Administration fees	419,977	419,558	341,132
Gain (loss) on disposal of assets	-	-	1,000
Other income	26,500	23,265	10,348
sub-total- other	<u>627,587</u>	<u>641,458</u>	<u>442,646</u>
Total revenue	<u>\$ 4,332,985</u>	<u>\$ 3,670,389</u>	<u>\$ 2,313,048</u>

CITY OF DAUPHIN
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2014

SCHEDULE 9

EXPENSES	Budget (unaudited)	2014	2013
General			
Administration	\$ 451,905	\$ 386,543	\$ 326,065
Training costs	15,000	14,232	10,827
Billing and collection	23,556	21,448	22,397
Utilities (telephone, electricity, etc.)	5,484	5,034	5,978
sub-total- general	<u>495,945</u>	<u>427,257</u>	<u>365,267</u>
Water General			
Purification and treatment	735,825	828,919	776,059
Transmission and distribution	399,500	394,129	242,781
Transportation services	62,038	58,170	75,396
Water supply	94,429	87,140	94,170
Connection costs	15,500	28,074	31,082
Other expenses	66,000	94,654	45,134
sub-total- water general	<u>1,373,292</u>	<u>1,491,086</u>	<u>1,264,622</u>
Water Amortization & Interest			
Amortization	-	487,450	441,895
Capital Expenditure	3,338,716	-	-
Interest on long term debt	204,636	40,969	51,519
sub-total- water amortization & interest	<u>3,543,352</u>	<u>528,419</u>	<u>493,414</u>
Sewer General			
Collection system costs	117,450	82,187	86,700
Treatment and disposal cost	188,605	194,010	170,788
Lift Station costs	62,181	44,934	67,424
sub-total- sewer general	<u>368,236</u>	<u>321,131</u>	<u>324,912</u>
Sewage Amortization & Interest			
Amortization	-	173,123	126,633
Capital Expenditure	142,000	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>142,000</u>	<u>173,123</u>	<u>126,633</u>
Total expenses	<u>5,922,825</u>	<u>2,941,016</u>	<u>2,574,848</u>
NET OPERATING SURPLUS	(1,589,840)	729,373	(261,800)
TRANSFERS			
Eliminating PSAB entries	-	45,876	41,596
Recovery of prior year deficit from Reserve	-	-	18,577
Debenture proceeds received	750,000	-	-
Transfers from (to) reserve funds	839,840	619,114	145,440
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>1,394,363</u>	<u>(56,187)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>11,362,999</u>	<u>11,419,186</u>
FUND SURPLUS, END OF YEAR		<u>\$ 12,757,362</u>	<u>\$ 11,362,999</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2014

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 5,598,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,598,763
Grants in lieu of taxation	375,546	-	-	-	-	-	-	375,546
User fees	1,359,362	-	-	-	(444,754)	-	1,038,187	1,952,795
Grants - Province of Manitoba	2,380,719	-	-	-	(308,268)	-	354,489	2,426,940
Grants - other	442,109	-	-	-	(8,268)	-	387,328	821,169
Permits, licences and fines	166,000	-	-	-	-	-	4,084	170,084
Investment income	25,500	-	-	-	-	-	22,955	48,455
Other revenue	665,485	-	(91,686)	-	(205,000)	-	175,853	544,652
Water and sewer	-	4,297,758	-	-	(53,360)	-	-	4,244,398
Transfers from General Fund	-	35,227	-	-	(35,227)	-	-	-
Transfers from debenture	-	750,000	-	-	(750,000)	-	-	-
Transfers from reserves	2,335,046	889,840	-	-	(3,224,886)	-	-	-
Total revenue	\$ 13,348,530	\$ 5,972,825	\$ (91,686)	\$ -	\$ (5,029,763)	\$ -	\$ 1,982,896	\$ 16,182,802
EXPENSES								
General government services	\$ 1,106,557	\$ -	\$ 129,699	\$ 27,083	\$ 25,000	\$ -	\$ 13,685	\$ 1,302,024
Protective services	2,662,609	-	77,719	-	(53,360)	-	-	2,686,968
Transportation services	1,892,219	-	1,027,681	-	(250,000)	-	225,433	2,895,333
Environmental health services	884,542	-	87,895	-	(150,000)	27,673	-	850,110
Public health and welfare services	34,749	-	5,116	-	-	-	59,791	99,656
Regional planning and development	164,200	-	-	-	-	-	-	164,200
Resource cons and industrial dev	440,224	-	6,248	2,047	-	-	-	448,519
Recreation and cultural services	1,622,790	-	464,758	-	149,100	-	1,123,570	3,360,218
Water and sewer services	-	2,237,473	660,573	41,922	(44,754)	-	-	2,895,214
Fiscal services:								
Transfer to Utility	35,227	-	-	-	(35,227)	-	-	-
Property tax discounts	-	-	-	-	-	-	-	-
Transfer to capital	2,219,877	3,480,716	(5,029,957)	-	(670,636)	-	-	-
Debt charges	1,325,500	204,636	-	(1,530,136)	-	-	-	-
Transfer to reserves	935,036	50,000	-	-	(985,036)	-	-	-
Allowance for tax assets	25,000	-	-	-	(25,000)	-	-	-
Total expenses	\$ 13,348,530	\$ 5,972,825	\$ (2,570,268)	\$ (1,459,084)	\$ (2,039,913)	\$ 27,673	\$ 1,422,479	\$ 14,702,242
Surplus (Deficit)	\$ -	\$ -	\$ 2,478,582	\$ 1,459,084	\$ (2,989,850)	\$ (27,673)	\$ 560,417	\$ 1,480,560

**CITY OF DAUPHIN
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2014**

SCHEDULE 11

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 385,982	\$ 277,374
Add:		
Tax levy (Schedule 12)	10,235,643	10,314,960
Taxes added	106,529	144,911
Penalties or interest	71,496	72,809
Transfers and adjustments	135,329	20,252
Sub-total	<u>10,548,997</u>	<u>10,552,932</u>
Deduct:		
Cash collections - arrears	410,635	291,754
Cash collections - current	8,543,712	8,580,288
Writeoffs	28,627	6,849
Tax discounts	-	7,537
M.P.T.C. - cash advance	1,546,132	1,557,896
Other credits (Soldier Tax Credit)	-	-
Sub-total	<u>10,529,106</u>	<u>10,444,324</u>
Balance, end of year	<u><u>\$ 405,873</u></u>	<u><u>\$ 385,982</u></u>

**CITY OF DAUPHIN
ANALYSIS OF TAX LEVY
Year Ended December 31, 2014**

SCHEDULE 12

	2014		2013	
	<u>Assessment</u>	<u>Mill Rate</u>	<u>Levy</u>	<u>Levy</u>
Debt charges:				
L.I.D.	313,515,910	0.120	\$ 37,622	\$ 37,525
Other (At Large)	257,184,300	4.850	1,247,344	321,387
Reserves:				
Equipment replacement	257,184,300	0.913	234,809	233,535
Fire Equipment replacement	257,184,300	0.275	70,726	70,193
Recreation	257,184,300	0.183	47,065	46,795
Civic Building	257,184,300	0.092	23,661	23,398
General Municipal				
At Large	257,184,300	14.793	3,804,527	4,910,201
Special Levy	257,184,300	0.044	11,316	11,257
School Division not rateable property			(24,412)	(27,862)
Business tax			16,106	13,495
Total municipal taxes (Schedule 2)			5,468,764	5,639,924
Education support levy			734,395	703,768
Special levy:				
Mountain View School Division			4,008,072	3,943,406
MVSD - not rateable property			24,412	27,862
Total education taxes			4,766,879	4,675,036
Total tax levy (Schedule 11)			\$ 10,235,643	\$ 10,314,960

CITY OF DAUPHIN

ANALYSIS OF SCHOOL ACCOUNTS
Year Ended December 31, 2014

SCHEDULE 13

	2014			2013
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 34,879	\$ 882,757	\$ (882,326)	\$ 34,879
Special levies				
Mountain View School Division	116,068	4,313,554	(4,315,204)	116,068
Total	\$ 150,947	\$ 5,196,311	\$ (5,197,530)	\$ 150,947

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2014

	2014 Actual	2013 Actual
General government services:		
Legislative	\$ 95,780	\$ 94,832
General administrative	723,933	698,984
Other	258,016	255,826
Allowance for Tax Assets	25,000	25,000
	<u>1,102,729</u>	<u>1,074,642</u>
Protective services:		
Police	1,739,111	1,928,728
Fire	439,974	447,935
Emergency measures	9,635	4,653
Other	227,007	204,466
	<u>2,415,727</u>	<u>2,585,782</u>
Transportation services:		
Road transport		
Administration and engineering	497,618	440,067
Road and street maintenance	738,738	559,644
Bridge maintenance	1,330	1,505
Sidewalk and boulevard maintenance	94,071	56,506
Street lighting	165,284	159,356
Other	48,493	96,729
Air transport	134,462	107,961
	<u>1,679,996</u>	<u>1,421,768</u>
Environmental health services:		
Waste collection and disposal	552,896	547,139
Recycling	91,416	145,296
	<u>644,312</u>	<u>692,435</u>
Public health and welfare services:		
Social assistance	33,749	33,940
Regional planning and development		
Planning and zoning	2,737	3,396
Urban renewal	-	-
Beautification and land rehabilitation	94,089	103,964
Urban area weed control	8,432	14,109
Other	11,854	10,082
	<u>117,112</u>	<u>131,551</u>
Resource conservation and industrial development		
Veterinary services	11,646	11,646
Regional development	-	-
Tourism	125,698	114,782
Other	268,460	299,106
	<u>405,804</u>	<u>425,534</u>
Recreation and cultural services:		
Community centers and halls	79,311	29,989
Other recreational facilities	1,708,061	1,433,686
Museums	47,400	47,400
Libraries	111,938	106,707
	<u>1,946,710</u>	<u>1,617,782</u>
Total expenses	<u>\$ 8,346,139</u>	<u>\$ 7,983,434</u>

CITY OF DAUPHIN
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2013

SCHEDULE 15

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	<u>-</u>	<u>-</u>	<u>-</u>
Unexpended balance, beginning of year		<u>-</u>	<u>-</u>
Unexpended balance, end of year		<u>-</u>	<u>-</u>

CITY OF DAUPHIN

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2014

SCHEDULE 17

	2014		2013	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT				
Adjustments for reporting under public sector accounting standards				
Adjustments resulting in increase to surplus				
Eliminate expense - transfers to reserves	1,321,991	50,000	1,371,991	1,672,364
Eliminate expense - acquisitions of tangible capital assets	1,013,712	2,206,676	3,220,388	1,493,679
Eliminating entries between funds	45,876	(45,876)	-	-
Eliminate expense - principal portion of debenture debt	1,296,370	162,714	1,459,084	463,204
Increase revenue - accounting gain (loss) on sale of assets	62,648	-	62,648	8,873
Increase revenue - reserve funds interest	104,673	-	104,673	64,778
Adjustments resulting in decrease to surplus				
Increase expense - landfill liability expense	(27,673)	-	(27,673)	(14,311)
Increase expense - amortization of tangible capital assets	(1,208,881)	(660,572)	(1,869,453)	(1,727,179)
Eliminate revenue - transfers from reserves	(2,121,706)	(669,115)	(2,790,821)	(1,305,757)
Eliminate revenue - debenture proceeds	-	(314,454)	(314,454)	-
Eliminate revenue - proceeds on sale of assets (excluding arrears on Tax Sale properties)	(106,762)	-	(106,762)	(21,900)
Net Surplus (Deficit) Unconsolidated	\$ 380,248	\$ 729,373	\$ 1,109,621	\$ 646,461
Surplus (Deficit) of Consolidated entities	(52,622)	-	(52,622)	(240,315)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 327,626	\$ 729,373	\$ 1,056,999	\$ 406,146