

# **CITY OF DAUPHIN**

**Consolidated Financial Statements  
For the Year Ended December 31, 2011**

## 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, 2011 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, 2011 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.



Zepfitny and Zamrykut  
Chartered Accountants

Dauphin, MB  
June 25, 2012

# **CITY OF DAUPHIN**

## **Consolidated Financial Statements For the Year Ended December 31, 2011**

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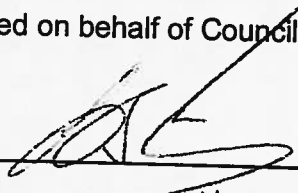
<b>Consolidated Statement of Financial Position</b>	<b>5</b>
<b>Consolidated Statement of Operations</b>	<b>6</b>
<b>Consolidated Statement of Change in Net Financial Assets</b>	<b>7</b>
<b>Consolidated Statement of Cash Flows</b>	<b>8</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>9</b>
<b>Schedule 1 - Consolidated Schedule of Tangible Capital Assets</b>	<b>18</b>
<b>Schedule 2 - Consolidated Schedule of Revenues</b>	<b>19</b>
<b>Schedule 3 - Consolidated Schedule of Expenses</b>	<b>20</b>
<b>Schedule 4 - Consolidated Statement of Operations by Program</b>	<b>21</b>
<b>Schedule 5 - Consolidated Details and Reconciliation to Core Government Results</b>	<b>23</b>
<b>Schedule 6 - Schedule of Change in Reserve Fund Balances</b>	<b>24</b>
<b>Schedule 7 - Schedule of Trust Funds</b>	<b>25</b>
<b>Schedule 8 - Schedule of Financial Position for Utilities</b>	<b>26</b>
<b>Schedule 9 - Schedule of Utility Operations</b>	<b>27</b>
<b>Schedule 10 - Reconciliation of the Financial Plan to the Budget</b>	<b>29</b>
<b>Schedule 11 - Analysis of Taxes on Roll</b>	<b>30</b>
<b>Schedule 12 - Analysis of Tax Levy</b>	<b>31</b>
<b>Schedule 13 - Analysis of School Accounts</b>	<b>32</b>
<b>Schedule 14 - Schedule of General Operating Fund Expenses</b>	<b>33</b>
<b>Schedule 15 - Schedule of General Operating Fund Expenses</b>	<b>34</b>
<b>Schedule 16 - Schedule of Debentures Pending</b>	<b>35</b>
<b>Schedule 17 - Reconciliation of Annual Surplus (Deficit)</b>	<b>36</b>

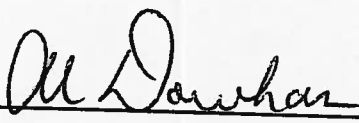
**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 5,098,508	\$ 2,715,837
Amounts receivable (Note 4)	1,498,749	3,455,469
Portfolio investments (Note 5)	169,212	185,528
Loans and advances	<u>8,783</u>	<u>11,306</u>
	<u>\$ 6,775,252</u>	<u>\$ 6,368,140</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 1,187,079	\$ 1,461,154
Severance and vested sick leave payable	359,191	393,184
Deferred revenue	47,890	33,533
Landfill closure and post closure liabilities (Note 8)	191,868	178,958
Long-term debt (Note 9)	<u>1,205,479</u>	<u>1,631,344</u>
	<u>\$ 2,991,507</u>	<u>\$ 3,698,173</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 3,783,745</u>	<u>\$ 2,669,967</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 47,313,249	\$ 47,961,026
Inventories (Note 6)	258,695	258,758
Prepaid expenses	<u>107,843</u>	<u>109,881</u>
	<u>47,679,787</u>	<u>48,329,665</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 14)</b>	<u><u>\$ 51,463,532</u></u>	<u><u>\$ 50,999,632</u></u>

**COMMITMENTS AND CONTINGENCIES (NOTE 10)**

Approved on behalf of Council:

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

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

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2011**

	<u>2011 Budget (Note 14)</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 6,186,141	\$ 6,336,897	\$ 6,129,911
Grants in lieu of taxation	477,469	478,342	477,202
User fees	1,675,214	1,649,282	1,621,365
Grants - Province of Manitoba	2,144,029	1,873,897	2,222,770
Grants - other	992,176	962,996	1,763,911
Permits, licences and fines	156,715	148,804	171,125
Investment income	33,731	92,863	49,629
Other revenue	142,248	713,829	2,007,061
Water and sewer	2,213,215	2,133,990	3,178,842
Total revenue (Schedules 2, 4 and 5)	<u>14,020,938</u>	<u>14,390,900</u>	<u>17,621,816</u>
<b>EXPENSES</b>			
General government services	1,383,535	1,334,438	1,970,899
Protective services	2,350,717	2,838,172	2,208,086
Transportation services	2,495,337	2,426,086	2,364,082
Environmental health services	1,003,484	1,036,604	993,219
Public health and welfare services	96,489	93,308	87,715
Regional planning and development	178,091	150,611	181,918
Resource conservation and industrial development	397,213	340,439	428,982
Recreation and cultural services	3,064,648	3,138,923	3,225,796
Water and sewer services	2,656,290	2,568,419	2,556,077
Total expenses (Schedules 3, 4 and 5)	<u>13,625,804</u>	<u>13,927,000</u>	<u>14,016,774</u>
<b>ANNUAL SURPLUS</b>	<u>395,134</u>	<u>463,900</u>	<u>3,605,042</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>50,999,632</u>	<u>47,394,590</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 51,463,532</u>	<u>\$ 50,999,632</u>

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year Ended December 31, 2011**

	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 463,900</b>	<b>\$ 3,605,042</b>
Acquisition of tangible capital assets	(1,781,692)	(4,886,434)
Amortization of tangible capital assets	2,350,988	2,244,328
Loss (Gain) on sale of tangible capital assets	37,399	(2,600)
Proceeds on sale of tangible capital assets	41,082	7,600
Decrease (increase) in inventories	63	(32,396)
Decrease (increase) in prepaid expense	2,038	14,615
	<u>649,878</u>	<u>(2,654,887)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>1,113,778</b>	<b>950,155</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u><b>2,669,967</b></u>	<u><b>1,719,812</b></u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u><b>\$ 3,783,745</b></u></u>	<u><u><b>\$ 2,669,967</b></u></u>

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 463,900	\$ 3,605,042
Changes in non-cash items:		
Amounts receivable	1,956,720	(1,464,291)
Inventories	63	(32,396)
Prepays	2,038	14,615
Accounts payable and accrued liabilities	(274,075)	494,845
Severance and vested sick leave payable	(33,993)	78,713
Deferred revenue	14,357	(259,541)
Landfill closure and post closure liabilities	12,910	12,256
Loss (Gain) on sale of tangible capital asset	37,399	(2,600)
Amortization	2,350,988	2,244,328
Cash provided by operating transactions	<u>4,530,307</u>	<u>4,690,971</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	41,082	7,600
Cash used to acquire tangible capital assets	<u>(1,781,692)</u>	<u>(4,886,434)</u>
Cash applied to capital transactions	<u>(1,740,610)</u>	<u>(4,878,834)</u>
<b>INVESTING TRANSACTIONS</b>		
Loans and advances repaid	2,523	71,321
Redemption (Purchase) of portfolio investments	<u>16,316</u>	<u>(16,610)</u>
Cash applied to investing transactions	<u>18,839</u>	<u>54,711</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	<u>(425,865)</u>	<u>(475,236)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>2,382,671</b>	<b>(608,388)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>2,715,837</u>	<u>3,324,225</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u>5,098,508</u></u>	<u><u>\$ 2,715,837</u></u>



**CITY OF DAUPHIN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

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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 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  
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%)(2010 - 50%)  
Parkland Regional Library Service (21.41%)(2010 - 21.41%)  
Dauphin Public Library (77.26%)(2010 - 77.26%)  
Dauphin Regional Airport Authority Inc. (77.26%)(2010 - 77.26%)  
Dauphin Recreation Services (77.26%)(2010 - 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. The Municipality held no funds in trust on December 31, 2011.

**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.

**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 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>2011</u>	<u>2010</u>
Cash	\$ 4,968,230	\$ 2,621,719
Temporary Investments	<u>130,278</u>	<u>94,118</u>
	<u>\$ 5,098,508</u>	<u>\$ 2,715,837</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>2011</u>	<u>2010</u>
Taxes on roll (Schedule 11)	\$ 250,034	\$ 346,434
Government grants	750,985	2,262,151
Utility customers	261,516	285,304
Accrued interest	448	323
Organizations and individuals	301,858	637,520
Other governments	-	-
	<u>1,564,841</u>	<u>3,531,732</u>
Less allowances for doubtful amounts	<u>(66,092)</u>	<u>(76,263)</u>
	<u>\$ 1,498,749</u>	<u>\$ 3,455,469</u>

5. Portfolio Investments

	<u>2011</u>	<u>2010</u>
Marketable securities:		
Toronto Dominion Mutual Funds	\$ 168,935	\$ 160,679
Other investments	<u>277</u>	<u>24,849</u>
	<u>\$ 169,212</u>	<u>\$ 185,528</u>

The aggregate market value of the marketable securities at December 31, 2011 is \$168,935 (2010 - \$160,679). Portfolio investments earned \$8,256 in investment income during the year and earned investment income in 2010 of \$4,044.

6. Inventories

Inventories for sale:

	<u>2011</u>	<u>2010</u>
Food and beverages	\$ 8,285	\$ 12,029
Fuel (Airport)	<u>31,291</u>	<u>30,780</u>
	<u>\$ 39,576</u>	<u>\$ 42,809</u>

Inventories for use:

	<u>2011</u>	<u>2010</u>
Chemicals	\$ 15,621	\$ 11,581
Pipes and water supplies	150,518	160,131
Aggregate and other	<u>52,980</u>	<u>44,237</u>
	<u>\$ 219,119</u>	<u>\$ 215,949</u>

7. Accounts Payable and Accrued Liabilities

	<u>2011</u>	<u>2010</u>
Accounts payable and accrued expenses	\$ 1,084,311	\$ 1,337,422
Accrued interest payable	7,071	10,158
School levies (Schedule 13)	95,697	113,574
Other governments	-	-
	<u>\$ 1,187,079</u>	<u>\$ 1,461,154</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>2011</u>	<u>2010</u>
Estimated closure and post closure costs over the next 26 years	<u>\$ 607,161</u>	<u>\$ 607,161</u>
Discount rate	<u>3.75%</u>	<u>3.75%</u>
<b>Discounted costs</b>	<u>\$ 303,427</u>	<u>\$ 292,460</u>
Expected year capacity will be reached	<b>2029</b>	<b>2029</b>
Capacity (tonnes):		
Used to date	780,957	755,725
Remaining	<u>454,076</u>	<u>479,308</u>
Total	<u><u>1,235,033</u></u>	<u><u>1,235,033</u></u>
Percent utilized	<u>63.23%</u>	<u>61.19%</u>
<b>Liability based on percentage</b>	<u><u>\$ 191,868</u></u>	<u><u>\$ 178,958</u></u>

9. Long Term Debt

	<u>2011</u>	<u>2010</u>
<b>General Authority:</b>		
Debenture, interest at 7.5%, payable at \$82,643 annually including interest, maturing December, 2011	-	76,876
Debenture, interest at 7.85%, payable at \$114,247 annually including interest, maturing December, 2011	-	105,907
Debenture, interest at 6.75%, payable at \$10,698 annually including interest, maturing December, 2011	-	10,022
Debenture, interest at 7.0%, payable at \$50,926 annually including interest, maturing December, 2016	208,807	242,742
Debenture, interest at 6.75%, payable at \$8,699 annually including interest, maturing December, 2011	-	8,149
Debenture, interest at 6.875%, payable at \$98,036 annually including interest, maturing December, 2016	403,318	469,103
Bank loan in the name of Riverside Cemetery Board (50% City), interest rate of 6.85%, payable at \$700 plus interest semi-annually.	1,400	2,800
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.	<u>13,724</u>	<u>17,554</u>
	<u><u>\$ 627,249</u></u>	<u><u>\$ 933,153</u></u>

**Utility Funds:**

Debenture, interest at 7.35%, payable at \$60,588 annually including interest, maturing December, 2014	\$ 157,918	\$ 203,497
Debenture, interest at 6.875%, payable at \$36,789 annually including interest, maturing December, 2015	124,966	151,350
Debenture, interest at 7.0%, payable at \$72,032 annually including interest, maturing December, 2016	<u>295,346</u>	<u>343,344</u>
	<u>578,230</u>	<u>698,191</u>
	<u>\$ 1,205,479</u>	<u>\$ 1,631,344</u>

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

2012	240,346
2013	255,463
2014	273,142
2015	229,883
2016	206,645
Subsequent years	-
	1,205,479

**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 2011 were \$216,630 (2010 - \$215,124).

## 11. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP 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 \$393,711 (2010 - \$392,200) 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 prepared by Towers Watson as of December 31, 2011 indicated the plan is 97.5% funded on a going concern basis, resulting in a deficiency of \$11.767 million plus a short-fall in the current contribution rate. As a result, the Trustees of MEPP have agreed that the deficiency will be funded by a contribution rate increase of 2.0% (1.0% for employees and 1.0% for employers), effective July 2012 and another 2.0% (1.0% for employees and 1.0% for employers), effective January 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. Subsequent Events

On March 8, 2012 the City of Dauphin received correspondence from the Government of Manitoba indicating that the Community Works Loan Program would be discontinued. All participating Community Development Corporations were required under Section 9.5 of the original letter of offer, to repay the funds initially supplied to the organizations by April 8, 2012. For the Dauphin & District Community Development Corporation this amounts to a request of \$86,642. At a meeting of June 14, 2012, the Board of the Dauphin & District Community Development Corporation decided to negotiate the amount, timing and repayment terms with the Government of Manitoba.

## 13. Budget

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

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

## 14. Accumulated Surplus

	<u>2011</u>	<u>2010</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	540,463	525,617
Utility operating fund(s) - Nominal surplus	(31,121)	(55,313)
Debenture pending included in nominal surplus	(494,474)	(494,474)
TCA tax sale properties included in nominal surplus	(64,654)	(72,452)
TCA net of related borrowings	32,344,682	32,190,818
Landfill closure & post closure liability	(191,868)	(178,958)
Reserve fund surplus	6,403,487	5,925,102
Reserve Fund borrowed to General Fund	(1,563,898)	(1,759,386)
Accumulated surplus of municipality unconsolidated	36,942,617	36,080,954
Accumulated surpluses of consolidated entities	<u>14,520,915</u>	<u>14,918,678</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 51,463,532</u>	<u>\$ 50,999,632</u>

## 15. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2011:

- a) Compensation paid to members of council amounted to \$91,830 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	\$ 23,383	\$ 1,001	\$ 24,384
Deputy Mayor Allen Dowhan	11,929	4,664	16,593
Councillor Wes Bernat	12,824	3,242	16,066
Councillor Patti Eilers	11,623	4,397	16,020
Councillor Rodney Juba	12,178	6,456	18,634
Councillor Keith Tkachyk	9,299	167	9,466
Councillor Martin Kaminski	10,594	1,842	12,436
	<u>\$ 91,830</u>	<u>\$ 21,769</u>	<u>\$ 113,599</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>	\$ 67,537
<i>Bryan Adcock</i>	<i>Water Treatment Plant Tech</i>	\$ 55,937
<i>Darrell Aitken</i>	<i>Engineering Technologist</i>	\$ 57,228
<i>Bill Brenner</i>	<i>WT &amp; Technology Manager</i>	\$ 78,338
<i>Garry Burla</i>	<i>Equipment Operator 3</i>	\$ 52,089
<i>Scott Carr</i>	<i>Director of Finance</i>	\$ 80,176
<i>Brad Collett</i>	<i>Chief Administrative Officer</i>	\$ 111,128
<i>David Derkach</i>	<i>Building Inspector</i>	\$ 64,651
<i>Terry Genik</i>	<i>Public Works Foreman</i>	\$ 60,318
<i>Brian Harvey</i>	<i>Utility Operations Supervisor</i>	\$ 55,173
<i>Duane Harapiak</i>	<i>Mechanic</i>	\$ 61,301
<i>Randy Hlady</i>	<i>Water Treatment Plant Tech</i>	\$ 60,554
<i>Kevin Komarnicki</i>	<i>Director of Operations</i>	\$ 93,369
<i>Gordon Love</i>	<i>Airport Manager</i>	\$ 59,296
<i>Marlin Michaluk</i>	<i>Bylaw Enforcement Officer</i>	\$ 50,323
<i>Dwight Olsen</i>	<i>Utility Foreman</i>	\$ 63,494
<i>Ron Paziuk</i>	<i>Utility Operator</i>	\$ 50,595
<i>John Sochan</i>	<i>Utility Operator</i>	\$ 50,873
<i>Lyle Stokotelnny</i>	<i>Superintendent of Works &amp; Op</i>	\$ 75,353
<i>Jeff Weselowski</i>	<i>Utility Foreman</i>	\$ 51,822
<i>Pat Wozny</i>	<i>Assistant Administrative Officer</i>	\$ 52,228
<i>Jean-Louis Guillas</i>	<i>Parkland Reg. Library Director</i>	\$ 55,000
<i>Dawn Currie</i>	<i>General Manager - Dauphin Rec.</i>	\$ 59,482
<i>Bob Day</i>	<i>Operations Manager - Dphn Rec.</i>	\$ 57,700
<i>Clayton Kohlman</i>	<i>Manager of Finance - Dphn Rec.</i>	\$ 51,417



**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	4,209,940	-	150,355	4,059,585
Industrial Park Water	218,927	-	5,496	213,431
Hydrant upgrades	695,297	-	17,492	677,805
	<u>\$ 5,124,164</u>	<u>\$ -</u>	<u>\$ 173,343</u>	<u>\$ 4,950,821</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	\$ 146,250	\$ -	\$ 3,250	\$ 143,000
Lagoon Cell 2 Upgrades	167,788	-	3,648	164,140
Lagoon Cell 6 Upgrades	297,668	-	6,333	291,335
Low Pressure Sewer	107,935	-	1,861	106,074
	<u>\$ 719,641</u>	<u>\$ -</u>	<u>\$ 15,092</u>	<u>\$ 704,549</u>

CITY OF DAUPHIN  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
 Year Ended December 31, 2011

**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	2011	2010	
Opening costs	5,133,692	19,363,174	6,262,652	239,872	31,528,976	24,320,702	86,849,068	82,127,031	
Additions during the year	24,975	155,325	979,950	24,260	408,701	188,481	1,781,692	4,886,434	
Disposals and write downs	(7,798)		(251,791)	(32,756)	(14,053)	(1,732)	(308,130)	(164,397)	
Closing costs	5,150,869	19,518,499	6,990,811	231,376	31,923,624	24,507,451	88,322,630	86,849,068	
Accumulated Amortization									
Opening accum'd amortization	948,165	5,951,902	3,473,667	105,436	17,277,339	11,131,533	38,888,042	36,803,111	
Amortization	82,450	535,622	436,183	27,335	703,386	566,012	2,350,988	2,244,328	
Disposals and write downs			(181,331)	(32,756)	(14,053)	(1,509)	(229,649)	(159,397)	
Closing accum'd amortization	1,030,615	6,487,524	3,728,519	100,015	17,966,672	11,696,036	41,009,381	38,888,042	
Net Book Value of Tangible Capital Assets	4,120,254	13,030,975	3,262,292	131,361	13,956,952	12,811,415	47,313,249	47,961,026	

CONSOLIDATED SCHEDULE OF REVENUES  
Year Ended December 31, 2011

	2011 Actual	2010 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 6,021,140	\$ 6,002,451
Taxes added	244,925	62,706
Penalties and interest	70,832	64,754
	<u>6,336,897</u>	<u>6,129,911</u>
<b>Grants in lieu of taxation:</b>		
Federal government	66,885	66,885
Provincial government	400,084	399,731
Other local governments	11,373	10,586
	<u>478,342</u>	<u>477,202</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	1,196,282	1,216,354
Sales of goods	241,113	204,085
Rentals	204,661	191,280
Development charges	7,226	9,646
	<u>1,649,282</u>	<u>1,621,365</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	1,302,650	1,264,336
General support grant	63,579	63,210
VLT revenues	115,802	114,921
Conditional grants	391,866	780,303
	<u>1,873,897</u>	<u>2,222,770</u>
<b>Grants - other</b>		
Federal government - gas tax funding	431,502	431,502
Federal government - other	118,987	933,006
Other local governments	412,507	399,403
	<u>962,996</u>	<u>1,763,911</u>
<b>Permits, licences and fines</b>		
Permits	22,243	25,660
Licences	59,400	56,545
Fines	67,161	88,920
	<u>148,804</u>	<u>171,125</u>
<b>Investment income:</b>		
Cash and temporary investments	89,864	47,054
Marketable securities	-	-
Customer charges	2,999	2,575
	<u>92,863</u>	<u>49,629</u>
<b>Other revenue:</b>		
Gain (loss) on sale of tangible capital assets	(37,399)	2,600
Insurance and other rebates	528,602	1,122,438
Donations	89,766	640,671
Expenses recovered	80,128	96,600
Other	52,732	144,752
	<u>713,829</u>	<u>2,007,061</u>
<b>Water and sewer (Schedule 9)</b>	<u>2,133,990</u>	<u>3,178,842</u>
<b>Total revenue</b>	<u><u>14,390,900</u></u>	<u><u>17,621,816</u></u>

## CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2011

	2011 Actual	2010 Actual
<b>General government services:</b>		
Legislative	\$ 91,830	\$ 93,367
General administrative	772,770	773,042
Other	469,838	1,104,490
	<u>1,334,438</u>	<u>1,970,899</u>
<b>Protective services:</b>		
Police	1,717,677	1,545,981
Fire	477,918	467,356
Emergency measures	457,817	2,768
Other protection	184,760	191,981
	<u>2,838,172</u>	<u>2,208,086</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	415,272	434,268
Road and street maintenance	629,607	626,914
Bridge maintenance	2,011	1,478
Sidewalk and boulevard maintenance	92,352	79,239
Street lighting	148,389	146,835
Other	784,113	833,742
Air transport	354,342	241,606
	<u>2,426,086</u>	<u>2,364,082</u>
<b>Environmental health services:</b>		
Waste collection and disposal	783,158	751,489
Recycling	253,446	241,730
	<u>1,036,604</u>	<u>993,219</u>
<b>Public health and welfare services:</b>		
Public health	93,308	87,715
<b>Regional planning and development</b>		
Planning and zoning	173	35,465
Urban renewal	10	35
Beautification and land rehabilitation	116,479	107,112
Urban area weed control	23,189	23,059
Other	10,760	16,247
	<u>150,611</u>	<u>181,918</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	11,646	11,648
Tourism	85,853	136,401
Other	242,940	280,933
	<u>340,439</u>	<u>428,982</u>
<b>Recreation and cultural services:</b>		
Community centers and halls	69,400	28,530
Other recreational facilities	2,742,508	2,813,400
Museums	43,400	43,400
Libraries	283,615	340,466
	<u>3,138,923</u>	<u>3,225,796</u>
<b>Water and sewer services (Schedule 9)</b>	<u>2,568,419</u>	<u>2,556,077</u>
<b>Total expenses</b>	<u><u>13,927,000</u></u>	<u><u>14,016,774</u></u>

CITY OF DAUPHIN

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2011

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>										
Property taxes	\$ 6,336,897	\$ 6,129,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	478,342	477,202	-	-	-	-	-	-	-	-
User fees	211,872	205,000	210,333	99,295	326,934	291,980	213,410	326,602	54,434	45,188
Prov of MB - Unconditional Grants	1,366,229	1,327,546	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	6,871	7,043	796	3,930	31,223	131,948	203,719	190,713	-	-
Grants - other	437,735	437,742	78,800	5,201	87,986	759,090	-	-	-	582
Permits, licences and fines	78,415	104,037	63,886	62,326	-	-	-	-	-	-
Investment income	67,436	32,052	-	-	4,414	350	-	-	-	-
Other revenue	119,864	726,203	502,630	40,883	(39,935)	6,640	22,609	-	14,646	10,056
Water and sewer	-	-	-	-	-	-	-	-	148	539
<b>Total revenue</b>	<b>\$ 9,103,661</b>	<b>\$ 9,446,736</b>	<b>\$ 856,445</b>	<b>\$ 211,635</b>	<b>\$ 410,622</b>	<b>\$ 1,190,008</b>	<b>\$ 439,738</b>	<b>\$ 517,315</b>	<b>\$ 69,228</b>	<b>\$ 56,365</b>
<b>EXPENSES</b>										
Personnel services	\$ 612,403	\$ 624,488	\$ 555,803	\$ 541,688	\$ 931,804	\$ 927,089	\$ 284,279	\$ 319,652	\$ 37,743	\$ 39,732
Contract services	123,974	116,612	2,063,611	1,473,966	107,050	179,510	264,202	241,941	39,396	39,359
Utilities	54,434	51,428	24,970	27,685	199,097	196,877	4,157	1,415	1,830	1,525
Maintenance materials and supplies	73,252	76,780	74,041	67,087	590,776	505,809	39,193	8,654	8,783	5,499
Grants and contributions	50,839	659,585	-	-	26,990	25,573	91,660	83,079	-	-
Amortization	137,865	139,165	67,240	44,312	933,598	890,273	74,815	62,534	-	-
Interest on long term debt	48,656	55,147	-	-	619	4,274	-	-	-	507
Other	233,015	247,694	52,507	53,348	(363,848)	(365,323)	278,298	275,944	4,454	1,093
<b>Total expenses</b>	<b>\$ 1,334,438</b>	<b>\$ 1,970,899</b>	<b>\$ 2,838,172</b>	<b>\$ 2,208,086</b>	<b>\$ 2,426,086</b>	<b>\$ 2,364,082</b>	<b>\$ 1,036,604</b>	<b>\$ 993,219</b>	<b>\$ 93,308</b>	<b>\$ 87,715</b>
<b>Surplus (Deficit)</b>	<b>\$ 7,769,223</b>	<b>\$ 7,475,837</b>	<b>\$ (1,981,727)</b>	<b>\$ (1,996,451)</b>	<b>\$ (2,015,464)</b>	<b>\$ (1,174,074)</b>	<b>\$ (596,866)</b>	<b>\$ (475,904)</b>	<b>\$ (24,080)</b>	<b>\$ (31,350)</b>

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

**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
Year Ended December 31, 2011

**SCHEDULE 4**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2011	2010	2011	2010	2011	2010	2011	2010	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,129,911
Grants in lieu of taxation	-	-	-	-	-	-	-	-	477,202
User fees	-	-	10,000	10,000	622,299	643,300	-	-	1,649,282
Prov of MB - Unconditional Grants	-	-	2,426	23,796	244,633	527,212	-	-	1,327,546
Prov of MB - Conditional Grants	18,000	10,000	-	26,810	358,475	535,068	-	-	895,224
Grants - other	-	-	-	-	6,503	4,762	-	-	1,763,911
Permits, licences and fines	-	-	4,301	5,967	2,066	1,204	-	-	171,125
Investment income	-	-	13,504	41,422	93,299	1,188,741	-	-	49,629
Other revenue	1,710	2,633	-	-	-	-	-	-	2,007,061
Water and sewer	-	-	-	-	-	-	3,178,842	-	3,178,842
<b>Total revenue</b>	<b>\$ 19,710</b>	<b>\$ 12,633</b>	<b>\$ 30,231</b>	<b>\$ 107,995</b>	<b>\$ 1,327,275</b>	<b>\$ 2,900,287</b>	<b>\$ 2,133,990</b>	<b>\$ 3,178,842</b>	<b>\$ 14,390,900</b>
<b>EXPENSES</b>									
Personnel services	\$ 11,847	\$ 15,496	\$ 81,271	\$ 197,305	\$ 1,330,803	\$ 1,293,752	\$ 890,632	\$ 853,245	\$ 4,736,585
Contract services	86,035	95,442	12,468	27,413	132,191	234,573	109,716	104,062	2,938,643
Utilities	-	-	6,468	8,254	225,392	221,657	134,324	130,171	650,672
Maintenance materials and supplies	4,270	11,536	5,713	8,339	494,080	438,078	609,140	688,478	1,899,248
Grants and contributions	45,923	46,948	11,646	11,646	329,486	355,171	-	-	556,544
Amortization	-	-	6,248	6,248	565,210	570,727	566,012	531,069	1,182,002
Interest on long term debt	-	-	503	1,022	12,434	28,476	48,723	57,677	2,244,328
Other	2,536	12,496	216,122	168,755	49,327	83,362	209,872	191,375	147,103
<b>Total expenses</b>	<b>\$ 150,611</b>	<b>\$ 181,918</b>	<b>\$ 340,439</b>	<b>\$ 428,982</b>	<b>\$ 3,138,923</b>	<b>\$ 3,225,796</b>	<b>\$ 2,568,419</b>	<b>\$ 2,556,077</b>	<b>\$ 13,927,000</b>
<b>Surplus (Deficit)</b>	<b>\$ (130,901)</b>	<b>\$ (169,285)</b>	<b>\$ (310,208)</b>	<b>\$ (320,987)</b>	<b>\$ (1,811,648)</b>	<b>\$ (325,509)</b>	<b>\$ (434,429)</b>	<b>\$ 622,765</b>	<b>\$ 3,605,042</b>

**CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS**  
**Year Ended December 31, 2011**

	Core Government		Controlled Entities		Government Partnerships		Total
	2011	2010	2011	2010	2011	2010	
<b>REVENUE</b>							
Property taxes	\$ 6,336,897	\$ 6,129,911	\$ -	\$ -	\$ -	\$ -	\$ 6,129,911
Grants in lieu of taxation	478,342	477,202	-	-	-	-	477,202
User fees	927,320	966,780	-	-	721,962	654,585	1,621,365
Prov of MB - Unconditional Grants	1,366,229	1,327,546	-	-	-	-	1,327,546
Prov of MB - Conditional Grants	378,836	482,351	-	-	-	-	895,224
Grants - other	516,035	514,957	500	500	446,461	1,248,454	1,763,911
Permits, licences and fines	142,301	166,362	-	-	6,503	4,763	171,125
Investment income	67,424	32,038	4,313	5,981	21,126	11,610	49,629
Other revenue	614,022	810,454	1,286	1,187	98,521	1,195,420	2,007,061
Water and sewer	2,133,990	3,178,842	-	-	-	-	3,178,842
<b>Total revenue</b>	<b>\$ 12,961,396</b>	<b>\$ 14,086,443</b>	<b>\$ 6,099</b>	<b>\$ 7,668</b>	<b>\$ 1,423,405</b>	<b>\$ 3,527,705</b>	<b>\$ 17,621,816</b>
<b>EXPENSES</b>							
Personnel services	\$ 3,368,039	\$ 3,478,964	\$ -	\$ -	\$ 1,368,546	\$ 1,333,483	\$ 4,812,447
Contract services	2,792,742	2,246,086	12,844	14,314	133,057	252,478	2,512,878
Utilities	410,111	404,229	-	-	240,561	234,783	639,012
Maintenance materials and supplies	1,252,148	1,309,442	38	296	647,062	500,522	1,810,260
Grants and contributions	1,900,412	2,666,825	(11,429)	(11,524)	(1,332,439)	(1,473,299)	1,182,002
Amortization	1,662,066	1,581,525	-	-	688,922	662,803	2,244,328
Interest on long term debt	110,935	146,596	-	-	1,102	507	147,103
Other	603,280	548,974	5,158	17,893	73,845	101,877	668,744
<b>Total expenses</b>	<b>\$ 12,099,733</b>	<b>\$ 12,382,641</b>	<b>\$ 6,611</b>	<b>\$ 20,979</b>	<b>\$ 1,820,656</b>	<b>\$ 1,613,154</b>	<b>\$ 14,016,774</b>
<b>Surplus (Deficit)</b>	<b>\$ 861,663</b>	<b>\$ 1,703,802</b>	<b>\$ (512)</b>	<b>\$ (13,311)</b>	<b>\$ (397,251)</b>	<b>\$ 1,914,551</b>	<b>\$ 3,605,042</b>

## CITY OF DAUPHIN

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
Year Ended December 31, 2011

## SCHEDULE 6

	2011							2010 Total
	General Reserve	Machinery Reserve	Fire Reserve	Public Land Reserve	Civic Bldgs Reserve	Centennial Reserve		
<b>REVENUE</b>								
Investment income	\$ 10,519	\$ 2,759	\$ 7,235	\$ 92	\$ 960	\$ 23		\$ 16,985
<b>TRANSFERS</b>								
Transfers from (to) operating fund	400,000	250,000	75,000	-	25,000	-		1,210,581
Transfers from (to) reserve	-	-	-	-	-	(8,180)		-
Transfers from (to) utility fund	-	-	-	-	-	-		50,000
Acquisition of tangible capital assets	-	(129,056)	(294,977)	-	-	-		(574,046)
<b>CHANGE IN RESERVE FUND BALANCES</b>	410,519	123,703	(212,742)	92	25,960	(8,157)		703,520
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	2,693,326	242,977	637,130	73,252	124,599	8,157		5,221,582
<b>FUND SURPLUS, END OF YEAR</b>	\$ 3,103,845	\$ 366,680	\$ 424,388	\$ 73,344	\$ 150,559	\$ -		\$ 6,403,487
<b>REVENUE</b>								
Investment income	\$ 11,169	\$ 6,401	\$ 64	\$ -	\$ -	\$ 6,849		\$ 16,985
<b>TRANSFERS</b>								
Transfers from (to) operating fund	431,502	50,000	15,000	50,000	50,000	-		1,346,502
Transfers from (to) reserve	-	-	8,180	-	-	-		-
Transfers from (to) utility fund	-	-	-	-	-	7,230		7,230
Acquisition of tangible capital assets	(329,128)	-	-	-	-	(168,257)		(921,418)
<b>CHANGE IN RESERVE FUND BALANCES</b>	113,543	56,401	23,244	50,000	50,000	(154,178)		478,385
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	1,067,323	493,512	-	-	-	584,826		5,925,102
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,180,866	\$ 549,913	\$ 23,244	\$ 50,000	\$ 50,000	\$ 430,648		\$ 6,403,487



CITY OF DAUPHIN  
 SCHEDULE OF TRUST FUNDS  
 Year Ended December 31, 2011

SCHEDULE 7

	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	2011	Total
<b>ASSETS</b>									
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>									
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>REVENUES</b>									
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>									
Cemetery maintenance	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>									
	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>									
<b>FUND BALANCE, END OF YEAR</b>									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2011

	2011	2010
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 275,826	\$ 1,169,248
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 215,393	\$ 199,861
Long-term debt (Note 9)	578,230	698,192
Other	722,562	1,668,077
	\$ 1,516,185	\$ 2,566,130
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<b>\$ (1,240,359)</b>	<b>\$ (1,396,882)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 12,811,415	\$ 13,189,169
Inventories	166,139	171,711
Prepaid expenses	16,404	23,201
	12,993,958	13,384,081
<b>FUND SURPLUS (DEFICIT)</b>	<b>\$ 11,753,599</b>	<b>\$ 11,987,199</b>

COMMITMENTS AND CONTINGENCIES (Notes 10)

**SCHEDULE OF UTILITY OPERATIONS**  
**For the Year Ended December 31, 2011**

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 1,331,440	\$ 1,278,329	\$ 1,299,633
Bulk Water fees	18,200	17,907	17,588
sub-total- water	<u>1,349,640</u>	<u>1,296,236</u>	<u>1,317,221</u>
<b>Sewer</b>			
Sewer fees	371,000	350,547	358,033
Lagoon tipping fees	11,050	10,140	11,040
sub-total- sewer	<u>382,050</u>	<u>360,687</u>	<u>369,073</u>
<b>Government transfers</b>			
Capital	-	-	919,513
<b>Other</b>			
Hydrant rentals	51,900	1,875	900
Connection charges	9,550	8,550	9,570
Installation service	125,000	111,188	214,695
Penalties	4,300	4,585	4,329
Administration fees	316,600	316,916	316,604
Other income	24,200	33,953	26,937
sub-total- other	<u>531,550</u>	<u>477,067</u>	<u>573,035</u>
<b>Total revenue</b>	<u>2,263,240</u>	<u>2,133,990</u>	<u>3,178,842</u>

CITY OF DAUPHIN  
 SCHEDULE OF UTILITY OPERATIONS (cont'd)  
 For the Year Ended December 31, 2011

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2011</u>	<u>2010</u>
<b>General</b>			
Administration	366,524	339,716	320,907
Training costs	27,665	14,052	26,579
Billing and collection	17,812	17,690	17,315
Utilities (telephone, electricity, etc.)	6,700	5,667	6,367
sub-total- general	<u>418,701</u>	<u>377,125</u>	<u>371,168</u>
<b>Water General</b>			
Purification and treatment	739,975	681,984	703,229
Transmission and distribution	361,370	362,575	297,737
Transportation services	57,300	61,310	57,126
Water supply	78,026	68,626	88,028
Connection costs	52,785	42,687	56,802
Other expenses	75,000	63,525	145,694
sub-total- water general	<u>1,364,456</u>	<u>1,280,707</u>	<u>1,348,616</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	-	283,006	265,535
Capital Expenditure	195,000	-	-
Interest on long term debt	169,409	48,722	56,737
sub-total- water amortization & interest	<u>364,409</u>	<u>331,728</u>	<u>322,272</u>
<b>Sewer General</b>			
Collection system costs	119,900	112,199	93,190
Treatment and disposal cost	105,864	124,570	112,378
Lift Station costs	41,910	59,084	41,979
sub-total- sewer general	<u>267,674</u>	<u>295,853</u>	<u>247,547</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	283,006	265,534
Capital Expenditure	60,000	-	-
Interest on long term debt	-	-	940
sub-total- sewer amortization & interest	<u>60,000</u>	<u>283,006</u>	<u>266,474</u>
<b>Total expenses</b>	<u>2,475,240</u>	<u>2,568,419</u>	<u>2,556,077</u>
<b>NET OPERATING SURPLUS</b>	(212,000)	(434,429)	622,765
<b>TRANSFERS</b>			
Eliminating PSAB entries	-	40,025	38,900
Recovery of prior year deficit from Reserve	-	42,770	-
Gain (loss) on disposal of capital assets	-	(223)	-
Transfers from (to) operating fund	-	-	16,241
Transfers from (to) reserve funds	212,000	118,257	7,804
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ -</u>	(233,600)	685,710
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>11,987,199</u>	<u>11,301,489</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 11,753,599</u>	<u>\$ 11,987,199</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2011

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 6,186,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,186,141
Grants in lieu of taxation	477,469	-	-	-	-	-	-	477,469
User fees	1,174,770	-	-	-	(260,000)	-	760,444	1,675,214
Grants - Province of Manitoba	2,117,816	-	-	-	(357,953)	-	384,166	2,144,029
Grants - other	595,055	-	-	-	(157,953)	-	555,074	992,176
Permits, licences and fines	152,150	-	-	-	-	-	4,565	156,715
Investment income	13,500	-	-	-	-	-	20,231	33,731
Other revenue	578,889	-	(25,000)	(418,166)	-	-	6,525	142,248
Water and sewer	-	2,263,240	-	-	(50,025)	-	-	2,213,215
Transfers from General Fund	-	-	-	-	-	-	-	-
Transfers from reserves	814,939	262,000	-	-	(1,076,939)	-	-	-
<b>Total revenue</b>	<b>\$ 12,110,729</b>	<b>\$ 2,525,240</b>	<b>\$ (25,000)</b>	<b>\$ (418,166)</b>	<b>\$ (1,902,870)</b>	<b>\$ -</b>	<b>\$ 1,731,005</b>	<b>\$ 14,020,938</b>
<b>EXPENSES</b>								
General government services	\$ 1,275,586	\$ -	\$ 137,865	\$ 49,243	\$ (95,743)	\$ -	\$ 16,584	\$ 1,383,535
Protective services	2,333,502	-	67,240	-	(50,025)	-	-	2,350,717
Transportation services	1,635,471	-	933,598	676	(115,211)	-	40,803	2,495,337
Environmental health services	915,759	-	74,815	-	-	12,910	-	1,003,484
Public health and welfare services	42,649	-	-	-	-	-	53,840	96,489
Regional planning and development	178,091	-	-	-	-	-	-	178,091
Resource cons and industrial dev	385,652	-	6,248	550	-	-	4,763	397,213
Recreation and cultural services	1,503,021	-	565,210	14,106	-	-	982,311	3,064,648
Water and sewer services	-	2,050,831	566,012	49,447	(10,000)	-	-	2,656,290
Fiscal services:								
Transfer to Utility	-	-	-	-	-	-	-	-
Property tax discounts	14,046	-	-	-	-	-	-	-
Transfer to capital	2,285,714	255,000	(2,540,714)	-	(14,046)	-	-	-
Debt charges	560,736	169,409	-	(730,145)	-	-	-	-
Transfer to reserves	955,502	50,000	-	-	(1,005,502)	-	-	-
Allowance for tax assets	25,000	-	-	-	(25,000)	-	-	-
<b>Total expenses</b>	<b>\$ 12,110,729</b>	<b>\$ 2,525,240</b>	<b>\$ (189,726)</b>	<b>\$ (616,123)</b>	<b>\$ (1,315,527)</b>	<b>\$ 12,910</b>	<b>\$ 1,098,301</b>	<b>\$ 13,625,804</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 164,726</b>	<b>\$ 197,957</b>	<b>\$ (587,343)</b>	<b>\$ (12,910)</b>	<b>\$ 632,704</b>	<b>\$ 395,134</b>

CITY OF DAUPHIN  
 ANALYSIS OF TAXES ON ROLL  
 Year Ended December 31, 2011

SCHEDULE 11

	<u>2011</u>	<u>2010</u>
<b>Balance, beginning of year</b>	<b>\$ 346,434</b>	<b>\$ 338,110</b>
<b>Add:</b>		
Tax levy (Schedule 12)	10,302,163	10,244,341
Taxes added	244,925	62,706
Penalties or interest	70,832	64,754
Transfers and adjustments	41,969	31,067
<b>Sub-total</b>	<b><u>10,659,889</u></b>	<b><u>10,402,868</u></b>
<b>Deduct:</b>		
Cash collections - arrears	414,320	315,125
Cash collections - current	8,729,105	8,583,603
Writeoffs	35,170	23,210
Tax discounts	14,047	14,499
M.P.T.C. - cash advance	1,563,597	1,458,057
Other credits (Soldier Tax Credit)	50	50
<b>Sub-total</b>	<b><u>10,756,289</u></b>	<b><u>10,394,544</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 250,034</u></u></b>	<b><u><u>\$ 346,434</u></u></b>

**ANALYSIS OF TAX LEVY**  
**Year Ended December 31, 2011**

	2011		2010	
	<u>Assessment</u>	<u>Mill Rate</u>	<u>Levy</u>	<u>Levy</u>
Debt charges:				
LI.D.			\$ -	\$ 66,017
Other (At Large)	183,317,690	2.842%	520,989	555,774
Reserves:				
Equipment replacement	183,317,690	1.267%	232,264	208,916
Fire Equipment replacement	183,317,690	0.381%	69,844	23,294
Recreation	183,317,690	0.254%	46,563	46,406
Civic Building	183,317,690	0.128%	23,465	68,789
General Municipal				
At Large	183,317,690	28.000%	5,132,895	5,027,994
School Division not rateable property			(17,130)	(6,107)
Business tax			12,250	11,368
<b>Total municipal taxes (Schedule 2)</b>			<b>6,021,140</b>	<b>6,002,451</b>
Education support levy			620,369	619,876
Special levy:				
Mountain View School Division			3,643,524	3,615,907
MVSD - not rateable property			17,130	6,107
<b>Total education taxes</b>			<b>4,281,023</b>	<b>4,241,890</b>
<b>Total tax levy (Schedule 11)</b>			<b>\$ 10,302,163</b>	<b>\$ 10,244,341</b>

CITY OF DAUPHIN  
 ANALYSIS OF SCHOOL ACCOUNTS  
 Year Ended December 31, 2011

SCHEDULE 13

	2011			2010
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 25,660	\$ 755,182	\$ (758,942)	\$ 25,660
Special levies				
Mountain View School Division	87,914	3,963,378	(3,977,495)	87,914
<b>Total</b>	<b>\$ 113,574</b>	<b>\$ 4,718,560</b>	<b>\$ (4,736,437)</b>	<b>\$ 113,574</b>



## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2011

	2011 Actual	2010 Actual
<b>General government services:</b>		
Legislative	\$ 91,830	\$ 93,367
General administrative	772,770	773,042
Other	305,125	936,867
Allowance for Tax Assets	25,000	25,000
	<u>1,194,725</u>	<u>1,828,276</u>
<b>Protective services:</b>		
Police	1,717,677	1,545,981
Fire	410,678	423,045
Emergency measures	457,817	2,768
Other	184,760	191,980
	<u>2,770,932</u>	<u>2,163,774</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	415,272	434,268
Road and street maintenance	629,607	626,914
Bridge maintenance	2,011	1,478
Sidewalk and boulevard maintenance	92,352	79,239
Street lighting	148,389	146,835
Other	(8,489)	51,752
Air transport	118,688	112,459
	<u>1,397,830</u>	<u>1,452,945</u>
<b>Environmental health services:</b>		
Waste collection and disposal	708,343	688,955
Recycling	253,446	241,730
	<u>961,789</u>	<u>930,685</u>
<b>Public health and welfare services:</b>		
Social assistance	39,467	33,749
<b>Regional planning and development</b>		
Planning and zoning	173	35,465
Urban renewal	10	35
Beautification and land rehabilitation	116,479	107,112
Urban area weed control	23,189	23,059
Other	10,760	16,247
	<u>150,611</u>	<u>181,918</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	11,646	11,648
Regional development	-	-
Tourism	85,853	136,401
Other	231,930	257,164
	<u>329,429</u>	<u>405,213</u>
<b>Recreation and cultural services:</b>		
Community centers and halls	67,347	28,530
Other recreational facilities	1,378,361	1,550,781
Museums	43,400	43,400
Libraries	101,370	156,837
	<u>1,590,478</u>	<u>1,779,548</u>
<b>Total expenses</b>	<u><u>8,435,261</u></u>	<u><u>8,776,108</u></u>

SCHEDULE OF L.U.D. OPERATIONS  
For the Year Ended December 31, 2011

	2011 Budget	2011 Actual	2010 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
<b>Total revenue</b>	-	-	-
<b>Expenses</b>			
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	-	-	-
<b>Total expenses</b>	-	-	-
<b>Net revenues (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	-	-	-
<b>Unexpended balance, beginning of year</b>		-	-
<b>Unexpended balance, end of year</b>		-	-



RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)  
December 31, 2011

## SCHEDULE 17

	2011		2010	
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>				
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves		92,770	1,447,453	1,260,582
Eliminate revenue - transfers from reserves	1,354,683	(211,028)	(972,369)	(574,046)
Eliminating entries between funds	(761,341)	(40,025)		
Increase revenue - reserve funds interest	40,025	6,849	46,071	16,985
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	39,222	-	(397,763)	1,901,240
Increase expense - landfill liability expense	(397,763)	-	(12,910)	(12,256)
Increase expense - amortization of tangible capital assets	(12,910)	-	(1,662,066)	(1,581,525)
Increase revenue - accounting gain (loss) on sale of assets	(1,096,054)	(566,012)	(41,759)	2,600
Decrease revenue - debenture proceeds	(41,536)	(223)	-	(494,474)
Decrease revenue - proceeds on sale of assets	-	-	(28,250)	(7,600)
Decrease expense - principal portion of debenture debt	(28,250)	-	616,123	686,356
Eliminate expense - acquisitions of tangible capital assets	496,161	119,962	1,473,102	2,413,316
	1,284,620	188,482		
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 891,702</b>	<b>\$ (427,802)</b>	<b>\$ 463,900</b>	<b>\$ 3,605,042</b>