

CITY OF DAUPHIN

**Consolidated Financial Statements
For the Year Ended December 31, 2018**

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.

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

MNP LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' 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.



Sharla Griffiths, BSc CE, CMMA
City Manager, City of Dauphin

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the City of Dauphin, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, change in net financial assets, cash flows and supporting schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Dauphin as at December 31, 2018, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City of Dauphin in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City of Dauphin's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City of Dauphin to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City of Dauphin's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Dauphin's internal control.

INDEPENDENT AUDITORS' REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City of Dauphin's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the City of Dauphin to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

June 24, 2019
Dauphin, Manitoba

MNP LLP

Chartered Professional Accountants

CITY OF DAUPHIN

Consolidated Financial Statements For the Year Ended December 31, 2018

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CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 10,590,705	\$ 10,507,853
Amounts receivable (Note 4)	1,550,913	1,683,309
Portfolio investments (Note 5)	233,289	254,494
Loans and advances	36,002	37,148
Inventories for resale (Note 6)	44,221	39,737
	<u>\$ 12,455,130</u>	<u>\$ 12,522,541</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 1,737,931	\$ 2,496,328
Severance and sick leave payable	489,047	451,182
Unearned revenue	172,294	188,099
Landfill closure and post closure liabilities (Note 8)	302,089	287,418
Long-term debt (Note 9)	952,235	995,845
	<u>\$ 3,653,596</u>	<u>\$ 4,418,872</u>
NET FINANCIAL ASSETS	<u>\$ 8,801,534</u>	<u>\$ 8,103,669</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 48,069,049	\$ 48,969,250
Inventories for use (Note 6)	211,102	211,043
Prepaid expenses	146,632	171,351
	<u>48,426,783</u>	<u>49,351,644</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 57,228,317</u>	<u>\$ 57,455,313</u>

COMMITMENTS AND CONTINGENCIES (NOTE 10)

Approved on behalf of Council:



Al Dowhan - Mayor



Katherine Bellemare - Deputy Mayor

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2018

	2018 Budget (Note 13)	2018 Actual	2017 Actual
REVENUE			
Property taxes	\$ 6,030,933	\$ 6,060,920	\$ 5,864,479
Grants in lieu of taxation	389,887	391,171	372,384
User fees	2,138,392	1,856,599	1,966,683
Grants - Province of Manitoba	2,718,180	1,924,395	2,009,431
Grants - other	774,964	820,086	794,770
Permits, licences and fines	208,742	184,956	192,402
Investment income	66,436	312,461	273,306
Other revenue	304,424	358,694	568,536
Water and sewer	2,956,517	3,011,973	3,719,757
Total revenue (Schedules 2, 4 and 5)	<u>15,588,475</u>	<u>14,921,255</u>	<u>15,761,748</u>
EXPENSES			
General government services	1,426,682	1,302,157	1,354,314
Protective services	2,851,793	2,841,895	2,620,556
Transportation services	2,885,158	2,865,550	2,935,881
Environmental health services	886,016	914,059	899,366
Public health and welfare services	126,282	115,307	89,822
Regional planning and development	169,255	170,303	165,489
Resource conservation and industrial development	541,942	518,060	473,170
Recreation and cultural services	3,251,708	3,252,543	3,171,484
Water and sewer services	3,013,751	3,009,588	2,638,277
Total expenses (Schedules 3, 4 and 5)	<u>15,152,587</u>	<u>14,989,462</u>	<u>14,348,359</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 435,888</u>	(68,207)	1,413,389
ADJUSTMENT FOR CHANGE IN PARTNERSHIP INTEREST (Note 12)		(158,789)	(181)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>57,455,313</u>	<u>56,042,105</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 57,228,317</u>	<u>\$ 57,455,313</u>

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2018

	2018 Budget (Note 13)	2018 Actual	2017 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 435,888	\$ (68,207)	\$ 1,413,389
Acquisition of tangible capital assets	(4,044,499)	(2,035,637)	(3,433,375)
Amortization of tangible capital assets	2,712,280	2,712,280	2,697,053
Adjustment for change in percentage of partnership (Note 12)	-	(3,074)	(112)
Loss (Gain) on sale of tangible capital assets	-	43,100	(62,654)
Proceeds on sale of tangible capital assets	-	24,743	73,614
Decrease (increase) in inventories for use	-	(59)	(8,538)
Decrease (increase) in prepaid expense	-	24,719	(11,025)
	(1,332,219)	766,072	(745,037)
CHANGE IN NET FINANCIAL ASSETS	\$ (896,331)	697,865	668,352
NET FINANCIAL ASSETS, BEGINNING OF YEAR		8,103,669	7,435,317
NET FINANCIAL ASSETS, END OF YEAR		\$ 8,801,534	\$ 8,103,669

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ (68,207)	\$ 1,413,389
Changes in non-cash items:		
Amounts receivable	132,396	(39,263)
Inventories	(4,543)	(16,232)
Prepays	24,719	(11,025)
Accounts payable and accrued liabilities	(758,397)	704,751
Severance and sick leave payable	37,865	28,711
Unearned revenue	(15,805)	(48,115)
Landfill closure and post closure liabilities	14,671	13,976
Loss (Gain) on sale of tangible capital asset	43,100	(62,654)
Amortization	2,712,280	2,697,053
	<u>2,118,079</u>	<u>4,680,591</u>
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	24,743	73,614
Cash used to acquire tangible capital assets	(2,035,637)	(3,433,375)
	<u>(2,010,894)</u>	<u>(3,359,761)</u>
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Adjustment for change in percentage of partnerships (Note 12)	(3,074)	(112)
Loans and advances repaid (advanced)	1,146	(192)
Redemption (Purchase) of portfolio investments	21,205	(1,232)
	<u>19,277</u>	<u>(1,536)</u>
Cash provided by (applied to) investing transactions		
FINANCING TRANSACTIONS		
Debt repayment to 3rd party	(43,610)	(41,767)
	<u>(43,610)</u>	<u>(41,767)</u>
Cash applied to financing transactions		
INCREASE IN CASH AND TEMPORARY INVESTMENTS	82,852	1,277,527
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>10,507,853</u>	<u>9,230,326</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 10,590,705</u>	<u>\$ 10,507,853</u>

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

CITY OF DAUPHIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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 Chartered Professional Accountants Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Dauphin Community Concert Band (Amalgamated with City on January 1, 2018)

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 for 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%)(2017 - 50%)
Parkland Regional Library Service (21.28%)(2017 - 20.72%)
Dauphin Public Library (77.98%)(2017 - 78.95%)
Dauphin Regional Airport Authority Inc. (77.98%)(2017 - 78.95%)
Dauphin Recreation Services (77.98%)(2017 - 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 Municipality held no funds in trust on December 31, 2018.

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 statement of financial position date.

2. Significant Accounting Policies (continued)

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 of 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.

2. Significant Accounting Policies (continued)

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.

Unearned 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 amounts 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.

m) Recent Accounting Pronouncements

Portfolio Investments (PS 3041)

In March 2012, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting Board (PSAB) issued new PS 3041 Portfolio Investments, which revises and replaces PS 3030 Temporary Investments and PS 3040 Portfolio Investments. The main features of the new standard are:

- PS 3041 does not make a distinction between temporary and portfolio investments, and is cross referenced and conformed to the requirements of PS 3450.
- Investments previously within the scope of PS 3030, which are not cash equivalents, are now accounted for within the scope of PS 3041.

This Section is effective in the same period PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3450 are adopted. PS 1201, PS 2601 and PS 3450 are to be adopted together and are effective for fiscal years beginning on or after April 1, 2019. Early adoption is permitted.

Financial Instruments (PS 3450)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
- Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
- Portfolio investments in equity instruments quoted in an active market are measured at fair value.
- Other financial assets and financial liabilities are generally measured at cost or amortized cost.
- An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses.
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exists, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

2 Significant Accounting Policies (continued)

m) Recent Accounting Pronouncements (continued)

Financial Instruments (PS 3450) (continued)

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

In September 2015, the effective date for governments was extended by three years. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted.

Asset Retirement Obligations, Proposed Section (PS 3280)

The Public Sector Accounting Board (PSAB) issued this Exposure Draft (ED) in March 2017 to propose a new Section on asset retirement obligations (ARO liabilities) and withdraw PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. The main features of this ED include the following:

- ARO liabilities represent a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- Asset retirement costs are expensed when they are associated with an asset that is no longer in productive use.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- ARO liabilities include costs directly attributable to retirement activities, such as post-retirement operation, maintenance and monitoring.
- The best method to estimate the liability is often a present value technique.

The section is proposed to be effective for fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2018	2017
Cash	\$ 2,322,096	\$ 3,940,366
Temporary Investments	8,268,609	6,567,487
	<u>\$ 10,590,705</u>	<u>\$ 10,507,853</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The City has designated \$9,113,671 (2017 - \$8,395,704) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of \$8,590,895 (2017 - \$8,020,248).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2018	2017
Taxes on roll (Schedule 11)	\$ 610,316	\$ 536,082
Grants in lieu	-	-
Government grants	196,035	325,421
Utility customers	345,663	344,646
Accrued interest	77,539	45,403
Organizations and individuals	289,756	450,610
Other governments	128,956	76,671
	<u>1,648,265</u>	<u>1,778,833</u>
Less allowances for doubtful amounts	<u>(97,352)</u>	<u>(95,524)</u>
	<u>\$ 1,550,913</u>	<u>\$ 1,683,309</u>

The City of Dauphin encourages property owners to prepay property taxes by using an electronic funds transfer program. As at December 31, 2018, the City was in receipt of \$223,325 (2017 - \$214,323) in prepaid property taxes. The Taxes on Roll balance outstanding on December 31, 2018 and 2017 is net of these credits.

5. Portfolio Investments

	2018	2017
Marketable securities:		
- Toronto Dominion Mutual Funds	\$ 232,075	\$ 232,713
Term Deposit	-	20,782
Other investments	1,214	999
	<u>\$ 233,289</u>	<u>\$ 254,494</u>

The aggregate market value of the marketable securities at December 31, 2018 is \$232,075 (2017 - \$232,713). Portfolio investments incurred an investment loss of \$5,968 during the year and earned investment income in 2017 of \$13,290.

6. Inventories

Inventories for resale:

	2018	2017
Food and beverages	\$ 11,126	\$ 9,626
Fuel (Airport)	33,095	30,111
	<u>\$ 44,221</u>	<u>\$ 39,737</u>

Inventories for use:

Chemicals	22,978	23,047
Pipes and water supplies	138,117	137,158
Aggregate and other	50,007	50,838
	<u>\$ 211,102</u>	<u>\$ 211,043</u>

7. Accounts Payable and Accrued Liabilities

	2018	2017
Accounts payable and accrued expenses	\$ 944,265	\$ 980,500
Accrued interest payable	3,533	3,696
School levies	178,672	152,687
Other governments	611,461	1,359,445
	<u>\$ 1,737,931</u>	<u>\$ 2,496,328</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 2049.

	2018	2017
Estimated closure and post closure costs over the next 31 years	\$ 910,275	\$ 910,275
Discount rate	3.75%	3.75%
Discounted costs	<u>\$ 392,618</u>	<u>\$ 378,427</u>
Expected year capacity will be reached	2039	2039
Capacity (tonnes):		
Used to date	950,261	938,017
Remaining	284,772	297,016
Total	<u>1,235,033</u>	<u>1,235,033</u>
Percent utilized	76.94%	75.95%
Liability based on percentage	<u>\$ 302,089</u>	<u>\$ 287,418</u>

9. Long-Term Debt

	2018	2017
General Authority:		
Debenture, interest at 4.75%, payable at \$3,614 annually including interest, maturing December, 2031	<u>34,466</u>	<u>36,353</u>
Utility Funds:		
Debenture, interest at 4.75%, payable at \$29,447 annually including interest, maturing December, 2031	280,822	296,199
Debenture, interest at 4.75%, payable at \$5,780 annually including interest, maturing December, 2031	55,124	58,142
Debenture, interest at 4.125%, payable at \$27,365 annually including interest, maturing December, 2035	329,712	342,932
Debenture, interest at 4.125%, payable at \$20,925 annually including interest, maturing December, 2035	<u>252,111</u>	<u>262,219</u>
	<u>\$ 917,769</u>	<u>\$ 959,492</u>
	<u>\$ 952,235</u>	<u>\$ 995,845</u>

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

2019	45,536
2020	47,547
2021	49,647
2022	51,841
2023	54,133
Subsequent years	<u>703,531</u>
	<u>\$ 952,235</u>

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
None Pending		\$ -

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 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 2018 totalled \$1,788,334 (2017 - \$1,613,871).

Ottenbreit Sanitation Services (2002) Ltd.

In September 2016, the City of Dauphin has negotiated a non-exclusive 10 year contract with Ottenbreit Sanitation Services (2002) Ltd. for the collection, processing and sale of residential recyclables. Annual charges under the contract are determined by recycling weights collected and the number of containers in service. Recycling charges under the contract in 2018 were \$176,564 (2017 - \$170,710).

Gold Business Solutions

Beginning November 1, 2017, the City of Dauphin entered into a five (5) year photocopier contract with Gold Business Solutions. The contract with Gold Business Solutions is for the lease, service and maintenance of four (4) Kyocera photocopiers at various City of Dauphin locations. Annual lease charges under this contract are fixed at \$5,478 while service and maintenance charges are determined by the number of prints produced. Copier charges under the contract in 2018 were \$9,849 (2017 - \$2,967).

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 are expected to be \$598,243 (2017 - \$581,834) 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, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2017.

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 formed 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 on 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, 2018, the City of Dauphin's funding responsibility and partnership interests were adjusted as follows:

- Parkland Regional Library Service - 21.28% from 20.72%
- Dauphin Public Library - 77.98% from 78.95%
- Dauphin Regional Airport Authority Inc. - 77.98% from 78.95%
- Dauphin Recreation Services - 77.98% from 78.95%

As per Chartered Professional Accountants of Canada Handbook section PS 3060.40, 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, 2018 has been adjusted to accumulated surplus and the prior year figures have not been restated.

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

	2018	2017
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	540,463	540,463
Utility operating fund - Nominal surplus	48,349	48,349
TCA tax sale properties included in nominal surplus	(53,429)	(27,032)
TCA net of related borrowings	34,781,150	35,069,081
Landfill closure & post closure liabilities	(302,089)	(287,418)
Reserve fund surplus	9,113,671	8,395,704
Reserve Fund borrowed to General Fund	-	-
Accumulated surplus of municipality unconsolidated	44,128,115	43,739,147
Accumulated surpluses of consolidated entities	13,100,202	13,716,166
Accumulated surplus per Consolidated Statement of Financial Position	\$ 57,228,317	\$ 57,455,313

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, 2018:

a) Compensation paid to members of council amounted to \$95,403 in aggregate.

b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor Allen Dowhan	\$ 29,245	\$ 7,101	\$ 36,346
Deputy Mayor Katherine Bellemare	13,474	4,541	18,015
Councillor Patti Eilers	13,594	7,041	20,635
Councillor Rodney Juba	13,094	5,287	18,381
Councillor Chistian Laughland **	2,452	1,583	4,035
Councillor Kerri Riehl **	2,465	1,613	4,078
Councillor Devin Shtykalo	11,619	40	11,659
Councillor Keith Tkachyk *	9,460	3,112	12,572
	<u>\$ 95,403</u>	<u>\$ 30,318</u>	<u>\$ 125,721</u>

* Past Councillor (January 1st to October 24)

** Newly Elected Councillors (October 24 to current)

15. Public Sector Compensation Disclosure (continued)

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

Name	Position	Amount
Cameron Abrey	Fire Chief	\$ 80,609
Darrell Aitken	Engineering Technologist	\$ 76,360
Candace Allen	RCMP Detachment Assistant	\$ 50,798
Debbie Austin	Accounting Clerk Engineering 2	\$ 51,653
Grant Baumung	Equipment Operator 4	\$ 58,203
Gavin Bernat	Mechanic 2	\$ 72,415
Barry Bloomfield	Equipment Operator 3	\$ 50,268
Bill Brenner	Director of PW & Operations	\$ 114,862
Gale Brunen	Financial Accountant	\$ 52,824
Garry Burla	Equipment Operator 3	\$ 54,426
Carissa Caruk-Ganczar	Economic Development Manager	\$ 70,039
Scott Carr	Director of Finance	\$ 96,397
Brad Collett	Chief Administrative Officer	\$ 142,768
David Derkach	Building Inspector	\$ 84,051
Terry Genik	Public Works Foreman	\$ 89,775
Sharla Griffiths	City Manager	\$ 100,332
Randy Hlady	Utility Operator 3	\$ 63,600
Jeff Hume	Utility Foreman	\$ 83,095
Joanie Inkster	RCMP Detachment Assistant	\$ 50,797
Bill Kondra	Equipment Operator 3	\$ 52,084
Jason Lobert	Utility Operator 2	\$ 59,061
Gordon Love	Airport Manager	\$ 71,164
Chad McCrady	Utility Operator 2	\$ 59,120
Donald Pepper	Equipment Operator - Side Loader	\$ 50,966
Duane Porath	Mechanic 1	\$ 61,983
Larry Prokopowich	Equipment Operator 2	\$ 50,139
Oblin Negrette Sofan	Utility Operator 2	\$ 67,163
Melissa Stefaniw	Tourism Marketing Co-ordinator	\$ 53,608
Joan Tabak	RCMP Detachment Assistant	\$ 52,315
Jeff Weselowski	Utility Foreman - Const. & Maint.	\$ 87,843
Sam Winters	Equipment Operator 3	\$ 50,224
Jean-Louis Guillas	Parkland Reg. Library Director	\$ 74,380
Ryan Vanderheyden	General Manager - Dphn Rec.	\$ 73,397
Wes Carnegie	Operations Manager - Dphn Rec.	\$ 59,743
Judi Carter	Finance & HR Manager - Dphn Rec.	\$ 56,648
Eddie Simpson	Parks Lead Hand - Dauphin Rec.	\$ 55,873
Evan Lee	Facility Lead Hand-Dauphin Rec.	\$ 55,574
Crystal Hadway	Accounting Clerk -Dauphin Rec.	\$ 52,947

16. Subsequent Events

The City of Dauphin has been notified that due to new regulations for wastewater treatment, an upgrade is required to their wastewater treatment facility. Current costs are estimated to be approximately \$13,000,000. The City is currently working with Federal and Provincial partners to obtain grants to cover a portion of the costs; however, as of the date on these statements, no funding has been secured. It is expected that this regulation change will have a significant impact on the City of Dauphin Utility rates. Upgrades to the wastewater treatment facility are expected in the near future.

17. Trust Funds

The City of Dauphin does not currently administer any trusts.

18. Segmented Information

The City of Dauphin provides a wide range of services to its residents.

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

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

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

19. Government Partnerships

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

	2018	2017
Financial Position		
Financial Assets	\$ 1,150,436	\$ 1,239,025
Liabilities	\$ 385,898	\$ 431,218
Net financial assets	\$ 764,538	\$ 807,807
Non-financial assets	\$ 12,335,664	\$ 12,904,513
Accumulated surplus	\$ 13,100,202	\$ 13,712,320
Result of Operations		
Revenue	\$ 1,469,380	\$ 1,634,093
Expenses	\$ 1,922,709	\$ 2,008,321
Annual surplus (deficit)	\$ (453,329)	\$ (374,228)

20. 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:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water Treatment Plant	\$ 3,157,455	\$ -	\$ 150,355	\$ 3,007,100
Industrial Park Water	180,455	-	5,496	174,959
Hydrant upgrades	572,853	-	17,492	555,361
Water meter upgrades	408,739		65,986	342,753
Aqueduct upgrades	290,216		7,861	282,355
Aqueduct upgrades	49,348		1,345	48,003
Brown Reservoir	271,276		34,266	237,010
	\$ 4,930,342	\$ -	\$ 282,801	\$ 4,647,541

20. Public Utilities Board (continued)

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Lagoon Cell 1 Upgrades	\$ 123,500	\$ -	\$ 3,250	\$ 120,250
Lagoon Cell 2 Upgrades	142,252	-	3,648	138,604
Lagoon Cell 6 Upgrades	253,337	-	6,333	247,004
Low Pressure Sewer	94,908	-	1,861	93,047
South End Sewer Upgrades	50,614	-	859	49,755
South End Sewer Upgrades	717,408		11,973	705,435
	<u>\$ 1,382,019</u>	<u>\$ -</u>	<u>\$ 27,924</u>	<u>\$ 1,354,095</u>

21. Financial Instruments

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

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2018

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer		2018	2017
Cost										
Opening costs	\$ 7,282,950	\$ 20,533,392	\$ 9,292,693	\$ 275,014	\$ -	\$ 35,580,102	\$ 30,540,236	\$	103,504,387	\$ 100,286,370
Additions during the year	191,244	80,699	592,517	3,575	-	668,505	499,097		2,035,637	3,433,375
Change in ownership percentage	(56,815)	(191,175)	(22,229)	48	-	(12,770)	-		(282,941)	(170)
Disposals and write downs			(242,766)	(1,418)	-	(57,425)	(74)		(301,683)	(215,188)
Closing costs	\$ 7,417,379	\$ 20,422,916	\$ 9,620,215	\$ 277,219	\$ -	\$ 36,178,412	\$ 31,039,259	\$	104,955,400	\$ 103,504,387
Accumulated Amortization										
Opening accum'd amortization	1,584,800	9,644,505	5,360,038	260,164	-	22,017,839	15,667,791		54,535,137	52,042,413
Amortization	112,155	458,275	540,252	8,075	-	810,677	782,846		2,712,280	2,697,053
Change in ownership percentage	(16,137)	(89,849)	(15,692)	44	-	(5,592)	-		(127,226)	(99)
Disposals and write downs	-		(174,923)	(1,418)	-	(57,425)	(74)		(233,840)	(204,230)
Closing accum'd amortization	\$ 1,680,818	\$ 10,012,931	\$ 5,709,675	\$ 266,865	\$ -	\$ 22,765,499	\$ 16,450,563	\$	56,886,351	\$ 54,535,137
Net Book Value of Tangible Capital Assets	\$ 5,736,561	\$ 10,409,985	\$ 3,910,540	\$ 10,354	\$ -	\$ 13,412,913	\$ 14,588,696	\$	48,069,049	\$ 48,969,250

CONSOLIDATED SCHEDULE OF REVENUES

Year Ended December 31, 2018

	2018 Actual	2017 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,795,935	\$ 5,739,859
Taxes added	264,985	124,620
	<u>6,060,920</u>	<u>5,864,479</u>
Grants in lieu of taxation:		
Federal government	41,697	39,803
Provincial government	335,190	320,028
Other municipal governments	14,284	12,553
	<u>391,171</u>	<u>372,384</u>
User fees		
Parking meters	-	-
Sales of service	1,330,002	1,326,707
Sales of goods	263,260	375,944
Rentals	257,736	254,606
Development charges	5,601	9,426
	<u>1,856,599</u>	<u>1,966,683</u>
Grants - Province of Manitoba		
Municipal operating grants	1,437,832	1,455,719
Other unconditional grants	-	-
Conditional grants	486,563	553,712
	<u>1,924,395</u>	<u>2,009,431</u>
Grants - other		
Federal government - gas tax funding	466,825	451,018
Federal government - other	54,026	46,355
Other municipal governments	299,235	297,397
	<u>820,086</u>	<u>794,770</u>
Permits, licences and fines		
Permits	42,360	48,130
Licences	99,005	99,085
Fines	43,591	45,187
	<u>184,956</u>	<u>192,402</u>
Investment income:		
Cash and temporary investments	308,722	261,008
Marketable securities	1,620	7,563
Customer charges	2,119	4,735
	<u>312,461</u>	<u>273,306</u>
Other revenue:		
Gain on sale of tangible capital assets	-	62,654
Insurance and other rebates	56,478	30,365
Donations	111,979	219,437
Expenses recovered	55,771	83,024
Penalties and interest	116,377	118,585
Other	18,089	54,471
	<u>358,694</u>	<u>568,536</u>
Water and sewer (Schedule 9)	<u>3,011,973</u>	<u>3,719,757</u>
Total revenue	<u>\$ 14,921,255</u>	<u>\$ 15,761,748</u>

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2018

	2018 Actual	2017 Actual
General government services:		
Legislative	\$ 95,403	\$ 100,431
General administrative	830,463	816,782
Other	376,291	437,101
	<u>1,302,157</u>	<u>1,354,314</u>
Protective services:		
Police	1,972,164	1,792,060
Fire	659,625	630,992
Emergency measures	5,338	5,982
Other protection	204,768	191,522
	<u>2,841,895</u>	<u>2,620,556</u>
Transportation services:		
Road transport		
Administration and engineering	489,465	486,514
Road and street maintenance	734,309	817,334
Bridge maintenance	1,826	3,488
Sidewalk and boulevard maintenance	119,944	64,339
Street lighting	171,637	167,755
Other	918,909	872,616
Air transport	429,460	523,835
	<u>2,865,550</u>	<u>2,935,881</u>
Environmental health services:		
Waste collection and disposal	731,605	725,542
Recycling	182,454	173,824
	<u>914,059</u>	<u>899,366</u>
Public health and welfare services:		
Public health	81,558	56,073
Social assistance	33,749	33,749
	<u>115,307</u>	<u>89,822</u>
Regional planning and development		
Planning and zoning	4,913	1,208
Urban renewal	-	-
Beautification and land rehabilitation	148,560	142,654
Urban area weed control	2,857	6,034
Other	13,973	15,593
	<u>170,303</u>	<u>165,489</u>
Resource conservation and industrial development		
Veterinary services	10,778	11,646
Tourism	114,946	117,748
Other	392,336	343,776
	<u>518,060</u>	<u>473,170</u>
Recreation and cultural services:		
Community centers and halls	44,089	41,524
Other recreational facilities	2,839,245	2,772,911
Museums	48,720	47,400
Libraries	320,489	309,649
	<u>3,252,543</u>	<u>3,171,484</u>
Water and sewer services (Schedule 9)	<u>3,009,588</u>	<u>2,638,277</u>
Total expenses	<u>\$ 14,989,462</u>	<u>\$ 14,348,359</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ 6,060,920	\$ 5,864,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	391,171	372,384	-	-	-	-	-	-	-	-
User fees	232,626	238,475	133,479	160,648	360,290	445,322	361,979	364,908	61,658	57,403
Prov of MB - Unconditional Grants	1,437,832	1,455,719	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	5,000	5,051	5,051	114,312	230,234	189,476	170,385	-	-
Grants - other	473,358	454,637	-	-	38,605	36,911	-	-	-	-
Permits, licences and fines	110,984	110,220	70,021	79,627	-	-	-	-	-	-
Investment income	292,977	250,123	-	-	10,126	9,380	-	-	8,171	13,290
Other revenue	206,961	270,276	42,408	42,485	8,121	38,433	14,000	14,000	678	45,290
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 9,206,829	\$ 9,021,313	\$ 250,959	\$ 287,811	\$ 531,454	\$ 760,280	\$ 565,455	\$ 549,293	\$ 70,507	\$ 115,983
EXPENSES										
Personnel services	\$ 654,932	\$ 655,088	\$ 621,172	\$ 570,297	\$ 956,299	\$ 960,840	\$ 240,242	\$ 231,619	\$ 39,762	\$ 36,670
Contract services	124,228	120,189	1,756,668	1,576,207	361,606	387,548	212,155	194,657	40,186	39,250
Utilities	58,600	55,961	38,865	36,613	218,328	210,407	10,027	9,306	2,159	1,969
Maintenance materials & supplies	77,366	144,762	120,758	124,677	528,879	615,318	14,308	25,010	7,456	5,205
Grants and contributions	28,261	23,763	-	-	14,046	11,454	62,591	74,568	-	-
Amortization	112,965	125,615	121,851	129,753	1,147,015	1,112,891	99,873	99,437	10,975	6,008
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	245,805	228,936	182,581	183,009	(360,623)	(362,577)	274,863	264,769	14,769	720
Total expenses	\$ 1,302,157	\$ 1,354,314	\$ 2,841,995	\$ 2,620,556	\$ 2,865,550	\$ 2,935,881	\$ 914,059	\$ 899,366	\$ 115,307	\$ 89,822
Surplus (Deficit)	\$ 7,904,672	\$ 7,666,999	\$ (2,590,936)	\$ (2,332,745)	\$ (2,334,096)	\$ (2,175,601)	\$ (348,604)	\$ (350,073)	\$ (44,800)	\$ 26,161

* 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, 2018

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2018	2017	2018	2017	2018	2017	2018	2017	
REVENUE									
Property taxes	\$	-	\$	-	\$	-	\$	-	\$ 5,864,479
Grants in lieu of taxation	-	-	-	-	-	-	-	-	372,384
User fees	-	-	10,000	10,000	696,567	689,927	-	-	1,966,683
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,455,719
Prov of MB - Conditional Grants	28,082	9,933	7,500	1,800	142,142	131,309	-	-	553,712
Grants - other	-	-	46,153	-	261,970	303,222	-	-	794,770
Permits, licences and fines	-	-	-	-	3,951	2,555	-	-	192,402
Investment income	-	-	-	-	1,187	513	-	-	273,306
Other revenue	1,589	30,815	31,780	77,147	53,157	50,090	-	-	568,536
Water and sewer	-	-	-	-	-	-	3,011,973	3,719,757	3,719,757
Total revenue	\$ 29,671	\$ 40,748	\$ 95,433	\$ 88,947	\$ 1,158,974	\$ 1,177,616	\$ 3,011,973	\$ 3,719,757	\$ 15,761,748
EXPENSES									
Personnel services	\$ 13,078	\$ 18,472	\$ 198,374	\$ 163,696	\$ 1,555,115	\$ 1,527,264	\$ 983,847	\$ 844,194	\$ 5,008,140
Contract services	122,561	108,865	31,217	64,874	206,492	186,370	222,363	156,500	2,834,460
Utilities	-	-	5,457	5,750	273,667	265,527	133,333	138,147	723,680
Maintenance materials & supplies	7,998	4,868	2,790	4,022	327,609	380,964	645,336	545,846	1,850,672
Grants and contributions	22,617	27,819	10,778	11,646	424,971	305,645	-	-	454,895
Amortization	-	-	25,577	21,714	411,178	438,576	782,846	763,059	2,697,053
Interest on long term debt	-	-	1,719	1,805	-	-	41,638	43,403	45,208
Other	4,049	5,465	242,148	199,663	53,511	67,138	200,225	147,128	734,251
Total expenses	\$ 170,303	\$ 165,489	\$ 518,060	\$ 473,170	\$ 3,252,543	\$ 3,171,484	\$ 3,009,588	\$ 2,638,277	\$ 14,348,359
Surplus (Deficit)	\$ (140,632)	\$ (124,741)	\$ (422,627)	\$ (384,223)	\$ (2,093,569)	\$ (1,993,868)	\$ 2,385	\$ 1,081,480	\$ 1,413,389

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2018

	Core Government		Controlled Entities		Government Partnerships		Total
	2018	2017	2018	2017	2018	2017	
REVENUE							
Property taxes	\$ 6,060,920	\$ 5,864,479	\$ -	\$ -	\$ -	\$ -	\$ 5,864,479
Grants in lieu of taxation	391,171	372,384	-	-	-	-	372,384
User fees	910,855	926,635	-	-	945,744	1,040,048	1,966,683
Prov of MB - Unconditional Grants	1,437,832	1,455,719	-	-	-	-	1,455,719
Prov of MB - Conditional Grants	342,549	430,508	-	-	144,014	123,204	553,712
Grants - other	520,851	454,637	-	-	299,235	340,133	794,770
Permits, licences and fines	181,005	189,847	-	-	3,951	2,555	192,402
Investment income	292,977	250,123	-	-	19,484	23,183	273,306
Other revenue	301,742	459,122	-	4,444	56,952	104,970	568,536
Water and sewer	3,011,973	3,719,757	-	-	-	-	3,719,757
Total revenue	\$ 13,451,875	\$ 14,123,211	\$ -	\$ 4,444	\$ 1,469,380	\$ 1,634,093	\$ 15,761,748
EXPENSES							
Personnel services	\$ 3,564,305	\$ 3,328,037	\$ -	\$ -	\$ 1,698,516	\$ 1,680,103	\$ 5,008,140
Contract services	2,862,148	2,616,540	-	14,306	215,328	203,614	2,834,460
Utilities	451,890	444,640	-	-	288,546	279,040	723,680
Maintenance materials and supplies	1,275,177	1,264,920	-	150	457,323	585,602	1,850,672
Grants and contributions	1,923,681	1,863,691	3,846	(10,617)	(1,364,263)	(1,398,179)	454,895
Amortization	2,179,985	2,138,563	-	-	532,295	558,490	2,697,053
Interest on long term debt	43,357	45,208	-	-	-	-	45,208
Other	762,364	634,468	-	132	94,964	99,651	734,251
Total expenses	\$ 13,062,907	\$ 12,336,067	\$ 3,846	\$ 3,971	\$ 1,922,709	\$ 2,008,321	\$ 14,348,359
Surplus (Deficit)	\$ 388,968	\$ 1,787,144	\$ (3,846)	\$ 473	\$ (453,329)	\$ (374,228)	\$ 1,413,389

CITY OF DAUPHIN

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2018

SCHEDULE 6

	2018						
	General Reserve	Machinery Reserve	Fire Reserve	Public Land Reserve	Civic Bldgs Reserve	Gas Tax Reserve	Watson Arts Reserve
REVENUE							
Investment income	\$ 99,246	\$ 17,145	\$ 16,049	\$ 2,356	\$ 9,485	\$ 29,310	\$ 585
TRANSFERS							
Transfers from general operating fund	367,457	250,000	75,000	-	100,000	466,825	6,377
Transfers to general operating fund	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Transfers from reserve fund	-	-	-	-	-	-	-
Transfers to reserve fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(178,329)	(373,909)	-	-	-	(492,648)	-
CHANGE IN RESERVE FUND BALANCES	288,374	(106,764)	91,049	2,356	109,485	3,487	6,962
FUND SURPLUS, BEGINNING OF YEAR	3,558,799	585,616	548,162	80,455	323,992	1,001,132	19,988
FUND SURPLUS, END OF YEAR	\$ 3,847,173	\$ 478,852	\$ 639,211	\$ 82,811	\$ 433,477	\$ 1,004,619	\$ 26,950
REVENUE							
Investment income	\$ 16,375	\$ 491	\$ 3,272	\$ 12,732	\$ 34,226	\$ 241,272	\$ 196,719
TRANSFERS							
Transfers from general operating fund	50,000	-	-	35,851	-	1,351,510	1,359,739
Transfers to general operating fund	-	(18,968)	-	-	-	(18,968)	(1,000)
Transfers from utility operating fund	-	-	-	-	306,151	306,151	619,977
Transfers to utility operating fund	-	-	-	-	(11,868)	(11,868)	-
Transfers from reserve fund	-	-	-	-	-	-	-
Transfers to reserve fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(23,757)	-	-	(81,487)	-	(1,150,130)	(1,516,152)
CHANGE IN RESERVE FUND BALANCES	42,618	(18,477)	3,272	(32,904)	328,509	717,967	659,283
FUND SURPLUS, BEGINNING OF YEAR	559,310	18,477	111,785	455,094	1,132,894	8,395,704	7,736,421
FUND SURPLUS, END OF YEAR	\$ 601,928	\$ -	\$ 115,057	\$ 422,190	\$ 1,461,403	\$ 9,113,671	\$ 8,395,704

CITY OF DAUPHIN
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2018

SCHEDULE 7

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		-	-

SCHEDULE OF FINANCIAL POSITION FOR UTILITY

Year Ended December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Amounts receivable	\$ 360,576	\$ 481,871
LIABILITIES		
Accounts payable and accrued liabilities	\$ 217,008	\$ 958,644
Long-term debt (Note 9)	917,769	959,492
Other	295,038	(347,889)
	\$ 1,429,815	\$ 1,570,247
NET DEBT	\$ (1,069,239)	\$ (1,088,376)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 14,588,696	\$ 14,872,445
Inventories for use	161,095	160,206
Prepaid expenses	38,723	17,027
	14,788,514	15,049,678
FUND SURPLUS	\$ 13,719,275	\$ 13,961,302

COMMITMENTS AND CONTINGENCIES (Note 10)

	Budget	2018	2017
REVENUE			
Water			
Water fees	\$ 1,757,874	\$ 1,761,425	\$ 1,703,254
Bulk Water fees	45,000	43,280	53,267
sub-total- water	1,802,874	1,804,705	1,756,521
Sewer			
Sewer fees	455,278	461,607	441,863
Lagoon tipping fees	18,000	17,080	18,360
sub-total- sewer	473,278	478,687	460,223
Property taxes	-	-	-
Government transfers			
Province of Manitoba	20,000	11,868	719,163
Other			
Hydrant rentals	2,000	2,000	2,000
Connection charges	25,000	22,050	23,650
Installation service	145,000	204,023	145,075
Penalties	6,250	6,961	6,933
Administration fees	476,647	476,494	462,765
Gain (loss) on disposal of assets	-	-	-
Other income	5,468	5,185	143,427
sub-total- other	660,365	716,713	783,850
Total revenue	\$ 2,956,517	\$ 3,011,973	\$ 3,719,757

CITY OF DAUPHIN
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2018

SCHEDULE 9

EXPENSES	Budget	2018	2017
General			
Administration	\$ 422,937	\$ 393,092	\$ 378,468
Training costs	24,680	20,438	27,899
Billing and collection	18,480	18,379	17,872
Utilities (telephone, electricity, etc.)	5,400	5,033	5,259
Other	-	-	-
sub-total- general	<u>471,497</u>	<u>436,942</u>	<u>429,498</u>
Water General			
Purification and treatment	736,825	728,019	655,400
Transmission and distribution	291,400	345,732	160,778
Transportation services	54,700	63,470	56,584
Water supply	118,325	108,950	58,784
Connection costs	33,240	31,214	31,530
Other expenses	100,000	120,920	106,793
sub-total- water general	<u>1,334,490</u>	<u>1,398,305</u>	<u>1,069,869</u>
Water Amortization & Interest			
Amortization	548,402	548,402	546,727
Capital Expenditure	-	-	-
Interest on long term debt	41,793	41,638	43,403
sub-total- water amortization & interest	<u>590,195</u>	<u>590,040</u>	<u>590,130</u>
Sewer General			
Collection system costs	136,500	127,822	111,244
Treatment and disposal cost	190,395	159,124	168,853
Lift Station costs	56,230	62,911	52,350
sub-total- sewer general	<u>383,125</u>	<u>349,857</u>	<u>332,447</u>
Sewage Amortization & Interest			
Amortization	234,444	234,444	216,333
Capital Expenditure	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>234,444</u>	<u>234,444</u>	<u>216,333</u>
Total expenses	<u>3,013,751</u>	<u>3,009,588</u>	<u>2,638,277</u>
NET OPERATING SURPLUS (DEFICIT)	(57,234)	2,385	1,081,480
TRANSFERS			
Eliminating PSAB entries	18,483	14,644	6,300
Transfers from general operating	35,227	35,227	35,227
Transfers from (to) reserve funds	<u>(30,000)</u>	<u>(294,283)</u>	<u>28,105</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (33,524)</u>	<u>(242,027)</u>	<u>1,151,112</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>13,961,302</u>	<u>12,810,190</u>
FUND SURPLUS, END OF YEAR		<u>\$ 13,719,275</u>	<u>\$ 13,961,302</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2018

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 6,030,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,030,933
Grants in lieu of taxation	389,887	-	-	-	-	-	-	389,887
User fees	1,538,440	-	-	-	(359,634)	-	959,586	2,138,392
Grants - Province of Manitoba	2,605,940	-	-	-	-	-	112,240	2,718,180
Grants - other	473,024	-	-	-	-	-	301,940	774,964
Permits, licences and fines	205,350	-	-	-	-	-	3,392	208,742
Investment income	55,500	-	-	-	-	-	10,936	66,436
Other revenue	313,760	-	-	-	(25,000)	-	15,664	304,424
Water and sewer	-	3,009,877	-	-	(53,360)	-	-	2,956,517
Transfers from General Fund		35,227			(35,227)			
Transfers from reserves	19,000	20,000	-	-	(39,000)	-	-	-
Total revenue	\$ 11,631,834	\$ 3,065,104	\$ -	\$ -	\$ (512,221)	\$ -	\$ 1,403,758	\$ 15,588,475
EXPENSES								
General government services	\$ 1,332,783	\$ -	\$ 112,965		\$ (19,066)	\$ -	\$ -	\$ 1,426,682
Protective services	2,783,302	-	121,851	-	(53,360)	-	-	2,851,793
Transportation services	1,656,428	-	1,147,015	-	(170,437)	-	252,152	2,885,158
Environmental health services	881,472	-	99,873	-	(110,000)	14,671	-	886,016
Public health and welfare services	33,749	-	10,975	-	-	-	81,558	126,282
Regional planning and development	169,255	-	-	-	-	-	-	169,255
Resource cons and industrial dev	514,638	-	25,577	1,727	-	-	-	541,942
Recreation and cultural services	1,737,481	-	411,178	-	77,000	-	1,026,049	3,251,708
Water and sewer services	-	2,223,988	782,846	41,793	(34,876)	-	-	3,013,751
Fiscal services:								
Transfer to Utility	35,227	-	-	-	(35,227)	-	-	-
Transfer to capital	1,370,600	707,600	-	-	(2,078,200)	-	-	-
Debt charges	3,614	83,516	-	(87,130)	-	-	-	-
Transfer to reserves	1,088,030	50,000	-	-	(1,138,030)	-	-	-
Allowance for tax assets	25,255	-	-	-	(25,255)	-	-	-
Total expenses	\$ 11,631,834	\$ 3,065,104	\$ 2,712,280	\$ (43,610)	\$ (3,587,451)	\$ 14,671	\$ 1,359,759	\$ 15,152,587
Surplus (Deficit)	\$ -	\$ -	\$ (2,712,280)	\$ 43,610	\$ 3,075,230	\$ (14,671)	\$ 43,999	\$ 435,888

CITY OF DAUPHIN
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2018

SCHEDULE 11

	2018	2017
Balance, beginning of year	\$ 536,082	\$ 610,623
Add:		
Tax levy (Schedule 12)	10,828,865	10,856,310
Taxes added	264,985	124,620
Penalties or interest	116,377	118,585
Transfers and adjustments	24,721	40,288
Sub-total	11,234,948	11,139,803
Deduct:		
Cash collections - arrears	467,939	539,051
Cash collections - current	9,155,319	9,181,503
Tax sale property acquired	26,397	
Taxes cancelled	21,243	5,995
Tax discounts	-	-
E.P.T.C. - cash advance	1,489,816	1,487,795
Other credits (Soldier Tax Credit)	-	-
Sub-total	11,160,714	11,214,344
Balance, end of year	\$ 610,316	\$ 536,082

CITY OF DAUPHIN
ANALYSIS OF TAX LEVY
Year Ended December 31, 2018

SCHEDULE 12

	2018			2017
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D.	351,806,270	0.110	\$ 38,699	\$ 38,745
Reserves:				
Equipment replacement	292,627,730	0.803	234,980	235,442
Fire Equipment replacement	292,627,730	0.243	71,109	23,749
Recreation	292,627,730	0.161	47,113	47,206
Civic Building	292,627,730	0.322	94,226	23,749
General Municipal				
At Large	292,627,730	18.195	5,324,362	5,385,559
Special Levy	-	-	-	-
School Division not rateable property			(35,188)	(35,108)
Business tax			20,634	20,517
Total municipal taxes (Schedule 2)			5,795,935	5,739,859
Education support levy			814,102	794,297
Special levy:				
Mountain View School Division			4,183,640	4,287,046
MVSD - not rateable property			35,188	35,108
Total education taxes			5,032,930	5,116,451
Total tax levy (Schedule 11)			\$ 10,828,865	\$ 10,856,310

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2018

	2018 Actual	2017 Actual
General government services:		
Legislative	\$ 95,403	\$ 100,431
General administrative	830,463	816,782
Other	234,225	282,515
Allowance for Tax Assets	25,255	25,000
Amortization	112,965	125,615
	<u>1,298,311</u>	<u>1,350,343</u>
Protective services:		
Police	1,972,164	1,792,060
Fire	537,774	501,239
Emergency measures	5,338	5,982
Other	204,768	191,522
Amortization	121,851	129,753
	<u>2,841,895</u>	<u>2,620,556</u>
Transportation services:		
Road transport		
Administration and engineering	489,465	486,514
Road and street maintenance	734,309	817,334
Bridge maintenance	1,826	3,488
Sidewalk and boulevard maintenance	119,944	64,339
Street lighting	171,637	167,755
Other	(98,024)	(107,403)
Amortization	1,016,933	980,019
Air transport	63,789	54,413
	<u>2,499,879</u>	<u>2,466,459</u>
Environmental health services:		
Waste collection and disposal	631,732	626,105
Recycling	182,454	173,824
Amortization	99,873	99,437
	<u>914,059</u>	<u>899,366</u>
Public health and welfare services:		
Public Health	-	-
Social assistance	33,749	33,749
	<u>33,749</u>	<u>33,749</u>
Regional planning and development		
Planning and zoning	4,913	1,208
Urban renewal	-	-
Beautification and land rehabilitation	148,560	142,654
Urban area weed control	2,857	6,034
Other	13,973	15,593
	<u>170,303</u>	<u>165,489</u>
Resource conservation and industrial development		
Veterinary services	10,778	11,646
Regional development	-	-
Tourism	114,946	117,748
Other	366,759	322,062
Amortization	25,577	21,714
	<u>518,060</u>	<u>473,170</u>
Recreation and cultural services:		
Community centers and halls	39,380	37,789
Other recreational facilities	1,552,962	1,470,090
Museums	48,720	47,400
Libraries	116,061	114,413
Amortization	19,940	18,966
	<u>1,777,063</u>	<u>1,688,658</u>
Total expenses	<u>\$ 10,053,319</u>	<u>\$ 9,697,790</u>

CITY OF DAUPHIN

RECONCILIATION OF ANNUAL SURPLUS

December 31, 2018

SCHEDULE 14

	2018		2017	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT				
Adjustments for reporting under public sector accounting standards				
Adjustments resulting in increase to surplus				
Eliminate expense - transfers to reserves	1,351,510	306,151	1,657,661	1,979,715
Eliminate expense - acquisitions of tangible capital assets	1,390,794	499,097	1,889,891	3,249,591
Eliminating entries between funds	49,872	(49,872)	-	-
Eliminate expense - principal portion of debenture debt	1,886	41,723	43,609	41,767
Increase revenue - accounting gain (loss) on sale of assets	(43,100)	-	(43,100)	62,655
Increase revenue - reserve funds interest	241,272	-	241,272	196,720
Adjustments resulting in decrease to surplus				
Increase expense - landfill liability expense	(14,671)	-	(14,671)	(13,975)
Increase expense - amortization of tangible capital assets	(1,397,139)	(782,846)	(2,179,985)	(2,138,563)
Eliminate revenue - transfers from reserves	(1,169,098)	(11,868)	(1,180,966)	(1,517,152)
Eliminate revenue - debenture proceeds	-	-	-	-
Eliminate revenue - proceeds on sale of assets (excluding arrears on Tax Sale properties)	(24,743)	-	(24,743)	(73,614)
Net Surplus Unconsolidated	\$ 386,583	\$ 2,385	\$ 388,968	\$ 1,787,144
Surplus (Deficit) of Consolidated entities	(457,175)	-	(457,175)	(373,755)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ (70,592)	\$ 2,385	\$ (68,207)	\$ 1,413,389