CITY OF DAUPHIN

Consolidated Financial Statements
For the Year Ended December 31, 2017

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.

Brad Collett, CPA, CA
Chief Administrative Officer, City of Dauphin

MNP

INDEPENDENT AUDITORS' 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 comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Dauphin as at December 31, 2017, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

MNP LLP

Chartered Professional Accountants

June 25, 2018
Dauphin, Manitoba

CITY OF DAUPHIN
Consolidated Financial Statements
For the Year Ended December 31, 2017

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	**$ 10,507,853**	$ 9,230,326
Amounts receivable (Note 4)	**1,683,309**	1,644,046
Portfolio investments (Note 5)	**254,494**	253,262
Loans and advances	**37,148**	36,956
Inventories for resale (Note 6)	**39,737**	32,043
	$ 12,522,541	$ 11,196,633
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	**$ 2,496,328**	$ 1,791,577
Severance and sick leave payable	**451,182**	422,471
Deferred revenue	**188,099**	236,214
Landfill closure and post closure liabilities (Note 8)	**287,418**	273,442
Long-term debt (Note 9)	**995,845**	1,037,612
	$ 4,418,872	$ 3,761,316
NET FINANCIAL ASSETS	**$ 8,103,669**	$ 7,435,317
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 48,969,250**	$ 48,243,957
Inventories for use (Note 6)	**211,043**	202,505
Prepaid expenses	**171,351**	160,326
	49,351,644	48,606,788
ACCUMULATED SURPLUS (Note 14)	**$ 57,455,313**	$ 56,042,105

COMMITMENTS AND CONTINGENCIES (NOTE 10)

Approved on behalf of Council:

Al Dowhan   K. Bellemare

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, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
REVENUE			
Property taxes	$ 5,864,859	$ 5,864,479	$ 5,868,731
Grants in lieu of taxation	377,331	372,384	369,145
User fees	2,050,217	1,966,683	2,154,786
Grants - Province of Manitoba	2,067,362	2,009,431	2,077,961
Grants - other	754,955	794,770	940,370
Permits, licences and fines	229,321	192,402	226,535
Investment income	58,283	273,306	238,761
Other revenue	525,949	568,536	670,377
Water and sewer	13,402,644	3,719,757	2,876,699
Total revenue (Schedules 2, 4 and 5)	25,330,921	15,761,748	15,423,365
EXPENSES			
General government services	1,403,674	1,354,314	1,323,066
Protective services	2,932,184	2,620,556	2,571,361
Transportation services	2,860,918	2,935,881	2,766,802
Environmental health services	942,050	899,366	981,118
Public health and welfare services	96,330	89,822	85,792
Regional planning and development	218,438	165,489	158,220
Resource conservation and industrial development	579,621	473,170	449,500
Recreation and cultural services	3,257,856	3,171,484	3,236,446
Water and sewer services	2,940,633	2,638,277	2,692,722
Total expenses (Schedules 3, 4 and 5)	15,231,704	14,348,359	14,265,027
ANNUAL SURPLUS	$ 10,099,217	1,413,389	1,158,338
ADJUSTMENT FOR CHANGE IN PARTNERSHIP INTEREST (Note 12)		(181)	(6,812)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		56,042,105	54,890,579
ACCUMULATED SURPLUS, END OF YEAR		$ 57,455,313	$ 56,042,105

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, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
ANNUAL SURPLUS	**$ 10,099,217**	**$ 1,413,389**	$ 1,158,338
Acquisition of tangible capital assets	**(17,235,263)**	**(3,433,375)**	(2,630,188)
Amortization of tangible capital assets	**2,697,053**	**2,697,053**	2,622,224
Adjustment for change in percentage of partnership (Note 12)	-	**(112)**	(4,111)
Loss (Gain) on sale of tangible capital assets	-	**(62,654)**	106,563
Proceeds on sale of tangible capital assets	-	**73,614**	27,000
Decrease (increase) in inventories for use	-	**(8,538)**	(3,930)
Decrease (increase) in prepaid expense	-	**(11,025)**	34,221
	(14,538,210)	**(745,037)**	151,779
CHANGE IN NET FINANCIAL ASSETS	**$ (4,438,993)**	**668,352**	1,310,117
NET FINANCIAL ASSETS, BEGINNING OF YEAR		**7,435,317**	6,125,200
NET FINANCIAL ASSETS, END OF YEAR		**$ 8,103,669**	$ 7,435,317

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

	2017	2016
OPERATING TRANSACTIONS		
Annual surplus	**$ 1,413,389**	$ 1,158,338
Changes in non-cash items:		
Amounts receivable	**(39,263)**	(189,586)
Inventories	**(16,232)**	7,212
Prepaids	**(11,025)**	34,221
Accounts payable and accrued liabilities	**704,751**	(639,647)
Severance and sick leave payable	**28,711**	53,026
Deferred revenue	**(48,115)**	(111,695)
Landfill closure and post closure liabilities	**13,976**	13,313
Loss (Gain) on sale of tangible capital asset	**(62,654)**	106,563
Amortization	**2,697,053**	2,622,224
Cash provided by operating transactions	**4,680,591**	3,053,969
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**73,614**	27,000
Cash used to acquire tangible capital assets	**(3,433,375)**	(2,630,188)
Cash applied to capital transactions	**(3,359,761)**	(2,603,188)
INVESTING TRANSACTIONS		
Adjustment for change in percentage of partnerships (Note 12)	**(112)**	(4,111)
Loans and advances repaid (advanced)	**(192)**	9,658
Redemption (Purchase) of portfolio investments	**(1,232)**	(9,982)
Cash provided by (applied to) investing transactions	**(1,536)**	(4,435)
FINANCING TRANSACTIONS		
Loan proceeds received	**-**	649,070
Debt repayment to 3rd party	**(41,767)**	(246,645)
Cash provided by (applied to) financing transactions	**(41,767)**	402,425
INCREASE IN CASH AND TEMPORARY INVESTMENTS	**1,277,527**	848,771
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	**9,230,326**	8,381,555
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	**$ 10,507,853**	$ 9,230,326

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

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

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%)(2016 - 50%)
Parkland Regional Library Service (20.72%)(2016 - 20.75%)
Dauphin Public Library (78.95%)(2016 - 78.95%)
Dauphin Regional Airport Authority Inc. (78.95%)(2016 - 78.95%)
Dauphin Recreation Services (78.95%)(2016 - 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, 2017.

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.

2. Significant Accounting Policies (continued)

e) Real Estate Properties Held for Sale

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

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

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of 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.

2. Significant Accounting Policies (continued)

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.

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

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

l) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

m) Recent Accounting Pronouncements

Related Party Disclosures (PS 2200)

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

Portfolio Investments (PS 3041)

In March 2012, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting
- 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.

2. Significant Accounting Policies (continued)

m) Recent Accounting Pronouncements (continued)

Assets (PS 3210)

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

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

Contingent Assets (PS 3320)

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

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

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

Contractual Rights (PS 3380)

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

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

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

2 Significant Accounting Policies (continued)

m) Recent Accounting Pronouncements (continued)

Inter-entity Transactions (PS 3420)

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

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

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

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.

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 matter.
- 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:

	2017	2016
Cash	$ 3,940,366	$ 2,895,207
Temporary Investments	6,567,487	6,335,119
	$ 10,507,853	$ 9,230,326

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The City has designated $8,395,704 (2016 - $7,736,421) 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 $8,020,248 (2016 - $6,806,744).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2017	2016
Taxes on roll (Schedule 11)	$ 536,082	$ 610,623
Grants in lieu	-	-
Government grants	325,421	105,206
Utility customers	344,646	343,520
Accrued interest	45,403	44,049
Organizations and individuals	450,610	551,814
Other governments	76,671	63,536
	1,778,833	1,718,748
Less allowances for doubtful amounts	(95,524)	(74,702)
	$ 1,683,309	$ 1,644,046

The City of Dauphin encourages property owners to prepay property taxes by using an electronic funds transfer program. As at December 31, 2017, the City was in receipt of $214,323 (2016 - $182,987) in prepaid property taxes. The Taxes on Roll balance outstanding on December 31, 2017 and 2016 is net of these credits.

5. Portfolio Investments

	2017	2016
Marketable securities:		
- Toronto Dominion Mutual Funds	$ 232,713	$ 225,447
Term Deposit	20,782	27,059
Other investments	999	756
	$ 254,494	$ 253,262

The aggregate market value of the marketable securities at December 31, 2017 is $232,713 (2016 - $225,447). Portfolio investments earned $13,290 in investment income during the year and earned investment income in 2016 of $10,421.

6. Inventories

Inventories for sale:

	2017	2016
Food and beverages	$ 9,626	$ 8,817
Fuel (Airport)	30,111	23,226
	$ 39,737	$ 32,043

Inventories for use:

	2017	2016
Chemicals	23,047	17,048
Pipes and water supplies	137,158	136,126
Aggregate and other	50,838	49,331
	$ 211,043	$ 202,505

7. Accounts Payable and Accrued Liabilities

	2017	2016
Accounts payable and accrued expenses	$ 980,500	$ 924,100
Accrued interest payable	3,696	3,853
School levies	152,687	174,037
Other governments	1,359,445	689,587
	$ 2,496,328	$ 1,791,577

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.

	2017	2016
Estimated closure and post closure costs over the next 32 years	$ 910,275	$ 910,275
Discount rate	3.75%	3.75%
Discounted costs	$ 378,427	$ 364,749
Expected year capacity will be reached	2039	2039
Capacity (tonnes):		
Used to date	938,017	925,870
Remaining	297,016	309,163
Total	1,235,033	1,235,033
Percent utilized	75.95%	74.97%
Liability based on percentage	$ 287,418	$ 273,442

9. Long Term Debt

	2017	2016
General Authority:		
Debenture, interest at 4.75%, payable at $3,614 annually including interest, maturing December, 2031	36,353	38,155
	$ 36,353	$ 38,155
Utility Funds:		
Debenture, interest at 4.75%, payable at $29,447 annually including interest, maturing December, 2031	296,199	310,879
Debenture, interest at 4.75%, payable at $5,780 annually including interest, maturing December, 2031	58,142	61,024
Debenture, interest at 4.125%, payable at $27,365 annually including interest, maturing December, 2035	342,932	355,628
Debenture, interest at 4.125%, payable at $20,925 annually including interest, maturing December, 2035	262,219	271,926
	$ 959,492	$ 999,457
	$ 995,845	$ 1,037,612

9. Long Term Debt (continued)

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

2018	43,611
2019	45,536
2020	47,547
2021	49,647
2022	51,841
Subsequent years	757,663
	$ 995,845

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 2017 totalled $1,613,871 (2016 - $1,593,617).

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 2017 were $170,710 (2016 - $53,203).

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 2017 were $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 $581,834 (2016 - $588,840) 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, 2016 indicated the plan was 98.0% 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, 2016.

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, 2017, the City of Dauphin's funding responsibility and partnership interest for the programs carried out under Parkland Regional Library was reduced from 20.75% to 20.72%.

As per Chartered Professional Accountants of Canada Handbook section PS3060.40, a change in circumstances affecting a government's interest in a partnership is accounted for prospectively. The change in partnership interest that occurred on January 1, 2017 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

	2017	2016
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	**540,463**	540,463
Utility operating fund - Nominal surplus	**48,349**	48,349
Debenture pending included in nominal surplus	**-**	-
TCA tax sale properties included in nominal surplus	**(27,032)**	(27,032)
TCA net of related borrowings	**35,069,081**	33,927,244
Landfill closure & post closure liability	**(287,418)**	(273,442)
Reserve fund surplus	**8,395,704**	7,736,421
Reserve Fund borrowed to General Fund	**-**	-
Accumulated surplus of municipality unconsolidated	**43,739,147**	41,952,003
Accumulated surpluses of consolidated entities	**13,716,166**	14,090,102
Accumulated surplus per Consolidated Statement of Financial Position	**$ 57,455,313**	$ 56,042,105

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, 2017:

a) Compensation paid to members of council amounted to $100,431 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 *	$ 14,427	$ 1,608	$ 16,035
Mayor Eric Irwin **	25,800	4,729	30,529
Deputy Mayor Katherine Bellemare***	11,464	3,743	15,207
Councillor Patti Eilers	12,987	4,268	17,255
Councillor Rodney Juba	12,815	4,777	17,592
Councillor Keith Tkachyk	11,153	2,859	14,012
Councillor Devin Shtykalo	11,785	964	12,749
	$ 100,431	$ 22,948	$ 123,379

* Deputy Mayor (January 1st to December 1st) and Mayor (December 1st to current)
** Mayor (January 1st to November 24th)
***Deputy Mayor (December 1st 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*	$ 79,125
Darrell Aitken	*Engineering Technologist*	$ 74,817
Debbie Austin	*Accounting Clerk Engineering 2*	$ 51,900
Grant Baumung	*Equipment Operator 4*	$ 54,021
Gavin Bernat	*Mechanic 2*	$ 70,983
Bill Brenner	*Director of PW & Operations*	$ 112,487
Gale Brunen	*Financial Accountant*	$ 51,822
Garry Burla	*Equipment Operator 3*	$ 52,426
Carissa Caruk-Ganczar	*Economic Development Manager*	$ 68,649
Scott Carr	*Director of Finance*	$ 94,437
Brad Collett	*Chief Administrative Officer*	$ 152,341
David Derkach	*Building Inspector*	$ 83,465
Terry Genik	*Public Works Foreman*	$ 87,790
Sharla Griffiths	*Assistant Administrative Officer*	$ 89,411
Randy Hlady	*Utility Operator 3*	$ 63,236
Jeff Hume	*Utility Foreman*	$ 77,739
Bill Kondra	*Equipment Operator 3*	$ 50,814
Jason Lobert	*Utility Operator 2*	$ 57,639
Gordon Love	*Airport Manager*	$ 70,972
Chad McCrady	*Utility Operator 1*	$ 53,730
Donald Pepper	*Equipment Operator - Side Loader*	$ 50,428
Duane Porath	*Mechanic 1*	$ 61,584
Oblin Negrette Sofan	*Utility Operator 2*	$ 58,954
Melissa Stefaniw	*Tourism Marketing Co-ordinator*	$ 52,553
Joan Tabak	*RCMP Detachment Assistant*	$ 51,246
Jeff Weselowski	*Utility Foreman - Const. & Maint.*	$ 81,791
Jean-Louis Guillas	*Parkland Reg. Library Director*	$ 69,000
Ryan Vanderheyden	*General Manager - Dphn Rec.*	$ 67,499
Wayne McIntyre	*Operations Manager - Dphn Rec.*	$ 51,636
Leanne McKay	*Finance & HR Manager - Dphn Rec.*	$ 50,896
Eddie Simpson	*Parks Lead Hand - Dauphin Rec.*	$ 53,304
Evan Lee	*Facility Lead Hand-Dauphin Rec.*	$ 54,594

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.

On January 24, 2017 the City of Dauphin agreed to operate the Dauphin Community Band as an internal committee of Council effective January 1, 2018.

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.

18. 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:

	2017	2016
Financial Position		
Financial Assets	**$ 1,239,025**	$ 1,198,016
Liabilities	**$ 431,218**	$ 390,388
Net financial assets	**$ 807,807**	$ 807,628
Non-financial assets	**$ 12,904,513**	$ 13,279,101
Accumulated surplus	**$ 13,712,320**	$ 14,086,729
Result of Operations		
Revenue	**$ 1,634,093**	$ 1,666,571
Expenses	**$ 2,008,321**	$ 1,695,770
Annual surplus (deficit)	**$ (374,228)**	$ (29,199)

19. 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	$ 3,307,810	$ -	$ 150,355	$ 3,157,455
Industrial Park Water	185,951	-	5,496	180,455
Hydrant upgrades	590,345	-	17,492	572,853
Water meter upgrades	474,725		65,986	408,739
Aqueduct upgrades	298,077		7,861	290,216
Aqueduct upgrades	50,693		1,345	49,348
Brown Reservoir	305,542		34,266	271,276
	$ 5,213,143	$ -	$ 282,801	$ 4,930,342

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Lagoon Cell 1 Upgrades	$ 126,750	$ -	$ 3,250	$ 123,500
Lagoon Cell 2 Upgrades	145,900	-	3,648	142,252
Lagoon Cell 6 Upgrades	259,670	-	6,333	253,337
Low Pressure Sewer	96,769	-	1,861	94,908
South End Sewer Upgrades	51,473	-	859	50,614
South End Sewer Upgrades		718,406	998	717,408
	$ 680,562	$ 718,406	$ 16,949	$ 1,382,019

20. 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.

CITY OF DAUPHIN

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2017

	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	2017	2016
Cost									
Opening costs	$ 6,841,250	$ 20,458,551	$ 8,906,229	$ 271,073	$ 150,424	$ 34,957,664	$ 28,701,179	$ 100,286,370	$ 98,316,126
Additions during the year	446,252	74,841	470,684	3,941	(150,424)	713,875	1,874,206	3,433,375	2,630,188
Change in ownership percentage			(170)					(170)	
Disposals and write downs	(4,552)		(84,050)			(91,437)	(35,149)	(215,188)	(659,944)
Closing costs	**$ 7,282,950**	**$ 20,533,392**	**$ 9,292,693**	**$ 275,014**	**$ -**	**$ 35,580,102**	**$ 30,540,236**	**$ 103,504,387**	$ 100,286,370
Accumulated Amortization									
Opening accum'd amortization	1,479,674	9,169,183	4,908,636	238,824		21,306,215	14,939,881	52,042,413	49,946,569
Amortization	105,126	475,322	535,551	21,340		796,655	763,059	2,697,053	2,622,224
Change in ownership percentage			(99)					(99)	
Disposals and write downs	-		(84,050)			(85,031)	(35,149)	(204,230)	(526,380)
Closing 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
Net Book Value of Tangible Capital Assets	**$ 5,698,150**	**$ 10,888,887**	**$ 3,932,655**	**$ 14,850**	**$ -**	**$ 13,562,263**	**$ 14,872,445**	**$ 48,969,250**	$ 48,243,957

CITY OF DAUPHIN

SCHEDULE 2

CONSOLIDATED SCHEDULE OF REVENUES

Year Ended December 31, 2017

	2017 Actual	2016 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	**$ 5,739,859**	$ 5,614,690
Taxes added	**124,620**	254,041
	5,864,479	5,868,731
Grants in lieu of taxation:		
Federal government	**39,803**	39,803
Provincial government	**320,028**	315,264
Other municipal governments	**12,553**	14,078
	372,384	369,145
User fees		
Parking meters	**-**	-
Sales of service	**1,326,707**	1,661,250
Sales of goods	**375,944**	234,402
Rentals	**254,606**	252,283
Development charges	**9,426**	6,851
	1,966,683	2,154,786
Grants - Province of Manitoba		
Municipal operating grants	**1,455,719**	1,498,134
Other unconditional grants	**-**	-
Conditional grants	**553,712**	579,827
	2,009,431	2,077,961
Grants - other		
Federal government - gas tax funding	**451,018**	445,605
Federal government - other	**46,355**	100,844
Other municipal governments	**297,397**	393,921
	794,770	940,370
Permits, licences and fines		
Permits	**48,130**	47,584
Licences	**99,085**	119,475
Fines	**45,187**	59,476
	192,402	226,535
Investment income:		
Cash and temporary investments	**261,008**	224,800
Marketable securities	**7,563**	10,421
Customer charges	**4,735**	3,540
	273,306	238,761
Other revenue:		
Gain (loss) on sale of tangible capital assets	**62,654**	2,575
Insurance and other rebates	**30,365**	33,329
Donations	**219,437**	450,141
Expenses recovered	**83,024**	77,284
Penalties and interest	**118,585**	94,375
Other	**54,471**	12,673
	568,536	670,377
Water and sewer (Schedule 9)	**3,719,757**	2,876,699
Total revenue	**$ 15,761,748**	$ 15,423,365

CITY OF DAUPHIN

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	$ **100,431**	$ 101,360
General administrative	**816,782**	807,437
Other	**437,101**	414,269
	1,354,314	1,323,066
Protective services:		
Police	**1,792,060**	1,784,854
Fire	**630,992**	573,079
Emergency measures	**5,982**	4,746
Other protection	**191,522**	208,682
	2,620,556	2,571,361
Transportation services:		
Road transport		
Administration and engineering	**486,514**	494,939
Road and street maintenance	**817,334**	761,907
Bridge maintenance	**3,488**	7,895
Sidewalk and boulevard maintenance	**64,339**	75,946
Street lighting	**167,755**	159,767
Other	**872,616**	854,635
Air transport	**523,835**	411,713
	2,935,881	2,766,802
Environmental health services:		
Waste collection and disposal	**725,542**	832,055
Recycling	**173,824**	149,063
	899,366	981,118
Public health and welfare services:		
Public health	**56,073**	52,043
Social assistance	**33,749**	33,749
	89,822	85,792
Regional planning and development		
Planning and zoning	**1,208**	1,458
Urban renewal	**-**	-
Beautification and land rehabilitation	**142,654**	140,012
Urban area weed control	**6,034**	5,440
Other	**15,593**	11,310
	165,489	158,220
Resource conservation and industrial development		
Veterinary services	**11,646**	11,646
Tourism	**117,748**	117,212
Other	**343,776**	320,642
	473,170	449,500
Recreation and cultural services:		
Community centers and halls	**41,524**	40,067
Other recreational facilities	**2,772,911**	2,840,733
Museums	**47,400**	47,400
Libraries	**309,649**	308,246
	3,171,484	3,236,446
Water and sewer services (Schedule 9)	**2,638,277**	2,692,722
Total expenses	$ **14,348,359**	$ 14,265,027

CITY OF DAUPHIN

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2017

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
REVENUE										
Property taxes	**$ 5,864,479**	$ 5,868,731	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants in lieu of taxation	**372,384**	369,145	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**238,475**	234,456	**160,648**	134,815	**445,322**	305,470	**364,908**	749,014	**57,403**	69,264
Prov of MB - Unconditional Grants	**1,455,719**	1,373,627	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Conditional Grants	**5,000**	5,000	**5,051**	3,223	**230,234**	230,233	**170,385**	137,846	**-**	-
Grants - other	**454,637**	450,899	**-**	-	**36,911**	51,251	**-**	-	**-**	-
Permits, licences and fines	**110,220**	136,291	**79,627**	85,695	**-**	-	**-**	-	**-**	-
Investment income	**250,123**	215,443	**-**	-	**9,380**	6,544	**-**	-	**13,290**	16,520
Other revenue	**270,276**	149,232	**42,485**	52,570	**38,433**	17,606	**14,000**	22,909	**45,290**	521
Water and sewer	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total revenue	**$ 9,021,313**	$ 8,802,824	**$ 287,811**	$ 276,303	**$ 760,280**	$ 611,104	**$ 549,293**	$ 909,769	**$ 115,983**	$ 86,305
EXPENSES										
Personnel services	**$ 655,088**	$ 645,802	**$ 570,297**	$ 606,061	**$ 960,840**	$ 1,028,820	**$ 231,619**	$ 250,704	**$ 36,670**	$ 37,226
Contract services	**120,189**	123,519	**1,576,207**	1,551,661	**387,548**	286,841	**194,657**	166,204	**39,250**	38,989
Utilities	**55,961**	55,201	**36,613**	37,638	**210,407**	204,481	**9,306**	7,984	**1,969**	1,892
Maintenance materials & supplies	**144,762**	106,739	**124,677**	77,629	**615,318**	479,134	**25,010**	24,450	**5,205**	6,016
Grants and contributions	**23,763**	27,601	**-**	-	**11,454**	23,910	**74,568**	70,132	**-**	-
Amortization	**125,615**	127,179	**129,753**	125,785	**1,112,891**	1,071,213	**99,437**	92,410	**6,008**	1,091
Interest on long term debt	**-**	8,819		-	**-**	-	**-**	-	**-**	-
Other	**228,936**	228,206	**183,009**	172,587	**(362,577)**	(327,597)	**264,769**	369,234	**720**	578
Total expenses	**$ 1,354,314**	$ 1,323,066	**$ 2,620,556**	$ 2,571,361	**$ 2,935,881**	$ 2,766,802	**$ 899,366**	$ 981,118	**$ 89,822**	$ 85,792
Surplus (Deficit)	**$ 7,666,999**	$ 7,479,758	**$ (2,332,745)**	$ (2,295,058)	**$ (2,175,601)**	$ (2,155,698)	**$ (350,073)**	$ (71,349)	**$ 26,161**	$ 513

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

CITY OF DAUPHIN

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2017

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
REVENUE										
Property taxes	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ 5,864,479**	$ 5,868,731
Grants in lieu of taxation	**-**	-	**-**	-	**-**	-	**-**	-	**372,384**	369,145
User fees	**-**	-	**10,000**	10,000	**689,927**	651,767	**-**	-	**1,966,683**	2,154,786
Prov of MB - Unconditional Grants	**-**	-	**-**	-	**-**	-	**-**	-	**1,455,719**	1,373,627
Prov of MB - Conditional Grants	**9,933**	16,687	**1,800**	-	**131,309**	311,345	**-**	-	**553,712**	704,334
Grants - other	**-**	-	**-**	8,350	**303,222**	429,870	**-**	-	**794,770**	940,370
Permits, licences and fines	**-**	-	**-**	-	**2,555**	4,549	**-**	-	**192,402**	226,535
Investment income	**-**	-	**-**	-	**513**	254	**-**	-	**273,306**	238,761
Other revenue	**30,815**	3,752	**77,147**	250,130	**50,090**	173,657	**-**	-	**568,536**	670,377
Water and sewer	**-**	-	**-**	-	**-**	-	**3,719,757**	2,876,699	**3,719,757**	2,876,699
Total revenue	**$ 40,748**	$ 20,439	**$ 88,947**	$ 268,480	**$ 1,177,616**	$ 1,571,442	**$ 3,719,757**	$ 2,876,699	**$ 15,761,748**	$ 15,423,365
EXPENSES										
Personnel services	**$ 18,472**	$ 12,462	**$ 163,696**	$ 158,890	**$ 1,527,264**	$ 1,497,424	**$ 844,194**	$ 886,052	**$ 5,008,140**	$ 5,123,441
Contract services	**108,865**	110,687	**64,874**	38,125	**186,370**	184,079	**156,500**	192,471	**2,834,460**	2,692,576
Utilities	**-**	-	**5,750**	6,168	**265,527**	257,679	**138,147**	147,906	**723,680**	718,949
Maintenance materials & supplies	**4,868**	2,012	**4,022**	3,041	**380,964**	432,214	**545,846**	514,993	**1,850,672**	1,646,228
Grants and contributions	**27,819**	27,900	**11,646**	11,646	**305,645**	404,430	**-**	-	**454,895**	565,619
Amortization	**-**	-	**21,714**	13,657	**438,576**	432,825	**763,059**	758,064	**2,697,053**	2,622,224
Interest on long term debt	**-**	-	**1,805**	1,887	**-**	-	**43,403**	32,607	**45,208**	43,313
Other	**5,465**	5,159	**199,663**	216,086	**67,138**	27,795	**147,128**	160,629	**734,251**	852,677
Total expenses	**$ 165,489**	$ 158,220	**$ 473,170**	$ 449,500	**$ 3,171,484**	$ 3,236,446	**$ 2,638,277**	$ 2,692,722	**$ 14,348,359**	$ 14,265,027
Surplus (Deficit)	**$ (124,741)**	$ (137,781)	**$ (384,223)**	$ (181,020)	**$ (1,993,868)**	$ (1,665,004)	**$ 1,081,480**	$ 183,977	**$ 1,413,389**	$ 1,158,338

CITY OF DAUPHIN **SCHEDULE 5**

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
REVENUE								
Property taxes	**$ 5,864,479**	$ 5,868,731	**$ -**	$ -	**$ -**	$ -	**$ 5,864,479**	$ 5,868,731
Grants in lieu of taxation	**372,384**	369,145	**-**	-	**-**	-	**372,384**	369,145
User fees	**926,635**	1,281,746	**-**	-	**1,040,048**	873,040	**1,966,683**	2,154,786
Prov of MB - Unconditional Grants	**1,455,719**	1,373,627	**-**	-	**-**	-	**1,455,719**	1,373,627
Prov of MB - Conditional Grants	**430,508**	554,469	**-**	-	**123,204**	149,865	**553,712**	704,334
Grants - other	**454,637**	459,249	**-**	-	**340,133**	481,121	**794,770**	940,370
Permits, licences and fines	**189,847**	221,986	**-**	-	**2,555**	4,549	**192,402**	226,535
Investment income	**250,123**	215,443	**-**	-	**23,183**	23,318	**273,306**	238,761
Other revenue	**459,122**	531,384	**4,444**	4,315	**104,970**	134,678	**568,536**	670,377
Water and sewer	**3,719,757**	2,876,699	**-**	-	**-**	-	**3,719,757**	2,876,699
Total revenue	**$ 14,123,211**	$ 13,752,479	**$ 4,444**	$ 4,315	**$ 1,634,093**	$ 1,666,571	**$ 15,761,748**	$ 15,423,365
EXPENSES								
Personnel services	**$ 3,328,037**	$ 3,484,960	**$ -**	$ -	**$ 1,680,103**	$ 1,638,481	**$ 5,008,140**	$ 5,123,441
Contract services	**2,616,540**	2,480,390	**14,306**	12,618	**203,614**	199,568	**2,834,460**	2,692,576
Utilities	**444,640**	447,436	**-**	-	**279,040**	271,513	**723,680**	718,949
Maintenance materials and supplies	**1,264,920**	1,115,715	**150**	22	**585,602**	530,491	**1,850,672**	1,646,228
Grants and contributions	**1,863,691**	2,123,328	**(10,617)**	(10,446)	**(1,398,179)**	(1,547,263)	**454,895**	565,619
Amortization	**2,138,563**	2,074,007	**-**	-	**558,490**	548,217	**2,697,053**	2,622,224
Interest on long term debt	**45,208**	43,313	**-**	-	**-**	-	**45,208**	43,313
Other	**634,468**	797,696	**132**	218	**99,651**	54,763	**734,251**	852,677
Total expenses	**$ 12,336,067**	$ 12,566,845	**$ 3,971**	$ 2,412	**$ 2,008,321**	$ 1,695,770	**$ 14,348,359**	$ 14,265,027
Surplus (Deficit)	**$ 1,787,144**	$ 1,185,634	**$ 473**	$ 1,903	**$ (374,228)**	$ (29,199)	**$ 1,413,389**	$ 1,158,338

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2017

	2017 General Reserve	2017 Machinery Reserve	2017 Fire Reserve	2017 Public Land Reserve	2017 Civic Bldgs Reserve	2017 Gas Tax Reserve	2017 Watson Arts Reserve
REVENUE							
Investment income	$ 85,681	$ 8,815	$ 14,582	$ 2,113	$ 7,853	$ 26,101	$ 321
TRANSFERS							
Transfers from general operating fund	510,020	250,000	25,000	-	25,000	451,018	5,044
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	(311,092)	-	(32,043)	-	-	(443,685)	-
CHANGE IN RESERVE FUND BALANCES	284,609	258,815	7,539	2,113	32,853	33,434	5,365
FUND SURPLUS, BEGINNING OF YEAR	3,274,190	326,801	540,623	78,342	291,139	967,698	14,623
FUND SURPLUS, END OF YEAR	$ 3,558,799	$ 585,616	$ 548,162	$ 80,455	$ 323,992	$ 1,001,132	$ 19,988

	Recreation Reserve	Special Events Reserve	Snow & Ice Reserve	Enviro. Stewardship Reserve	Water & Sewer Reserve	**2017 Total**	2016 Total
REVENUE							
Investment income	$ 14,565	$ 511	$ 2,936	$ 8,059	$ 25,182	**$ 196,719**	$ 179,172
TRANSFERS							
Transfers from general operating fund	50,000	-	-	43,657	-	**1,359,739**	1,582,325
Transfers to general operating fund	-	(1,000)	-	-	-	**(1,000)**	(78,837)
Transfers from utility operating fund	-	-	-	-	619,977	**619,977**	454,280
Transfers to utility operating fund	-	-	-	-	-	**-**	-
Transfers from reserve fund	-	-	-	-	-	**-**	-
Transfers to reserve fund	-	-	-	-	-	**-**	-
Acquisition of tangible capital assets	-	-	-	(81,250)	(648,082)	**(1,516,152)**	(1,202,458)
CHANGE IN RESERVE FUND BALANCES	64,565	(489)	2,936	(29,534)	(2,923)	**659,283**	934,482
FUND SURPLUS, BEGINNING OF YEAR	494,745	18,966	108,849	484,628	1,135,817	**7,736,421**	6,801,939
FUND SURPLUS, END OF YEAR	$ 559,310	$ 18,477	$ 111,785	$ 455,094	$ 1,132,894	**$ 8,395,704**	$ 7,736,421

CITY OF DAUPHIN

SCHEDULE OF L.U.D. OPERATIONS

For the Year Ended December 31, 2017

SCHEDULE 7

	2017 Budget	2017 Actual	2016 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		-	-

CITY OF DAUPHIN

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITY
Year Ended December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Amounts receivable	**$ 481,871**	$ 370,909
LIABILITIES		
Accounts payable and accrued liabilities	**$ 958,644**	$ 197,277
Long-term debt (Note 9)	**959,492**	999,457
Other	**(347,889)**	289,863
	$ 1,570,247	$ 1,486,597
NET DEBT	**$ (1,088,376)**	$ (1,115,688)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 14,872,445**	$ 13,761,298
Inventories for use	**160,206**	153,175
Prepaid expenses	**17,027**	11,405
	15,049,678	13,925,878
FUND SURPLUS	**$ 13,961,302**	$ 12,810,190

COMMITMENTS AND CONTINGENCIES (Note 10)

CITY OF DAUPHIN

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
REVENUE			
Water			
Water fees	$ 1,720,228	$ 1,703,254	$ 1,665,757
Bulk Water fees	40,000	53,267	50,587
sub-total- water	1,760,228	1,756,521	1,716,344
Sewer			
Sewer fees	442,756	441,863	429,356
Lagoon tipping fees	16,000	18,360	16,640
sub-total- sewer	458,756	460,223	445,996
Property taxes	-	-	-
Government transfers			
Capital	3,870,976	719,163	70,464
Other			
Hydrant rentals	2,000	2,000	2,000
Connection charges	25,000	23,650	23,700
Installation service	145,000	145,075	161,451
Penalties	6,250	6,933	6,430
Administration fees	461,286	462,765	447,850
Gain (loss) on disposal of assets	-	-	-
Other income	6,673,147	143,427	2,464
sub-total- other	7,312,683	783,850	643,895
Total revenue	$ 13,402,643	$ 3,719,757	$ 2,876,699

CITY OF DAUPHIN
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
EXPENSES			
General			
Administration	$ 443,147	$ 378,468	$ 405,182
Training costs	29,000	27,899	22,378
Billing and collection	17,540	17,872	17,144
Utilities (telephone, electricity, etc.)	5,400	5,259	5,065
Other	-	-	-
sub-total- general	495,087	429,498	449,769
Water General			
Purification and treatment	727,150	655,400	665,297
Transmission and distribution	272,880	160,778	196,904
Transportation services	62,500	56,584	59,920
Water supply	72,530	58,784	69,141
Connection costs	30,940	31,530	47,689
Other expenses	85,000	106,793	97,953
sub-total- water general	1,251,000	1,069,869	1,136,904
Water Amortization & Interest			
Amortization	546,727	546,727	542,796
Capital Expenditure	-	-	-
Interest on long term debt	43,552	43,403	32,607
sub-total- water amortization & interest	590,279	590,130	575,403
Sewer General			
Collection system costs	145,950	111,244	129,513
Treatment and disposal cost	185,435	168,853	125,087
Lift Station costs	56,550	52,350	60,778
sub-total- sewer general	387,935	332,447	315,378
Sewage Amortization & Interest			
Amortization	216,333	216,333	215,268
Capital Expenditure	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	216,333	216,333	215,268
Total expenses	2,940,634	2,638,277	2,692,722
NET OPERATING SURPLUS	10,462,009	1,081,480	183,977
TRANSFERS			
Eliminating PSAB entries	6,423	6,300	13,353
Transfers from general operating	35,227	35,227	35,227
Transfers from (to) reserve funds	(50,000)	28,105	(454,280)
CHANGE IN UTILITY FUND BALANCE	$ 10,453,659	1,151,112	(221,723)
FUND SURPLUS, BEGINNING OF YEAR		12,810,190	13,031,913
FUND SURPLUS, END OF YEAR		$ 13,961,302	$ 12,810,190

CITY OF DAUPHIN

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 5,864,859	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,864,859
Grants in lieu of taxation	377,331	-	-	-	-	-	-	377,331
User fees	1,409,585	-	-	-	(354,000)	-	994,632	2,050,217
Grants - Province of Manitoba	1,958,022	-	-	-		-	109,340	2,067,362
Grants - other	449,105	-	-	-		-	305,850	754,955
Permits, licences and fines	227,150	-	-	-	-	-	2,171	229,321
Investment income	43,000	-	-	-	-	-	15,283	58,283
Other revenue	455,069	-	-	-	(9,000)	-	79,880	525,949
Water and sewer	-	13,456,004	-	-	(53,360)	-	-	13,402,644
Transfers from General Fund	-	35,227	-	-	(35,227)	-	-	-
Total revenue	**$ 10,784,121**	**$ 13,491,231**	**$ -**	**$ -**	**$ (451,587)**	**$ -**	**$ 1,507,156**	**$ 25,330,921**
EXPENSES								
General government services	$ 1,301,065	$ -	$ 125,615		$ (33,406)	$ -	$ 10,400	$ 1,403,674
Protective services	2,855,791	-	129,753	-	(53,360)	-	-	2,932,184
Transportation services	1,643,679	-	1,112,891	-	(144,657)	-	249,005	2,860,918
Environmental health services	932,637	-	99,437	-	(104,000)	13,976	-	942,050
Public health and welfare services	34,249	-	6,008	-	-	-	56,073	96,330
Regional planning and development	218,438	-	-	-	-	-	-	218,438
Resource cons and industrial dev	556,095	-	21,714	1,812	-	-	-	579,621
Recreation and cultural services	1,646,833	-	438,576	-	92,131	-	1,080,316	3,257,856
Water and sewer services	-	2,180,959	763,059	43,552	(46,937)	-	-	2,940,633
Fiscal services:								
Transfer to Utility	35,227	-	-	-	(35,227)	-	-	-
Transfer to capital	625,416	11,176,755	-	-	(11,802,171)	-	-	-
Debt charges	3,614	83,517	-	(87,131)	-	-	-	-
Transfer to reserves	906,077	50,000	-	-	(956,077)	-	-	-
Allowance for tax assets	25,000	-	-	-	(25,000)	-	-	-
Total expenses	**$ 10,784,121**	**$ 13,491,231**	**$ 2,697,053**	**$ (41,767)**	**$ (13,108,704)**	**$ 13,976**	**$ 1,395,794**	**$ 15,231,704**
Surplus (Deficit)	**$ -**	**$ -**	**$ (2,697,053)**	**$ 41,767**	**$ 12,657,117**	**$ (13,976)**	**$ 111,362**	**$ 10,099,217**

CITY OF DAUPHIN
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2017

SCHEDULE 11

	2017	2016
Balance, beginning of year	**$ 610,623**	$ 367,860
Add:		
Tax levy (Schedule 12)	10,856,310	10,405,291
Taxes added	124,620	254,041
Penalties or interest	118,585	94,375
Transfers and adjustments	40,288	51,670
Sub-total	**11,139,803**	10,805,377
Deduct:		
Cash collections - arrears	539,051	325,639
Cash collections - current	9,181,503	8,729,715
Taxes cancelled	5,995	7,180
Tax discounts	-	-
E.P.T.C. - cash advance	1,487,795	1,500,080
Other credits (Soldier Tax Credit)	-	-
Sub-total	**11,214,344**	10,562,614
Balance, end of year	**$ 536,082**	$ 610,623

CITY OF DAUPHIN

ANALYSIS OF TAX LEVY

Year Ended December 31, 2017

SCHEDULE 12

	2017			2016
	Assessment	**Mill Rate**	**Levy**	Levy
Debt charges:				
L.I.D.	352,225,230	0.110	$ 38,745	$ 37,657
Other (At Large)	293,203,320	-	$ -	140,634
Reserves:				
Equipment replacement	293,203,320	0.803	$ 235,442	235,440
Fire Equipment replacement	293,203,320	0.081	$ 23,749	23,773
Recreation	293,203,320	0.161	$ 47,206	47,260
Civic Building	293,203,320	0.081	$ 23,749	23,773
General Municipal				
At Large	293,203,320	18.368	$ 5,385,559	5,112,954
Special Levy	-	-	$ -	-
School Division not rateable property			$ (35,108)	(26,044)
Business tax			20,517	19,243
Total municipal taxes (Schedule 2)			**5,739,859**	5,614,690
Education support levy			794,297	748,903
Special levy:				
Mountain View School Division			4,287,046	4,015,654
MVSD - not rateable property			35,108	26,044
Total education taxes			**5,116,451**	4,790,601
Total tax levy (Schedule 11)			**$ 10,856,310**	$ 10,405,291

CITY OF DAUPHIN

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Actual	2016 Actual
General government services:		
Legislative	$ 100,431	$ 101,360
General administrative	816,782	807,437
Other	282,515	259,678
Allowance for Tax Assets	25,000	25,000
Amortization	125,615	127,179
	1,350,343	1,320,654
Protective services:		
Police	1,792,060	1,784,854
Fire	501,239	447,294
Emergency measures	5,982	4,746
Other	191,522	208,682
Amortization	129,753	125,785
	2,620,556	2,571,361
Transportation services:		
Road transport		
Administration and engineering	486,514	494,939
Road and street maintenance	817,334	761,907
Bridge maintenance	3,488	7,895
Sidewalk and boulevard maintenance	64,339	75,946
Street lighting	167,755	159,767
Other	(107,403)	(84,638)
Amortization	980,019	939,273
Air transport	54,413	113,588
	2,466,459	2,468,677
Environmental health services:		
Waste collection and disposal	626,105	739,645
Recycling	173,824	149,063
Amortization	99,437	92,410
	899,366	981,118
Public health and welfare services:		
Public Health	-	33
Social assistance	33,749	33,749
	33,749	33,782
Regional planning and development		
Planning and zoning	1,208	1,458
Urban renewal	-	-
Beautification and land rehabilitation	142,654	140,012
Urban area weed control	6,034	5,440
Other	15,593	11,310
	165,489	158,220
Resource conservation and industrial development		
Veterinary services	11,646	11,646
Regional development	-	-
Tourism	117,748	117,212
Other	322,062	306,985
Amortization	21,714	13,657
	473,170	449,500
Recreation and cultural services:		
Community centers and halls	37,789	37,659
Other recreational facilities	1,470,090	1,673,700
Museums	47,400	47,400
Libraries	114,413	114,413
Amortization	18,966	17,639
	1,688,658	1,890,811
Total expenses	$ 9,697,790	$ 9,874,123

CITY OF DAUPHIN

RECONCILIATION OF ANNUAL SURPLUS

December 31, 2017

SCHEDULE 14

	2017			2016
	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	1,359,739	619,976	**1,979,715**	2,036,605
Eliminate expense - acquisitions of tangible capital assets	1,375,385	1,874,206	**3,249,591**	2,225,391
Eliminating entries between funds	41,526	(41,526)	**-**	-
Eliminate expense - principal portion of debenture debt	1,802	39,965	**41,767**	246,645
Increase revenue - accounting gain (loss) on sale of assets	62,655	-	**62,655**	(106,563)
Increase revenue - reserve funds interest	196,720	-	**196,720**	179,173
Adjustments resulting in decrease to surplus				
Increase expense - landfill liability expense	(13,975)	-	**(13,975)**	(13,314)
Increase expense - amortization of tangible capital assets	(1,375,504)	(763,059)	**(2,138,563)**	(2,074,007)
Eliminate revenue - transfers from reserves	(869,070)	(648,082)	**(1,517,152)**	(1,281,296)
Eliminate revenue - debenture proceeds	-	-	**-**	-
Eliminate revenue - proceeds on sale of assets (excluding arrears on Tax Sale properties)	(73,614)	-	**(73,614)**	(27,000)
Net Surplus Unconsolidated	$ 705,664	$ 1,081,480	**$ 1,787,144**	$ 1,185,634
Surplus (Deficit) of Consolidated entities	(373,755)	-	**(373,755)**	(27,296)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 331,909	$ 1,081,480	**$ 1,413,389**	$ 1,158,338