

# **CITY OF DAUPHIN**

**Consolidated Financial Statements  
For the Year Ended December 31, 2013**

## STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the *City of Dauphin* and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

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

*Zaplitny and Zamrykut* as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Brad Collett, CA

Chief Administrative Officer, City of Dauphin

## AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the **City of Dauphin**, which comprises of the consolidated statement of financial position as of December 31, 2013 and the consolidated statements of operations and accumulated surplus, cash flows, change in net financial assets for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

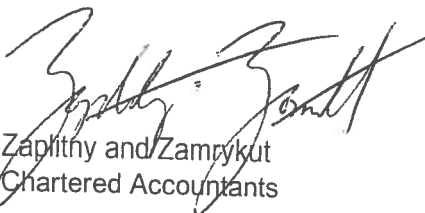
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are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

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

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

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the **City of Dauphin** at December 31, 2013 and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Zaphthy and Zamrykut  
Chartered Accountants

Dauphin, MB  
June 26, 2014

**CITY OF DAUPHIN**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2013**

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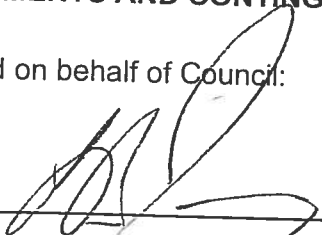
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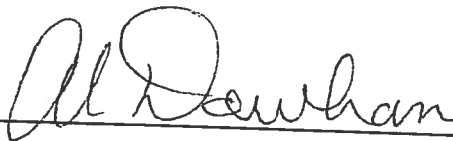
**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 7,838,459	\$ 7,291,020
Amounts receivable (Note 4)	1,430,156	1,576,459
Portfolio investments (Note 5)	236,063	195,270
Loans and advances	1,024	4,125
Inventories for resale (Note 6)	46,195	38,564
	<u>\$ 9,551,897</u>	<u>\$ 9,105,438</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 1,788,087	\$ 2,097,639
Severance and vested sick leave payable	369,195	346,214
Deferred revenue	132,147	53,849
Landfill closure and post closure liabilities (Note 8)	219,774	205,463
Long-term debt (Note 9)	1,166,643	1,434,360
	<u>\$ 3,675,846</u>	<u>\$ 4,137,525</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 5,876,051</u>	<u>\$ 4,967,913</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 46,758,008	\$ 47,324,770
Inventories for use (Note 6)	185,451	194,831
Prepaid expenses	133,207	97,459
	<u>47,076,666</u>	<u>47,617,060</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 15)</b>	<u>\$ 52,952,717</u>	<u>\$ 52,584,973</u>

**COMMITMENTS AND CONTINGENCIES (NOTE 10)**

Approved on behalf of Council:

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

  
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 Al Dowhan - Deputy Mayor

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
Year Ended December 31, 2013

	<u>2013</u> <u>Budget</u> <u>(unaudited)</u> <u>(Note 14)</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 5,739,923	\$ 5,784,835	\$ 5,999,936
Grants in lieu of taxation	422,643	422,820	441,496
User fees	1,782,575	1,842,597	1,827,045
Grants - Province of Manitoba	2,243,105	2,072,663	2,148,009
Grants - other	1,093,164	1,069,369	1,038,431
Permits, licences and fines	165,374	162,776	166,352
Investment income	41,812	136,334	108,703
Other revenue	376,340	295,229	578,956
Water and sewer	2,930,380	2,313,048	2,169,903
	<u>14,795,316</u>	<u>14,099,671</u>	<u>14,478,831</u>
Total revenue (Schedules 2, 4 and 5)			
<b>EXPENSES</b>			
General government services	1,264,736	1,205,504	1,245,553
Protective services	2,718,016	2,671,922	2,612,636
Transportation services	2,732,562	2,674,061	2,440,678
Environmental health services	967,934	766,435	929,586
Public health and welfare services	85,672	84,863	87,520
Regional planning and development	179,589	131,551	135,649
Resource conservation and industrial development	455,488	431,782	456,525
Recreation and cultural services	3,248,488	3,152,559	3,277,704
Water and sewer services	2,629,564	2,574,848	2,474,633
	<u>14,282,049</u>	<u>13,693,525</u>	<u>13,660,484</u>
Total expenses (Schedules 3, 4 and 5)			
<b>ANNUAL SURPLUS</b>	<u>\$ 513,267</u>	406,146	818,347
<b>ADJUSTMENT FOR CHANGE IN PARTNERSHIP INTEREST (Note 12)</b>		9,308	303,094
<b>PRIOR PERIOD ADJUSTMENT (Note 13)</b>		(47,710)	-
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>52,584,973</u>	<u>51,463,532</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 52,952,717</u>	<u>\$ 52,584,973</u>

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year Ended December 31, 2013**

	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 406,146</b>	<b>\$ 818,347</b>
Acquisition of tangible capital assets	(1,768,391)	(2,050,729)
Amortization of tangible capital assets	2,325,646	2,290,925
Adjustment for change in percentage of partnership (Note 12)	5,788	6,837
Adjustment for change in accumulated surplus (Note 13)	(47,710)	
Loss (Gain) on sale of tangible capital assets	(8,873)	(73,111)
Proceeds on sale of tangible capital assets	21,900	117,651
Decrease (increase) in inventories for use	9,380	24,288
Decrease (increase) in prepaid expense	(35,748)	10,384
	<u>501,992</u>	<u>326,245</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>908,138</b>	<b>1,144,592</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b><u>4,967,913</u></b>	<b><u>3,823,321</u></b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b><u><u>\$ 5,876,051</u></u></b>	<b><u><u>\$ 4,967,913</u></u></b>

**CITY OF DAUPHIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 406,146	\$ 818,347
Changes in non-cash items:		
Amounts receivable	146,303	(77,710)
Inventories	1,749	25,300
Prepays	(35,748)	10,384
Accounts payable and accrued liabilities	(309,552)	910,560
Severance and vested sick leave payable	22,981	(12,977)
Deferred revenue	78,298	5,959
Landfill closure and post closure liabilities	14,311	13,595
Loss (Gain) on sale of tangible capital asset	(7,873)	(73,142)
Loss (Gain) on sale of tangible capital assets-Water & Sewer	(1,000)	31
Adjustment to accumulated surplus (Note 13)	(47,710)	-
Amortization	2,325,646	2,290,925
Cash provided by operating transactions	<u>2,593,551</u>	<u>3,911,272</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	21,900	117,651
Cash used to acquire tangible capital assets	<u>(1,768,391)</u>	<u>(2,050,729)</u>
Cash applied to capital transactions	<u>(1,746,491)</u>	<u>(1,933,078)</u>
<b>INVESTING TRANSACTIONS</b>		
Adjustment for change in percentage of partnerships (Note 12)	5,788	6,837
Loans and advances repaid	3,101	4,658
Redemption (Purchase) of portfolio investments	<u>(40,793)</u>	<u>(26,058)</u>
Cash applied to investing transactions	<u>(31,904)</u>	<u>(14,563)</u>
<b>FINANCING TRANSACTIONS</b>		
Loan proceeds received	-	494,473
Debt repayment	<u>(267,717)</u>	<u>(265,592)</u>
Cash applied to financing transactions	<u>(267,717)</u>	<u>228,881</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>547,439</b>	<b>2,192,512</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>7,291,020</u>	<u>5,098,508</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u>\$ 7,838,459</u></u>	<u><u>\$ 7,291,020</u></u>



**CITY OF DAUPHIN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2013**

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

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

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

**a) Reporting Entity**

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

Dauphin Community Concert Band  
Dauphin & District Community Development Corporation (dissolved in 2012)

The City has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the City's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Riverside Cemetery Board (50%)(2012 - 50%)  
Parkland Regional Library Service (22.81%)(2012 - 21.41%)  
Dauphin Public Library (77.26%)(2012 - 77.26%)  
Dauphin Regional Airport Authority Inc. (78.95%)(2012 - 78.95%)  
Dauphin Recreation Services (78.95%)(2012 - 78.95%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds. The Municipality held no funds in trust on December 31, 2013.

**b) Basis of Accounting**

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

**c) Cash and Temporary Investments**

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

**d) Investments**

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

Portfolio investments are accounted for at cost.

#### e) Real Estate Properties Held for Sale

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

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

#### f) Landfill Closure and Post Closure Liabilities

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

#### g) Non-Financial Assets

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

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

#### h) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

##### General Tangible Capital Assets

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

##### Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	50 years
Buildings	25 to 40 years
Underground networks	40 to 75 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

### i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### j) Inventories

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

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

### k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

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

### l) Measurement Uncertainty

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

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

## 3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2013</u>	<u>2012</u>
Cash	\$ 7,794,041	\$ 7,242,848
Temporary Investments	<u>44,418</u>	<u>48,172</u>
	<u>\$ 7,838,459</u>	<u>\$ 7,291,020</u>

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

## 4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2013</u>	<u>2012</u>
Taxes on roll (Schedule 11)	\$ 385,982	\$ 277,374
Grants in lieu	41,747	-
Government grants	494,188	603,340
Utility customers	297,689	237,923
Accrued interest	876	523
Organizations and individuals	295,405	531,763
Other governments	<u>3,569</u>	<u>-</u>
	1,519,456	1,655,923
Less allowances for doubtful amounts	<u>(89,300)</u>	<u>(79,464)</u>
	<u>\$ 1,430,156</u>	<u>\$ 1,576,459</u>

The City of Dauphin encourages property owners to prepay property taxes by using an electronic funds transfer program. As at December 31, 2013, the City was in receipt of \$168,126 (2012 - \$165,293) in prepaid property taxes. The Taxes on Roll balance outstanding on December 31, 2013 and 2012 is net of these credits.

5. Portfolio Investments

	<u>2013</u>	<u>2012</u>
Marketable securities:		
- Toronto Dominion Mutual Funds	\$ 196,629	\$ 184,651
Term Deposit	39,138	10,340
Other investments	<u>296</u>	<u>279</u>
	<u>\$ 236,063</u>	<u>\$ 195,270</u>

The aggregate market value of the marketable securities at December 31, 2013 is \$196,629 (2012 - \$184,651). Portfolio investments earned \$269 in investment income during the year and earned investment income in 2012 of \$2,615.

6. Inventories

Inventories for sale:

	<u>2013</u>	<u>2012</u>
Food and beverages	\$ 7,835	\$ 3,906
Fuel (Airport)	<u>38,360</u>	<u>34,658</u>
	<u>\$ 46,195</u>	<u>\$ 38,564</u>

Inventories for use:

Chemicals	12,329	16,088
Pipes and water supplies	133,847	132,390
Aggregate and other	<u>39,275</u>	<u>46,353</u>
	<u>\$ 185,451</u>	<u>\$ 194,831</u>

7. Accounts Payable and Accrued Liabilities

	<u>2013</u>	<u>2012</u>
Accounts payable and accrued expenses	\$ 1,533,411	\$ 1,994,071
Accrued interest payable	6,034	7,601
School levies (Schedule 13)	150,947	95,967
Other governments	<u>97,695</u>	<u>-</u>
	<u>\$ 1,788,087</u>	<u>\$ 2,097,639</u>

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

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

	<u>2013</u>	<u>2012</u>
Estimated closure and post closure costs over the next 24 years	\$ 607,161	\$ 607,161
Discount rate	<u>3.75%</u>	<u>3.75%</u>
Discounted costs	\$ 326,610	\$ 314,805
Expected year capacity will be reached	2029	2029
Capacity (tonnes):		
Used to date	831,044	806,063
Remaining	<u>403,989</u>	<u>428,970</u>
Total	<u>1,235,033</u>	<u>1,235,033</u>
Percent utilized	<u>67.29%</u>	<u>65.27%</u>
Liability based on percentage	<u>\$ 219,774</u>	<u>\$ 205,463</u>

9. Long Term Debt

<b>General Authority:</b>	<u>2013</u>	<u>2012</u>
Debenture, interest at 7.0%, payable at \$50,926 annually including interest, maturing December, 2016	\$ 133,646	\$ 172,498
Debenture, interest at 6.875%, payable at \$98,036 annually including interest, maturing December, 2016	257,867	333,009
Debenture, interest at 4.75%, payable at \$3,614 annually including interest, maturing December, 2031	43,085	44,581
Bank loan in the name of Riverside Cemetery Board (50% City), interest rate of 6.85%, payable at \$700 plus interest semi-annually.	-	-
Bank loan in the name of Riverside Cemetery Board (50% City), interest a 5.99%, payable at \$319 monthly principal payments plus interest, maturing in 2015.	-	-
	<u>\$ 434,598</u>	<u>\$ 550,088</u>
<b>Utility Funds:</b>		
Debenture, interest at 7.35%, payable at \$60,588 annually including interest, maturing December, 2014	\$ 56,426	\$ 108,977
Debenture, interest at 6.875%, payable at \$36,789 annually including interest, maturing December, 2015	66,632	96,768
Debenture, interest at 7.0%, payable at \$72,032 annually including interest, maturing December, 2016	189,035	243,988
Debenture, interest at 4.75%, payable at \$29,447 annually including interest, maturing December, 2031	351,044	363,237
Debenture, interest at 4.75%, payable at \$5,780 annually including interest, maturing December, 2031	68,908	71,302
	<u>\$ 732,045</u>	<u>\$ 884,272</u>
	<u>\$ 1,166,643</u>	<u>\$ 1,434,360</u>

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

2014	\$	286,160
2015		245,296
2016		225,130
2017		19,363
2018		20,283
Subsequent years		<u>370,411</u>
		<u>\$ 1,166,643</u>

10. Commitments and Contingencies

**Royal Canadian Mounted Police and the Government of Canada**

On April 1, 2012, the City of Dauphin entered into an agreement with the Government of Canada and Royal Canadian Mounted Police for the purpose of obtaining municipal policing services. The contract expires in March 2032 and can be terminated on any March 31 anniversary date with two years notice. Under the terms of the contract, the annual costs incurred by the RCMP for the policing services they provide will be cost shared between the City of Dauphin and the Province of Manitoba on a 70/30 basis. The City's cost of policing related services that were provided by the RCMP in 2013 totalled \$1,811,233 (2012 - \$1,750,313).

**Portage & District Recycling Inc.**

The City of Dauphin has negotiated a non-exclusive long-term contract with Portage & District Recycling Inc. for the collection, processing and sale of residential and commercial recyclables. The contract expires on January 1, 2024. Annual charges under the contract are determined by recycling volumes collected. Recycling charges under the contract for the year 2013 were \$124,242 (2012 - \$269,945).

## 11. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$496,414 (2012 - \$415,872) 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, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 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, 2012.

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

## 12. Adjustment for Change in Partnership Interest

The City of Dauphin has forged various partnerships with other municipal governments for the purpose of providing its residents with a variety of programs in a cost effective manner. For some of these programs, the funding allocation between different municipal governments is largely based 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, 2013, the City of Dauphin's funding responsibility and partnership interest for the programs carried out under Parkland Regional Library rose from 21.41% to 22.81%.

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, 2013 has been adjusted to accumulated surplus and the prior year figures have not been restated.

## 13. Prior Period Adjustment

During the 2013 audit it was discovered that Dauphin Recreation Services, a government partnership of the City of Dauphin, was not accruing vacation credits earned by its employees for the current fiscal year. The increase in liability of \$47,710 is immaterial for the City of Dauphin but exceeds materiality for Dauphin Recreation Services. Because of this, the City of Dauphin comparative balances were not restated and the opening 2013 adjustment is shown as a prior period adjustment to accumulated surplus.

#### 14. Budget

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

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

#### 15. Accumulated Surplus

	<u>2013</u>	<u>2012</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	540,463	540,463
Utility operating fund(s) - Nominal surplus	48,349	17,063
Debenture pending included in nominal surplus	-	-
TCA tax sale properties included in nominal surplus	(48,645)	(48,645)
TCA net of related borrowings	31,579,868	31,558,678
Landfill closure & post closure liability	(219,774)	(205,463)
Reserve fund surplus	7,575,972	7,163,162
Reserve Fund borrowed to General Fund	<u>(1,172,924)</u>	<u>(1,368,410)</u>
Accumulated surplus of municipality unconsolidated	38,303,309	37,656,848
Accumulated surpluses of consolidated entities	<u>14,649,408</u>	<u>14,928,125</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 52,952,717</u></u>	<u><u>\$ 52,584,973</u></u>

**16. Public Sector Compensation Disclosure**

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

a) Compensation paid to members of council amounted to \$94,832 in aggregate.

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

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor Eric Irwin	\$ 25,490	\$ 5,122	\$ 30,612
Deputy Mayor Allen Dowhan	10,951	227	11,178
Councillor Wes Bernat	12,618	2,407	15,025
Councillor Patti Eilers	12,610	7,333	19,943
Councillor Rodney Juba	11,693	2,058	13,751
Councillor Keith Tkachyk	10,415	3,532	13,947
Councillor Martin Kaminski	11,054	1,170	12,224
	<u>\$ 94,831</u>	<u>\$ 21,849</u>	<u>\$ 116,680</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Cameron Abrey</i>	<i>Fire Chief</i>	\$ 69,910
<i>Bryan Adcock</i>	<i>Water Treatment Plant Tech</i>	\$ 60,422
<i>Darrell Aitken</i>	<i>Engineering Technologist</i>	\$ 61,528
<i>Bill Brenner</i>	<i>Director of PW &amp; Operations</i>	\$ 94,040
<i>Carissa Caruk-Ganczar</i>	<i>Economic Development Manager</i>	\$ 60,388
<i>Scott Carr</i>	<i>Director of Finance</i>	\$ 82,808
<i>Brad Collett</i>	<i>Chief Administrative Officer</i>	\$ 114,615
<i>David Derkach</i>	<i>Building Inspector</i>	\$ 66,522
<i>Terry Genik</i>	<i>Public Works Foreman</i>	\$ 70,870
<i>Sharla Griffiths</i>	<i>Assistant Administrative Officer</i>	\$ 75,161
<i>Brian Harvey</i>	<i>Utility Operations Supervisor</i>	\$ 67,367
<i>Duane Harapiak</i>	<i>Mechanic</i>	\$ 64,598
<i>Randy Hlady</i>	<i>Water Treatment Plant Tech</i>	\$ 63,072
<i>Gordon Love</i>	<i>Airport Manager</i>	\$ 62,116
<i>Ron Paziuk</i>	<i>Utility Operator</i>	\$ 54,839
<i>Jeff Weselowski</i>	<i>Utility Foreman</i>	\$ 60,969
<i>Jean-Louis Guillas</i>	<i>Parkland Reg. Library Director</i>	\$ 58,252
<i>Terry Payne</i>	<i>General Manager - Dauphin Rec.</i>	\$ 76,431
<i>Wayne McIntyre</i>	<i>Facilities Foreman - Dauphin Rec.</i>	\$ 53,350



**17. Public Utilities Board**

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

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

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

**Water services:**

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water Treatment Plant	\$ 3,909,230	\$ -	\$ 150,355	\$ 3,758,875
Industrial Park Water	207,935	-	5,496	202,439
Hydrant upgrades	660,313	-	17,492	642,821
Water meter upgrades		110,160	918	109,242
	<u>\$ 4,777,478</u>	<u>\$ 110,160</u>	<u>\$ 174,261</u>	<u>\$ 4,713,377</u>

**Sewer services:**

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Lagoon Cell 1 Upgrades	\$ 139,750	\$ -	\$ 3,250	\$ 136,500
Lagoon Cell 2 Upgrades	160,492	-	3,648	156,844
Lagoon Cell 6 Upgrades	285,002	-	6,333	278,669
Low Pressure Sewer	104,213	-	1,861	102,352
	<u>\$ 689,457</u>	<u>\$ -</u>	<u>\$ 15,092</u>	<u>\$ 674,365</u>

CITY OF DAUPHIN  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
 Year Ended December 31, 2013

**SCHEDULE 1**

	General Capital Assets				Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer	2013	2012	
Opening costs	\$ 5,776,540	\$ 20,225,968	\$ 7,366,811	\$ 234,615	\$ 32,451,640	\$ 24,553,439	\$ 90,609,013	\$ 88,774,886	
Additions during the year	208,703	59,597	335,626	13,625	813,013	337,827	1,768,391	2,050,729	
Disposals and write downs	(4,028)	-	(40,643)	-	(30,594)	(11,426)	(86,691)	(228,056)	
Closing costs	\$ 5,981,215	\$ 20,285,565	\$ 7,661,794	\$ 248,240	\$ 33,234,059	\$ 24,879,840	\$ 92,290,713	\$ 90,597,559	
Accumulated Amortization									
Opening accum'd amortization	1,133,549	7,127,561	3,975,333	128,629	18,648,608	12,267,043	43,280,723	41,165,380	
Amortization	84,003	525,230	391,468	27,093	729,324	568,528	2,325,646	2,290,925	
Disposals and write downs	-	-	(40,643)	-	(30,595)	(2,426)	(73,664)	(183,516)	
Closing accum'd amortization	\$ 1,217,552	\$ 7,652,791	\$ 4,326,158	\$ 155,722	\$ 19,347,337	\$ 12,833,145	\$ 45,532,705	\$ 43,272,789	
Net Book Value of Tangible Capital Assets	\$ 4,763,663	\$ 12,632,774	\$ 3,335,636	\$ 92,518	\$ 13,886,722	\$ 12,046,695	\$ 46,758,008	\$ 47,324,770	

CONSOLIDATED SCHEDULE OF REVENUES  
Year Ended December 31, 2013

	2013 Actual	2012 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 5,639,924	\$ 5,875,398
Taxes added	144,911	124,538
	<u>5,784,835</u>	<u>5,999,936</u>
<b>Grants in lieu of taxation:</b>		
Federal government	57,423	60,604
Provincial government	350,720	368,732
Other local governments	14,677	12,160
	<u>422,820</u>	<u>441,496</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	1,216,171	1,311,580
Sales of goods	383,616	280,115
Rentals	231,794	227,954
Development charges	11,016	7,396
	<u>1,842,597</u>	<u>1,827,045</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	1,308,879	1,312,865
General support grant	58,362	63,357
VLT revenues	124,507	127,689
Conditional grants	580,915	644,098
	<u>2,072,663</u>	<u>2,148,009</u>
<b>Grants - other</b>		
Federal government - gas tax funding	431,502	431,502
Federal government - other	270,366	190,852
Other local governments	367,501	416,077
	<u>1,069,369</u>	<u>1,038,431</u>
<b>Permits, licences and fines</b>		
Permits	59,482	53,366
Licences	55,840	58,405
Fines	47,454	54,581
	<u>162,776</u>	<u>166,352</u>
<b>Investment income:</b>		
Cash and temporary investments	131,924	106,717
Marketable securities	-	-
Customer charges	4,410	1,986
	<u>136,334</u>	<u>108,703</u>
<b>Other revenue:</b>		
Gain (loss) on sale of tangible capital assets	7,872	73,142
Insurance and other rebates	79,203	113,341
Donations	41,215	174,056
Expenses recovered	68,291	126,065
Penalties and interest	72,809	65,798
Other	25,839	26,554
	<u>295,229</u>	<u>578,956</u>
<b>Water and sewer (Schedule 9)</b>	<u>2,313,048</u>	<u>2,169,903</u>
<b>Total revenue</b>	<u>\$ 14,099,671</u>	<u>\$ 14,478,831</u>

CONSOLIDATED SCHEDULE OF EXPENSES  
Year Ended December 31, 2013

	2013 Actual	2012 Actual
<b>General government services:</b>		
Legislative	\$ 94,832	\$ 94,575
General administrative	698,984	748,786
Other	411,688	402,192
	<u>1,205,504</u>	<u>1,245,553</u>
<b>Protective services:</b>		
Police	1,928,727	1,864,490
Fire	534,075	477,587
Emergency measures	4,653	72,833
Other protection	204,467	197,726
	<u>2,671,922</u>	<u>2,612,636</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	440,067	428,548
Road and street maintenance	559,644	513,127
Bridge maintenance	1,505	573
Sidewalk and boulevard maintenance	56,506	73,344
Street lighting	159,356	154,076
Other	944,422	884,107
Air transport	512,561	386,903
	<u>2,674,061</u>	<u>2,440,678</u>
<b>Environmental health services:</b>		
Waste collection and disposal	621,139	631,531
Recycling	145,296	298,055
	<u>766,435</u>	<u>929,586</u>
<b>Public health and welfare services:</b>		
Public health	84,863	87,520
<b>Regional planning and development</b>		
Planning and zoning	3,396	2,893
Urban renewal	-	20
Beautification and land rehabilitation	103,965	110,591
Urban area weed control	14,109	9,916
Other	10,081	12,229
	<u>131,551</u>	<u>135,649</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	11,646	11,646
Tourism	114,782	110,736
Other	305,354	334,143
	<u>431,782</u>	<u>456,525</u>
<b>Recreation and cultural services:</b>		
Community centers and halls	32,042	30,790
Other recreational facilities	2,754,866	2,888,867
Museums	47,400	43,400
Libraries	318,251	314,647
	<u>3,152,559</u>	<u>3,277,704</u>
<b>Water and sewer services (Schedule 9)</b>	<u>2,574,848</u>	<u>2,474,633</u>
<b>Total expenses</b>	<u>\$ 13,693,525</u>	<u>\$ 13,660,484</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2013

## SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>REVENUE</b>										
Property taxes	\$ 5,784,835	\$ 5,999,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	422,820	441,496	-	-	-	-	-	-	-	-
User fees	220,286	224,888	95,822	145,605	415,346	346,100	364,656	349,956	54,888	45,145
Prov of MB - Unconditional Grants	1,367,241	1,376,222	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	7,011	3,918	4,125	189,905	76,895	190,636	204,618	-	-
Grants - other	436,957	437,656	135,000	135,000	49,185	50,749	-	-	-	-
Permits, licences and fines	71,628	75,941	87,562	86,451	-	-	-	-	-	-
Investment income	101,874	81,011	-	-	3,059	5,232	-	-	-	-
Other revenue	162,996	167,947	48,893	215,887	5,880	(3,653)	-	-	19,692	14,314
Water and sewer	-	-	-	-	-	-	-	-	151	2
Total revenue	\$ 8,568,637	\$ 8,812,108	\$ 371,195	\$ 587,068	\$ 663,375	\$ 475,323	\$ 555,292	\$ 554,574	\$ 74,731	\$ 59,461
<b>EXPENSES</b>										
Personnel services	\$ 541,226	\$ 607,888	\$ 529,690	\$ 479,186	\$ 897,756	\$ 890,041	\$ 213,560	\$ 227,967	\$ 38,646	\$ 38,872
Contract services	121,781	105,594	1,794,635	1,818,067	155,460	112,585	181,169	301,603	38,841	39,153
Utilities	53,449	51,000	23,996	22,221	213,866	196,438	6,087	4,916	1,869	1,868
Maintenance materials & supplies	81,916	66,628	103,964	93,181	666,475	565,624	10,816	9,275	4,816	4,919
Grants and contributions	15,416	15,075	-	-	22,726	22,383	72,292	79,478	-	-
Amortization	127,286	128,971	86,140	84,022	986,837	951,928	74,000	66,852	-	-
Interest on long term debt	34,299	41,718	-	-	-	-	-	-	-	-
Other	230,131	228,679	133,497	115,959	(269,059)	(298,321)	208,511	239,495	691	962
Total expenses	\$ 1,205,504	\$ 1,245,553	\$ 2,671,922	\$ 2,612,636	\$ 2,674,061	\$ 2,440,678	\$ 766,435	\$ 929,586	\$ 84,863	\$ 87,520
Surplus (Deficit)	\$ 7,363,133	\$ 7,566,555	\$ (2,300,727)	\$ (2,025,568)	\$ (2,010,686)	\$ (1,965,355)	\$ (211,143)	\$ (375,012)	\$ (10,132)	\$ (28,059)

\* 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, 2013

## SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2013	2012	2013	2012	2013	2012	2013	2012	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,999,936
Grants in lieu of taxation	-	-	-	-	-	-	-	-	441,496
User fees	-	-	-	-	-	-	-	-	1,827,045
Prov of MB - Unconditional Grants	-	-	10,000	10,000	681,599	705,351	-	-	1,367,241
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	771,787
Grants - other	-	-	7,500	-	313,463	479,138	-	-	1,038,431
Permits, licences and fines	-	-	23,282	-	424,945	415,026	-	-	162,776
Investment income	-	-	-	-	3,586	3,960	-	-	136,334
Other revenue	2,730	3,665	13,206	583	11,709	7,563	-	-	295,229
Water and sewer	-	-	-	(403)	61,373	195,511	-	-	2,313,048
Total revenue	\$ 2,730	\$ 3,665	\$ 53,988	\$ 10,180	\$ 1,496,675	\$ 1,806,549	\$ 2,313,048	\$ 2,169,903	\$ 14,099,671
<b>EXPENSES</b>									
Personnel services	\$ 12,784	\$ 13,771	\$ 144,675	\$ 124,808	\$ 1,388,112	\$ 1,404,112	\$ 862,405	\$ 837,266	\$ 4,628,854
Contract services	72,346	76,944	28,984	31,271	130,639	142,664	136,255	168,276	2,660,110
Utilities	-	-	6,986	6,613	247,628	212,319	137,011	128,095	690,892
Maintenance materials & supplies	4,718	7,726	11,552	6,798	489,321	529,884	644,682	527,141	2,018,260
Grants and contributions	36,570	32,377	11,646	108,288	338,260	399,149	-	-	496,910
Amortization	-	-	6,248	6,248	476,608	481,689	568,528	571,215	2,325,647
Interest on long term debt	-	-	2,112	2,030	-	-	51,519	59,922	87,930
Other	5,133	4,831	219,579	170,469	81,991	107,887	174,448	182,718	784,922
Total expenses	\$ 131,551	\$ 135,649	\$ 431,782	\$ 456,525	\$ 3,152,559	\$ 3,277,704	\$ 2,574,848	\$ 2,474,633	\$ 13,693,525
Surplus (Deficit)	\$ (128,821)	\$ (131,984)	\$ (377,794)	\$ (446,345)	\$ (1,655,884)	\$ (1,471,155)	\$ (261,800)	\$ (304,730)	\$ 818,347

**CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS**  
 Year Ended December 31, 2013

**SCHEDULE 5**

	Core Government		Controlled Entities		Government Partnerships		Total
	2013	2012	2013	2012	2013	2012	
<b>REVENUE</b>							
Property taxes	\$ 5,784,835	\$ 5,999,936	\$ -	\$ -	\$ -	\$ -	\$ 5,999,936
Grants in lieu of taxation	422,820	441,496	-	-	-	-	441,496
User fees	876,378	981,581	-	-	-	-	1,827,045
Prov of MB - Unconditional Grants	1,367,241	1,376,222	-	-	966,219	845,464	1,376,222
Grants - other	517,757	418,443	-	-	-	-	771,787
Permits, licences and fines	595,239	572,155	-	500	187,665	353,344	1,038,431
Investment income	159,190	162,392	-	-	474,130	465,776	166,352
Other revenue	101,861	80,998	13	596	3,586	3,960	108,703
Water and sewer	225,025	525,637	2,800	(11,660)	34,460	27,109	578,956
	2,313,048	2,169,903	-	-	67,404	64,979	2,169,903
<b>Total revenue</b>	<b>\$ 12,363,394</b>	<b>\$ 12,728,763</b>	<b>\$ 2,813</b>	<b>\$ (10,564)</b>	<b>\$ 1,733,464</b>	<b>\$ 1,760,632</b>	<b>\$ 14,478,831</b>
<b>EXPENSES</b>							
Personnel services	\$ 3,106,356	\$ 3,180,926	\$ -	\$ -	\$ 1,522,498	\$ 1,442,985	\$ 4,623,911
Contract services	2,507,955	2,635,704	13,128	12,127	139,027	148,326	2,796,157
Utilities	423,934	398,083	-	-	266,958	225,387	623,470
Maintenance materials and supplies	1,320,795	1,096,839	1,425	-	696,040	714,337	1,811,176
Grants and contributions	1,865,583	2,284,264	(11,412)	85,137	(1,357,261)	(1,712,651)	656,750
Amortization	1,727,179	1,685,742	-	-	598,468	605,183	2,290,925
Interest on long term debt	87,930	103,670	-	-	-	962	104,632
Other	677,201	629,304	435	(8,296)	107,286	132,455	753,463
<b>Total expenses</b>	<b>\$ 11,716,933</b>	<b>\$ 12,014,532</b>	<b>\$ 3,576</b>	<b>\$ 88,968</b>	<b>\$ 1,973,016</b>	<b>\$ 1,556,984</b>	<b>\$ 13,660,484</b>
<b>Surplus (Deficit)</b>	<b>\$ 646,461</b>	<b>\$ 714,231</b>	<b>\$ (763)</b>	<b>\$ (99,532)</b>	<b>\$ (239,552)</b>	<b>\$ 203,648</b>	<b>\$ 818,347</b>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2013

**SCHEDULE 6**

	2013							
	General Reserve	Machinery Reserve	Fire Reserve	Public Land Reserve	Civic Bldgs Reserve	Gas Tax Reserve		
<b>REVENUE</b>								
Investment income	\$ 23,846	\$ 5,057	\$ 4,873	\$ 252	\$ 1,594	\$ 16,326		
<b>TRANSFERS</b>								
Transfers from general operating fund	681,058	250,000	75,000	-	25,000	431,502		
Transfers to general operating fund	(195,487)							
Transfers from utility operating fund	-							
Transfers to utility operating fund	(77,243)	(255,045)						
Acquisition of tangible capital assets								
<b>CHANGE IN RESERVE FUND BALANCES</b>	432,174	12	79,873	252	26,594	(147,353)		
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	3,548,616	368,653	434,010	73,508	173,468	1,371,294		
<b>FUND SURPLUS, END OF YEAR</b>	\$ 3,980,790	\$ 368,665	\$ 513,883	\$ 73,760	\$ 200,062	\$ 1,223,941		
	<b>Recreation Reserve</b>	<b>Special Events Reserve</b>	<b>Snow &amp; Ice Reserve</b>	<b>Enviro. Stewardship Reserve</b>	<b>Water &amp; Sewer Reserve</b>	<b>2013 Total</b>	<b>2012 Total</b>	
<b>REVENUE</b>								
Investment income	\$ 4,853	\$ 196	\$ 947	\$ 947	\$ 5,887	\$ 64,778	\$ 53,460	
<b>TRANSFERS</b>								
Transfers from general operating fund	50,000	-	-	91,227	-	1,603,787	1,460,536	
Transfers to general operating fund	-	-	-	-	-	(195,487)	-	
Transfers from utility operating fund	-	-	-	-	50,000	50,000	-	
Transfers to utility operating fund	(35,093)	-	-	(43,850)	(18,577)	(18,577)	-	
Acquisition of tangible capital assets					(85,280)	(1,091,692)	(754,321)	
<b>CHANGE IN RESERVE FUND BALANCES</b>	19,760	196	947	48,324	(47,970)	412,809	759,675	
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	432,260	17,488	100,549	100,549	542,767	7,163,162	6,403,487	
<b>FUND SURPLUS, END OF YEAR</b>	\$ 452,020	\$ 17,684	\$ 101,496	\$ 148,873	\$ 494,797	\$ 7,575,971	\$ 7,163,162	



	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	2013	Total
								2012	
<b>ASSETS</b>									
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>									
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>REVENUES</b>									
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>									
Cemetery maintenance	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE, BEGINNING OF YEAR</b>									
<b>FUND BALANCE, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
Year Ended December 31, 2013

	2013	2012
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 299,433	\$ 249,825
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 307,537	\$ 193,477
Long-term debt (Note 9)	732,045	884,272
Other	115,341	195,464
	<u>\$ 1,154,923</u>	<u>\$ 1,273,213</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ (855,490.00)</u>	<u>\$ (1,023,388)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 12,046,695	\$ 12,286,396
Inventories for use	146,176	148,478
Prepaid expenses	25,618	7,700
	<u>12,218,489</u>	<u>12,442,574</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u>\$ 11,362,999</u>	<u>\$ 11,419,186</u>

**COMMITMENTS AND CONTINGENCIES (Notes 10)**

**SCHEDULE OF UTILITY OPERATIONS**  
**For the Year Ended December 31, 2013**

REVENUE	Budget (unaudited)	2013	2012
<b>Water</b>			
Water fees	\$ 1,400,000	\$ 1,354,636	\$ 1,311,980
Bulk Water fees	22,000	20,373	22,510
sub-total- water	<u>1,422,000</u>	<u>1,375,009</u>	<u>1,334,490</u>
<b>Sewer</b>			
Sewer fees	380,000	372,993	369,294
Lagoon tipping fees	10,000	12,240	9,660
sub-total- sewer	<u>390,000</u>	<u>385,233</u>	<u>378,954</u>
<b>Property taxes</b>	<u>35,227</u>	-	-
<b>Government transfers</b>			
Capital	<u>625,000</u>	<u>110,160</u>	-
<b>Other</b>			
Hydrant rentals	53,630	1,906	1,875
Connection charges	11,750	13,100	7,840
Installation service	100,000	68,906	100,019
Penalties	5,250	6,254	4,973
Administration fees	362,872	341,132	318,029
Gain (loss) on disposal of assets	-	1,000	(31)
Other income	11,571	10,348	23,754
sub-total- other	<u>545,073</u>	<u>442,646</u>	<u>456,459</u>
<b>Total revenue</b>	<u>\$ 3,017,300.00</u>	<u>\$ 2,313,048.00</u>	<u>\$ 2,169,903.00</u>

**CITY OF DAUPHIN**  
**SCHEDULE OF UTILITY OPERATIONS (cont'd)**  
**For the Year Ended December 31, 2013**

**SCHEDULE 9**

<b>EXPENSES</b>	<u>Budget</u> (unaudited)	<u>2013</u>	<u>2012</u>
<b>General</b>			
Administration	\$ 387,404	\$ 326,065	\$ 385,399
Training costs	16,100	10,827	20,640
Billing and collection	19,674	22,397	19,237
Utilities (telephone, electricity, etc.)	6,160	5,978	5,984
sub-total- general	<u>429,338</u>	<u>365,267</u>	<u>431,260</u>
<b>Water General</b>			
Purification and treatment	704,833	776,059	595,180
Transmission and distribution	329,290	242,781	272,887
Transportation services	63,700	75,396	60,034
Water supply	87,547	94,170	102,639
Connection costs	53,350	31,082	57,166
Other expenses	66,000	45,134	57,433
sub-total- water general	<u>1,304,720</u>	<u>1,264,622</u>	<u>1,145,339</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	-	441,895	440,014
Capital Expenditure	1,513,200	-	-
Interest on long term debt	204,636	51,519	59,922
sub-total- water amortization & interest	<u>1,717,836</u>	<u>493,414</u>	<u>499,936</u>
<b>Sewer General</b>			
Collection system costs	127,450	86,700	112,187
Treatment and disposal cost	134,197	170,788	106,459
Lift Station costs	62,538	67,424	48,253
sub-total- sewer general	<u>324,185</u>	<u>324,912</u>	<u>266,899</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	126,633	131,201
Capital Expenditure	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>126,633</u>	<u>131,201</u>
<b>Total expenses</b>	<u>3,776,079</u>	<u>2,574,848</u>	<u>2,474,635</u>
<b>NET OPERATING SURPLUS</b>	(758,779)	(261,800)	(304,732)
<b>TRANSFERS</b>			
Eliminating PSAB entries	-	41,596	77,120
Recovery of prior year deficit from Reserve	18,577	18,577	-
Transfers from (to) reserve funds	740,202	145,440	(106,801)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ -</u>	<u>(56,187)</u>	<u>(334,413)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		11,419,186	11,753,599
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 11,362,999</u>	<u>\$ 11,419,186</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
Year Ended December 31, 2013

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 5,739,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,739,923
Grants in lieu of taxation	422,643	-	-	-	-	-	-	422,643
User fees	1,300,673	-	-	-	-	-	-	1,300,673
Grants - Province of Manitoba	1,900,296	-	-	-	(424,617)	-	-	906,519
Grants - other	740,983	-	-	-	(91,599)	-	-	434,408
Permits, licences and fines	161,250	-	-	-	(141,599)	-	-	2,243,105
Investment income	19,500	-	-	-	-	-	-	493,780
Other revenue	720,101	-	-	-	-	-	-	4,124
Water and sewer	-	2,982,073	(11,900)	-	(500,000)	-	-	22,312
Transfers from General Fund	-	35,227	-	-	(51,693)	-	-	168,139
Transfers from reserves	1,072,179	827,356	-	-	(35,227)	-	-	2,930,380
Total revenue	\$ 12,077,548	\$ 3,844,656	\$ (11,900)	\$ -	\$ (3,144,270)	\$ -	\$ 2,029,282	\$ 14,795,316
<b>EXPENSES</b>								
General government services	\$ 1,055,160	\$ -	\$ 127,286	\$ 34,969	\$ 32,537	\$ -	\$ 14,784	\$ 1,264,736
Protective services	2,683,569	-	86,140	-	(51,693)	-	-	2,718,016
Transportation services	1,772,767	-	986,837	-	(225,000)	-	-	2,732,562
Environmental health services	1,029,623	-	74,000	-	(150,000)	14,311	-	967,934
Public health and welfare services	34,749	-	-	-	-	-	-	85,672
Regional planning and development	179,589	-	-	-	-	-	-	179,589
Resource cons and industrial dev	447,123	-	6,248	2,117	-	-	-	455,488
Recreation and cultural services	1,605,657	-	476,608	-	151,206	-	-	3,248,488
Water and sewer services	-	2,058,243	568,528	52,410	(49,617)	-	-	2,629,564
Fiscal services:								
Transfer to Utility	35,227	-	-	-	(35,227)	-	-	-
Property tax discounts	7,537	-	-	-	(7,537)	-	-	-
Transfer to capital	1,930,754	1,513,200	(2,559,550)	-	(884,404)	-	-	-
Debt charges	348,064	204,636	-	(552,700)	-	-	-	-
Transfer to reserves	922,729	68,577	-	-	(991,306)	-	-	-
Allowance for tax assets	25,000	-	-	-	(25,000)	-	-	-
Total expenses	\$ 12,077,548	\$ 3,844,656	\$ (233,903)	\$ (463,204)	\$ (2,236,041)	\$ 14,311	\$ 1,278,682	\$ 14,282,049
Surplus (Deficit)	\$ -	\$ -	\$ 222,003	\$ 463,204	\$ 1,998,220	\$ -	\$ -	\$ -

CITY OF DAUPHIN  
 ANALYSIS OF TAXES ON ROLL  
 Year Ended December 31, 2013

SCHEDULE 11

	<u>2013</u>	<u>2012</u>
<b>Balance, beginning of year</b>	<b>\$ 277,374</b>	<b>\$ 250,034</b>
<b>Add:</b>		
Tax levy (Schedule 12)	10,314,960	10,419,115
Taxes added	144,911	124,537
Penalties or interest	72,809	65,799
Transfers and adjustments	20,252	45,113
<b>Sub-total</b>	<b><u>10,552,932</u></b>	<b><u>10,654,564</u></b>
<b>Deduct:</b>		
Cash collections - arrears	291,754	305,204
Cash collections - current	8,580,288	8,732,016
Writeoffs	6,849	19,942
Tax discounts	7,537	12,781
M.P.T.C. - cash advance	1,557,896	1,557,231
Other credits (Soldier Tax Credit)	-	50
<b>Sub-total</b>	<b><u>10,444,324</u></b>	<b><u>10,627,224</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 385,982</u></u></b>	<b><u><u>\$ 277,374</u></u></b>

## ANALYSIS OF TAX LEVY

Year Ended December 31, 2013

	2013			2012
	<u>Assessment</u>	<u>Mill Rate</u>	<u>Levy</u>	<u>Levy</u>
Debt charges:				
LI.D.	275,916,240	0.1360	\$ 37,525	\$ 39,541
Other (At Large)	220,732,780	1.4560	321,387	321,109
Reserves:				
Equipment replacement	220,732,780	1.0580	233,535	233,435
Fire Equipment replacement	220,732,780	0.3180	70,193	70,487
Recreation	220,732,780	0.2120	46,795	46,992
Civic Building	220,732,780	0.1060	23,398	23,496
General Municipal				
At Large	220,732,780	22.2450	4,910,201	5,146,663
Special Levy	220,732,780	0.0510	11,257	-
School Division not rateable property			(27,862)	(18,961)
Business tax			13,495	12,636
<b>Total municipal taxes (Schedule 2)</b>			<b>5,639,924</b>	<b>5,875,398</b>
Education support levy			703,768	668,483
Special levy:				
Mountain View School Division			3,943,406	3,856,273
MVSD - not rateable property			27,862	18,961
<b>Total education taxes</b>			<b>4,675,036</b>	<b>4,543,717</b>
<b>Total tax levy (Schedule 11)</b>			<b>\$ 10,314,960</b>	<b>\$ 10,419,115</b>

CITY OF DAUPHIN  
 ANALYSIS OF SCHOOL ACCOUNTS  
 Year Ended December 31, 2013

SCHEDULE 13

	2013			2012
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 21,846	\$ 850,716	\$ (837,683)	\$ 21,846
Special levies				
Mountain View School Division	74,121	4,275,983	(4,234,036)	74,121
<b>Total</b>	<b>\$ 95,967</b>	<b>\$ 5,126,699</b>	<b>\$ (5,071,719)</b>	<b>\$ 95,967</b>



SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
For the Year Ended December 31, 2013

	2013 Actual	2012 Actual
<b>General government services:</b>		
Legislative	\$ 94,832	\$ 94,575
General administrative	698,984	748,786
Other	255,826	247,137
Allowance for Tax Assets	25,000	25,000
	<u>1,074,642</u>	<u>1,115,498</u>
<b>Protective services:</b>		
Police	1,928,728	1,864,490
Fire	447,935	393,564
Emergency measures	4,653	72,833
Other	204,466	197,726
	<u>2,585,782</u>	<u>2,528,613</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	440,067	428,548
Road and street maintenance	559,644	513,128
Bridge maintenance	1,505	573
Sidewalk and boulevard maintenance	56,506	73,344
Street lighting	159,356	154,076
Other	96,729	72,956
Air transport	107,961	106,333
	<u>1,421,768</u>	<u>1,348,958</u>
<b>Environmental health services:</b>		
Waste collection and disposal	547,139	564,679
Recycling	145,296	298,055
	<u>692,435</u>	<u>862,734</u>
<b>Public health and welfare services:</b>		
Social assistance	33,940	35,310
<b>Regional planning and development</b>		
Planning and zoning	3,396	2,893
Urban renewal	-	20
Beautification and land rehabilitation	103,964	110,591
Urban area weed control	14,109	9,916
Other	10,082	12,229
	<u>131,551</u>	<u>135,649</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	11,646	11,646
Regional development	-	-
Tourism	114,782	110,736
Other	299,106	240,011
	<u>425,534</u>	<u>362,393</u>
<b>Recreation and cultural services:</b>		
Community centers and halls	29,989	28,737
Other recreational facilities	1,433,686	1,862,709
Museums	47,400	43,400
Libraries	106,707	101,370
	<u>1,617,782</u>	<u>2,036,216</u>
<b>Total expenses</b>	<u>\$ 7,983,434</u>	<u>\$ 8,425,371</u>

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

	2013 Budget	2013 Actual	2012 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unexpended balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unexpended balance, end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>

SCHEDULE OF DEBENTURES PENDING  
 Year Ended December 31, 2013

Authority	Purpose	Source of Funds	Authorized	Expended
03/2010	Rehabilitation of Vermillion Park	Province of MB	\$ 166,666	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			<u>\$ 166,666</u>	<u>\$ -</u>

CITY OF DAUPHIN

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)  
December 31, 2013

SCHEDULE 17

	2013		2012	
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>				
Adjustments for reporting under public sector accounting standards				
<b>Adjustments resulting in increase to surplus</b>				
Eliminate expense - transfers to reserves				
Eliminate expense - acquisitions of tangible capital assets				
Eliminating entries between funds				
Eliminate expense - principal portion of debenture debt				
Increase revenue - accounting gain (loss) on sale of assets				
Increase revenue - reserve funds interest				
<b>Adjustments resulting in decrease to surplus</b>				
Increase expense - landfill liability expense				
Increase expense - amortization of tangible capital assets				
Eliminate revenue - transfers from reserves				
Eliminate revenue - proceeds on sale of assets				
<b>Net Surplus (Deficit) Unconsolidated</b>				
Surplus (Deficit) of Consolidated entities				
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>				
	\$	\$	\$	\$
	-	12,710	12,710	48,183
	1,603,787	68,577	1,672,364	1,459,536
	1,155,853	337,826	1,493,679	1,188,284
	41,596	(41,596)	-	-
	310,977	152,227	463,204	445,956
	7,873	1,000	8,873	33,969
	64,778	-	64,778	53,461
	-	-	-	-
	(14,311)	-	(14,311)	(13,595)
	(1,158,651)	(568,528)	(1,727,179)	(1,685,742)
	(1,091,741)	(214,016)	(1,305,757)	(760,321)
	(11,900)	(10,000)	(21,900)	(62,500)
	-	-	-	-
	\$ 908,261	\$ (261,800)	\$ 646,461	\$ 714,231
	(240,315)	-	(240,315)	104,116
	\$ 667,946	\$ (261,800)	\$ 406,146	\$ 818,347