

# **CITY OF PORTAGE LA PRAIRIE**

**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 Portage la Prairie 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.

A handwritten signature in black ink, appearing to read 'Cathie McFarlane', written over a horizontal line.

Cathie McFarlane  
Director of Finance



## INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the  
**CITY OF PORTAGE LA PRAIRIE**

We have audited the accompanying consolidated financial statements of the City of Portage la Prairie, 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 Portage la Prairie 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.

A stylized, handwritten signature of 'MNP LLP' in black ink, with the letters being bold and slightly slanted.

**Chartered Professional Accountants**

Dated June 25, 2018, except as to Note 21, which is as of September 11, 2018  
Portage la Prairie, Manitoba

# **CITY OF PORTAGE LA PRAIRIE**

## **Consolidated Financial Statements For the Year Ended December 31, 2017**

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**CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 24,136,963	\$ 20,783,228
Amounts receivable (Note 4)	5,605,929	6,662,433
Portfolio investments (Note 5)	10,403,857	10,134,213
Real estate properties held for sale	102,914	102,914
Inventories for sale (Note 6)	2,730	3,483
	<u>\$ 40,252,393</u>	<u>\$ 37,686,271</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 4,792,950	\$ 6,606,355
Deferred revenue	197,717	73,781
Landfill closure and post closure liabilities (Note 8)	30,515	31,819
Long-term debt (Note 9)	9,354,145	11,515,739
	<u>14,375,327</u>	<u>18,227,694</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 25,877,066</u>	<u>\$ 19,458,577</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 79,010,786	\$ 75,971,365
Inventories for use (Note 6)	306,182	308,153
Prepaid expenses	238,886	226,753
	<u>79,555,854</u>	<u>76,506,271</u>
<b>ACCUMULATED SURPLUS (Note 16)</b>	<u>\$105,432,920</u>	<u>\$ 95,964,848</u>

**COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)**

Approved on behalf of Council:



Mayor



Councillor

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



**CITY OF PORTAGE LA PRAIRIE**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2017**

	<b>2017 Budget (Note 15)</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
<b>REVENUE</b>			
Property taxes	\$ 10,519,086	\$ 10,778,088	\$ 10,474,424
Grants in lieu of taxation	852,589	852,589	851,379
User fees	2,898,699	3,234,039	3,227,447
Permits, licences and fines	351,035	501,052	605,023
Investment income	69,467	581,083	515,985
Other revenue	432,620	564,810	466,911
Water and sewer	12,361,186	14,472,175	12,786,405
Grants - Province of Manitoba	4,710,322	3,581,327	3,614,915
Grants - other	660,872	1,620,446	1,436,385
Total revenue (Schedules 2, 4 and 5)	<u>32,855,876</u>	<u>36,185,609</u>	<u>33,978,874</u>
<b>EXPENSES</b>			
General government services	2,621,731	2,412,310	1,928,333
Protective services	6,058,197	5,684,054	5,533,380
Transportation services	2,558,101	2,994,493	2,348,073
Environmental health services	1,041,547	936,536	912,827
Public health and welfare services	341,640	296,205	306,605
Regional planning and development	712,143	754,344	577,808
Resource conservation and industrial development	247,817	472,566	521,335
Recreation and cultural services	6,201,424	5,505,404	5,504,201
Water and sewer services	8,627,252	7,661,625	6,528,885
Total expenses (Schedules 3, 4 and 5)	<u>28,409,852</u>	<u>26,717,537</u>	<u>24,161,447</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 4,446,024</u>	<u>9,468,072</u>	<u>9,817,427</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>95,964,848</u>	<u>86,147,421</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 105,432,920</u>	<u>\$ 95,964,848</u>

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

**CITY OF PORTAGE LA PRAIRIE**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2017**

	<u>2017 Budget (Note 15)</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 4,446,024</u>	<u>\$ 9,468,072</u>	<u>\$ 9,817,427</u>
Acquisition of tangible capital assets	(5,686,736)	(5,616,125)	(6,350,347)
Amortization of tangible capital assets	2,469,339	2,469,339	2,172,311
Gain on sale of tangible capital assets	-	(77,551)	(57,852)
Proceeds on sale of tangible capital assets	-	184,916	83,440
Decrease (increase) in inventories	-	1,971	(7,474)
Increase in prepaid expenses	-	(12,133)	(15,280)
	<u>(3,217,397)</u>	<u>(3,049,583)</u>	<u>(4,175,202)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u>\$ 1,228,627</u>	<u>6,418,489</u>	<u>5,642,225</u>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>19,458,577</u>	<u>13,816,352</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u>\$ 25,877,066</u>	<u>\$ 19,458,577</u>

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

**CITY OF PORTAGE LA PRAIRIE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 9,468,072	\$ 9,817,427
Changes in non-cash items:		
Amounts receivable	1,056,504	(3,005,609)
Inventories	2,724	(6,716)
Prepays	(12,133)	(15,280)
Accounts payable and accrued liabilities	(1,813,405)	1,844,285
Deferred revenue	123,936	(110,100)
Landfill closure and post closure liabilities	(1,304)	(9,866)
Gain on sale of real estate properties	-	(294)
Gain on sale of tangible capital asset	(77,551)	(57,852)
Amortization	2,469,339	2,172,311
Cash provided by operating transactions	<u>11,216,182</u>	<u>10,628,306</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	184,916	83,440
Cash used to acquire tangible capital assets	<u>(5,616,125)</u>	<u>(6,350,347)</u>
Cash applied to capital transactions	<u>(5,431,209)</u>	<u>(6,266,907)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	-	604
Purchase of portfolio investments	<u>(269,644)</u>	<u>(254,002)</u>
Cash applied to investing transactions	<u>(269,644)</u>	<u>(253,398)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	36,167	-
Debt repayment	<u>(2,197,761)</u>	<u>(2,049,702)</u>
Cash applied to financing transactions	<u>(2,161,594)</u>	<u>(2,049,702)</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>3,353,735</b>	<b>2,058,299</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u><b>20,783,228</b></u>	<u><b>18,724,929</b></u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u><b>\$24,136,963</b></u></u>	<u><u><b>\$20,783,228</b></u></u>

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

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**1. Status of the City of Portage la Prairie**

The incorporated City of Portage la Prairie is a municipality that was created in 1907 pursuant to The Municipal Act. The City provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The City 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 public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of 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:

*Portage Handivan Inc.*

The Municipality has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted for on a proportionate consolidation basis whereby the Municipality'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:

*Portage la Prairie Planning District (66.67%) (2016 - 66.67%)*  
*Portage la Prairie Regional Landfill Authority (66.67%) (2016 - 66.67%)*  
*Portage la Prairie Regional Library (77.00%) (2016 - 77.00%)*  
*Portage Regional Recreation Authority (75.00%) (2016 - 75.00%)*  
*Central Plains Inc. (66.67%) (2016 - 66.67%)*

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.

**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.



**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**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 30 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 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	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years



**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

**h) Tangible Capital Assets (continued)**

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) 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.

**j) 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.

**k) 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.

**l) 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 establishes 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.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

**I) Recent Accounting Pronouncements (continued)**

*Portfolio Investments (PS 3041)*

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

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

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

*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.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

**I) Recent Accounting Pronouncements (continued)**

*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.

*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.



**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

**l) Recent Accounting Pronouncements (continued)**

*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.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	2017	2016
Cash	\$ 23,497,883	\$ 20,086,979
Temporary investments	639,080	696,249
	<u>\$ 24,136,963</u>	<u>\$ 20,783,228</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$30,524,924 (2016 - \$27,941,802) 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 \$11,380,056 (2016 - \$11,164,533).

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	2017	2016
Taxes on roll (Schedule 11)	\$ 1,093,163	\$ 706,614
Government grants	1,084,453	104,371
Utility customers	1,389,671	1,660,634
Accrued interest	1,076	1,118
Organizations and individuals	1,820,430	4,079,152
Other governments	303,135	146,539
	<u>5,691,928</u>	<u>6,698,428</u>
Less allowances for doubtful amounts	<u>(85,999)</u>	<u>(35,995)</u>
	<u>\$ 5,605,929</u>	<u>\$ 6,662,433</u>

**5. Portfolio Investments**

	2017	2016
Guaranteed investment certificate and term deposits	<u>\$ 10,403,857</u>	<u>\$ 10,134,213</u>

The aggregate market value of the marketable securities at December 31, 2017 is \$10,403,857 (2016 - \$10,134,213). Portfolio investments earned \$92,039 in investment income during the year (2016 - \$223,464).

**6. Inventories**

**Inventories for sale:**

	2017	2016
Food and beverages	<u>\$ 2,730</u>	<u>\$ 3,483</u>

**Inventories for use:**

	2017	2016
Chemicals, herbicides, insecticides	\$ 249,858	\$ 244,527
Fuel	8,605	9,428
Other supplies	47,719	54,198
	<u>\$ 306,182</u>	<u>\$ 308,153</u>

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**7. Accounts Payable and Accrued Liabilities**

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 1,747,273	\$ 4,726,943
Accrued expenses	952,060	1,356,915
Accrued interest payable	290,677	368,466
School levies	217,231	-
Other governments	1,585,709	154,031
	<u>\$ 4,792,950</u>	<u>\$ 6,606,355</u>

**8. Landfill Closure and Post Closure Liabilities**

**a) Operating Landfill Site**

The City and Rural Municipality of Portage la Prairie are currently operating a Class 1 landfill site through the Portage la Prairie Regional Landfill Authority. 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>2017</u>	<u>2016</u>
Estimated closure and post closure costs over the next 30 years	\$ 192,810	\$ 192,810
Discount rate	5.47%	5.90%
<b>Discounted costs</b>	<u>\$ 52,555</u>	<u>\$ 56,170</u>
Expected year capacity will be reached	2046	2041
Capacity (tonnes):		
Used to date	1,438,616	1,403,536
Remaining	1,039,084	1,074,164
Total	2,477,700	2,477,700
Percent utilized	58.06%	56.65%
<b>Liability based on percentage</b>	<u>\$ 30,515</u>	<u>\$ 31,819</u>



**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**9. Long-Term Debt**

	<u>2017</u>	<u>2016</u>
<b>General Authority:</b>		
Loan payable, interest at 4.000%, payable at \$1,233 monthly including interest, maturing 2017	\$ -	\$ 50,714
Loan payable, interest at 4.000%, payable at \$1,228 monthly including interest, maturing 2019. Secured by a general security agreement and equipment with a net book value of \$92,021 (2016 - \$100,967)	27,179	40,521
Loan payable, interest at 4.890%, payable at \$492 monthly including interest, maturing 2023.	30,759	-
Debenture, interest at 6.250%, payable at \$38,721 annually including interest, maturing 2019	70,743	103,025
Debenture, interest at 5.375%, payable at \$19,760 annually including interest, maturing 2021	69,462	84,671
Debenture, interest at 5.375%, payable at \$7,410 annually including interest, maturing 2021	26,048	31,751
Debenture, interest at 5.500%, payable at \$697,379 annually including interest, maturing 2024	3,963,183	4,417,594
Debenture, interest at 5.500%, payable at \$298,877 annually including interest, maturing 2024	1,698,507	1,893,255
Debenture, interest at 5.500%, payable at \$8,468 annually including interest, maturing 2024	48,124	53,642
Debenture, interest at 5.500%, payable at \$145,952 annually including interest, maturing 2024	829,438	924,539
Debenture, interest at 5.500%, payable at \$159,401 annually including interest, maturing 2025	1,009,736	1,108,187
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	63,108	69,262
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	63,108	69,262
Debenture, interest at 5.250%, payable at \$146,965 annually including interest, maturing 2025	940,345	1,033,074
Debenture, interest at 5.250%, payable at \$9,798 annually including interest, maturing 2025	62,690	68,872
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	125,379	137,743
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	125,379	137,743
	<u>\$ 9,153,188</u>	<u>\$ 10,223,855</u>

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**9. Long-Term Debt (continued)**

<b>Sub-total (previous page)</b>	<b>\$ 9,153,188</b>	<b>\$ 10,223,855</b>
<b>Utility Funds:</b>		
Debenture for Sewage Facility, interest at 7.000%, payable at \$54,897 annually including interest, maturing 2017	-	51,306
Debenture for Sewage Facility, interest at 7.125%, payable at \$33,199 annually including interest, maturing 2017	-	30,991
Debenture for Sewage Facility, interest at 7.000%, payable at \$219,589 annually including interest, maturing 2017	-	205,223
Debenture for Sewage Facility, interest at 7.125%, payable at \$33,199 annually including interest, maturing 2017	-	30,991
Debenture for Sewage Facility, interest at 7.000%, payable at \$548,973 annually including interest, maturing 2017	-	513,059
Debenture for Sewage Facility, interest at 6.750%, payable at \$75,647 annually including interest, maturing 2017	-	70,864
Debenture for Sewage Facility, interest at 6.500%, payable at \$21,271 annually including interest, maturing 2018	19,972	38,726
Debenture for Sewage Facility, interest at 6.625%, payable at \$75,046 annually including interest, maturing 2018	70,383	136,393
Debenture for Sewage Facility, interest at 6.625%, payable at \$117,929 annually including interest, maturing 2018	110,602	214,331
	<b>\$ 200,957</b>	<b>\$ 1,291,884</b>
	<b>\$ 9,354,145</b>	<b>\$ 11,515,739</b>

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

2018	\$ 1,313,892
2019	\$ 1,172,571
2020	\$ 1,184,245
2021	\$ 1,248,961
2022	\$ 1,290,048

**10. Commitments**

The City has a contract for the janitorial services of approximately \$196,676 for the period September 1, 2016 to August 31, 2018.

The City has a contract for the collection of residential solid waste of approximately \$1,230,560 for the period August 1, 2016 to July 31, 2019.

The City has a contract for the provision of SCADA and PLC maintenance services for 3 years ending November 30, 2022.

The City has a contract for the maintenance of green areas of approximately \$505,688 for the period April 1, 2018 to October 31, 2020.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**11. Contingencies**

The Portage Regional Recreational Authority Inc. has begun the process of filing a lawsuit for the repairs required on the roof replacement, dehumidifier system and ensuring the steel beams are up to code of the Shindlerman Aquatic Centre in conjunction with the City of Portage la Prairie and the Rural Municipality of Portage la Prairie. As of June 25, 2018, management is unsure of the amount recoverable from the outcome of the lawsuit.

**12. 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 **\$463,132** (2016 - \$465,806) 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.

**13. 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.

**14. Subsequent Events**

Subsequent to the year-end, the City contracted for the supply of chemicals for the Water Treatment Plant for a one year period for approximately \$1,172,532.

Subsequent to year-end, the City contracted for the land application of biosolids for the 2018 season for approximately \$403,920.

Subsequent to the year-end, the City contracted for construction of the Southeast Development Phase 1 for approximately \$1,206,329.

Subsequent to year-end, the City contracted for the construction work with respect to the 2018 paving program of approximately \$931,191.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**15. 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.

**16. Accumulated Surplus**

	<u>2017</u>	<u>2016</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,513,279	\$ 1,944,387
Utility operating fund - Nominal surplus	2,432,096	286,043
TCA net of related borrowings	67,922,584	63,101,170
Reserve funds	<u>30,524,924</u>	<u>27,941,802</u>
Accumulated surplus of municipality unconsolidated	102,392,883	93,273,402
Accumulated surpluses of consolidated entities	<u>3,040,037</u>	<u>2,691,446</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 105,432,920</u></u>	<u><u>\$ 95,964,848</u></u>

**17. 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 \$133,122 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 - Irvine Ferris	\$ 39,424	\$ 7,458	\$ 46,882
Councillor - Brent Froese	14,711	375	15,086
Councillor - Liz Driedger	15,791	4,138	19,929
Councillor - Brent Budz	17,563	270	17,833
Councillor - Ryan Espey	15,011	1,392	16,403
Councillor - Wayne Wall	15,461	1,431	16,892
Councillor - Melissa Draycott	<u>15,161</u>	<u>1,197</u>	<u>16,358</u>
	<u><u>\$ 133,122</u></u>	<u><u>\$ 16,261</u></u>	<u><u>\$ 149,383</u></u>



**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**17. Public Sector Compensation Disclosure (continued)**

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

Name	Position	Amount
Jean-Marc Nadeau	City Manager	\$ 156,812
Cathie McFarlane	Director of Finance	\$ 107,174
Darren Jones	Manager of IT	\$ 67,389
Diane Van Aert	Manager of Administration	\$ 62,424
Kathy McGregor	Communications Coordinator	\$ 53,555
David Green	Manager of Parks	\$ 78,309
Jennifer Sandney	Manager of Finance	\$ 67,599
Brandy Smith	Human Resource Officer	\$ 67,412
Scott Miller	Health and Safety Co-ordinator	\$ 59,359
Adam Carpenter	Transportation Foreman	\$ 70,048
Matthew Phillips	Engineering Technologist	\$ 67,065
Matthew Heintz	Engineering Technologist	\$ 66,922
Mandy Costley	GIS Technologist	\$ 60,734
Phil Carpenter	Fire Chief	\$ 117,118
Brad Bailey	Fire Fighter	\$ 84,348
Jared Bergen	Fire Fighter	\$ 92,037
Dave Holmes	Deputy Fire Chief	\$ 106,279
Corey Jowett	Fire Fighter	\$ 99,819
George Kerr	Fire Fighter	\$ 92,712
Curtis Rance	Fire Fighter	\$ 84,464
Todd McKinnon	Fire Fighter	\$ 97,128
Don Robertson	Fire Fighter	\$ 96,096
Stephen Moffit	Fire Fighter	\$ 89,282
David Sproat	Fire Fighter	\$ 113,256
Landeyn Aymont	Fire Fighter	\$ 85,699
Chris Perry	Fire Fighter	\$ 87,049
Gerard Pawloski	Fire Fighter	\$ 84,841
Daren Van Den Bussche	Fire Fighter	\$ 90,022
Jeff Tessier	Fire Fighter	\$ 83,084
Ryan Draycott	Fire Fighter	\$ 86,285
Kelly Braden	Director of Operations	\$ 119,004
Ian Milne	Manager of Engineering	\$ 86,853
Jocelyn Lequier-jobin	Assistant City Engineer	\$ 74,989
Wade Andrushuk	Transportation Operator B	\$ 56,974
Shane Pierson	Assistant Mechanic	\$ 63,075
Brian Taylor	Manager of Public Works	\$ 86,175
Terry Thompson	Mechanic	\$ 75,469
Charles Ward	Waterworks Maintenance	\$ 63,600
Trevor Bruno	Transportation Operator B	\$ 56,182
Curtis Sanderson	Transportation Operator A	\$ 59,885
Keith Barron	Waterworks Foreman	\$ 81,254
Lloyd Vivier	Cemetery Foreman	\$ 57,706
Soyan Ibrahim	Water Treatment Plant Operator	\$ 66,689
Michael Sandney	Manager of Water Treatment Plant	\$ 89,251
Jeff Sing	Water Treatment Plant Operator	\$ 84,756
John Altenburg	Waste Pollution Control Facility Operator	\$ 89,998
Rick Ingram	Maintenance Foreman	\$ 80,166
Jim Mekkes	Waste Pollution Control Facility Operator	\$ 78,555
Allan O'Neil	Facility Maintenance	\$ 66,553
Terry Nichol	Waterworks	\$ 54,571
Karly Friesen	Manager of Water Pollution Control Facility	\$ 90,661
Aaron Stechesen	Lab Technologist	\$ 66,838
Wyatt McEachnie	Water Pollution Operator	\$ 74,902
Dwayne Houston	Waste Pollution Control Facility Operator	\$ 50,840
Joel Trandafir	Water Treatment Plant Operator	\$ 70,349
Wade Lundstrom	Transportation Operator B	\$ 54,337
Bryan Cairns	Facility Maintenance	\$ 72,943
Ben Olson	Water Treatment Plant Operator	\$ 89,902
Kelly Popko	Transportation Operator B	\$ 55,382
David Anderson	Waterworks Maintenance	\$ 53,134
Jim Morrison	Waterworks Maintenance	\$ 64,282

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**18. Trust Funds**

The City of Portage la Prairie administers the following trusts:

	Balance, beg. of the year	Excess of Receipts over Disbursements	Balance, end of the year
<i>Northeast Community Family Care</i>	\$ 1,594	\$ 31	\$ 1,625
<i>Willow Bay Paving In Trust</i>	4,267	82	4,349
<i>Cemetery Perpetual Trust</i>	299,808	6,018	305,826
<i>West-end Development Trust</i>	21	-	21
<i>Manitoba Hydro</i>	53,987	1,042	55,029
<i>Fire Equipment</i>	12,302	1,013	13,315
<i>Multiplex Public Contributions</i>	208	165	373
<i>Golf Island Park</i>	2,121	-	2,121
<i>Centennial Community Club Inc.</i>	1,500	(1,500)	-
<i>Misc City Contributions</i>	1,325	500	1,825
<i>DARE Program</i>	964	19	983
<i>Central Park Surplus</i>	-	500	500
<i>2014 Election Surplus</i>	98	-	98
	<u>\$ 378,195</u>	<u>\$ 7,870</u>	<u>\$ 386,065</u>

**19. Segmented Information**

The City of Portage la Prairie 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.

**20. 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
<b>Financial Position</b>		
Financial assets	\$ 1,817,935	\$ 1,796,822
Financial liabilities	633,335	615,479
Net financial assets (liabilities)	\$ 1,184,600	\$ 1,181,343
Non-financial assets	1,783,424	1,417,221
Accumulated surplus	<u>\$ 2,968,024</u>	<u>\$ 2,598,564</u>
<b>Result of Operations</b>		
Revenue	\$ 2,281,476	\$ 2,361,752
Expenses	1,912,016	1,982,198
Annual surplus	<u>\$ 369,460</u>	<u>\$ 379,554</u>

**21. Correction of an error**

Subsequent to the audit report date, it was determined that the City's transfers from reserves were understated by \$100,000. The correction of an error resulted in an increase in the transfers to general operating fund on Schedule 6 in the General Reserve and an increase of the Municipal net surplus in the general operating fund on Schedule 14.



SCHEDULE 1

CITY OF PORTAGE LA PRAIRIE  
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	Assets Under Construction	2017	2016
<b>Cost</b>										
Opening costs	9,676,775	45,685,368	5,466,915	433,550	1,013,626	19,536,994	95,850,667	3,219,992	180,883,877	174,718,995
Additions during the year	636,735	156,653	463,420	145,562	334,666	802,628	2,863,013	213,448	5,616,125	6,350,347
Disposals and write downs	(16,649)	(125,741)	(97,468)	(53,844)	-	-	-	-	(293,702)	(185,465)
Closing costs	10,296,861	45,716,270	5,832,867	525,268	1,348,292	20,339,622	98,713,680	3,433,440	186,206,300	180,883,877
<b>Accumulated Amortization</b>										
Opening accum'd amortization	3,149,735	11,477,786	2,591,411	287,263	-	3,011,394	84,394,923	-	104,912,512	102,900,078
Amortization	288,091	1,047,202	386,922	63,676	-	155,512	527,936	-	2,469,339	2,172,311
Disposals and write downs	-	(65,366)	(73,968)	(47,003)	-	-	-	-	(186,337)	(159,877)
Closing accum'd amortization	3,437,826	12,459,622	2,904,365	303,936	-	3,166,906	84,922,859	-	107,195,514	104,912,512
Net Book Value of Tangible Capital Assets	6,859,035	33,256,648	2,928,502	221,332	1,348,292	17,172,716	13,790,821	3,433,440	79,010,786	75,971,365

The Municipality has 107 km of roads that are capitalized at a nominal value of \$1,920,487.

CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED SCHEDULE OF REVENUES  
For the Year Ended December 31, 2017

SCHEDULE 2

	2017 Actual	2016 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 10,434,740	\$ 10,353,057
Taxes added	343,348	121,367
	<u>10,778,088</u>	<u>10,474,424</u>
<b>Grants in lieu of taxation:</b>		
Federal government	16,495	16,496
Federal government enterprises	2,294	2,294
Provincial government	417,665	417,665
Provincial government enterprises	416,135	414,924
Other municipal governments	-	-
Non-government organizations	-	-
	<u>852,589</u>	<u>851,379</u>
<b>User fees</b>		
Parking meters	106,511	88,051
Sales of service	2,190,979	2,035,808
Sales of goods	100,183	115,052
Rentals	224,264	246,748
Development charges	-	-
Facility use fees	612,102	741,788
	<u>3,234,039</u>	<u>3,227,447</u>
<b>Permits, licences and fines</b>		
Permits	-	-
Licences	100,463	108,961
Fees	90,059	87,289
Fines	310,530	408,773
	<u>501,052</u>	<u>605,023</u>
<b>Investment income</b>		
Cash and temporary investments	581,083	515,985
Marketable securities	-	-
Municipal debentures	-	-
Other	-	-
	<u>581,083</u>	<u>515,985</u>
<b>Other revenue</b>		
Gain on sale of tangible capital assets	77,551	43,812
Gain on sale of real estate held for sale	-	294
Contributed assets	-	-
Penalties and interest	133,924	126,050
Miscellaneous	353,335	296,755
	<u>564,810</u>	<u>466,911</u>
<b>Water and sewer</b>		
Municipal utility (Schedule 9)	14,472,175	12,786,405
Consolidated water co-operatives	-	-
	<u>14,472,175</u>	<u>12,786,405</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	2,332,904	2,402,409
Other unconditional grants	-	-
Conditional grants	1,248,423	1,212,506
	<u>3,581,327</u>	<u>3,614,915</u>
<b>Grants - other</b>		
Federal government - gas tax funding	710,390	701,864
Federal government - other	189,723	-
Other municipal governments	720,333	734,521
	<u>1,620,446</u>	<u>1,436,385</u>
<b>Total revenue</b>	<u>\$ 36,185,609</u>	<u>\$ 33,978,874</u>

CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
<b>General government services</b>		
Legislative	\$ 180,898	\$ 171,112
General administrative	2,025,548	1,603,585
Other	205,864	153,636
	<u>2,412,310</u>	<u>1,928,333</u>
<b>Protective services</b>		
Police	3,159,546	3,574,695
Fire	2,383,854	1,824,376
Emergency measures	55,535	55,305
Other	85,119	79,004
	<u>5,684,054</u>	<u>5,533,380</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	233,715	132,869
Road and street maintenance	2,307,431	1,763,409
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	97,114	98,558
Street lighting	238,239	248,009
Other	-	-
Air transport	-	-
Public transit	117,994	105,228
Other	-	-
	<u>2,994,493</u>	<u>2,348,073</u>
<b>Environmental health services</b>		
Waste collection and disposal	711,751	692,730
Recycling	224,785	220,097
Other	-	-
	<u>936,536</u>	<u>912,827</u>
<b>Public health and welfare services</b>		
Public health	225,484	230,017
Medical care	-	-
Social assistance	70,721	76,588
Other	-	-
	<u>296,205</u>	<u>306,605</u>
<b>Regional planning and development</b>		
Planning and zoning	361,242	269,572
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	238,567	183,598
Other	154,535	124,638
	<u>754,344</u>	<u>577,808</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	427,227	503,857
Industrial development	25,441	7,012
Tourism	9,264	2,289
Other	10,634	8,177
	<u>472,566</u>	<u>521,335</u>
<b>Sub-totals forward</b>	<u>13,550,508</u>	<u>12,128,361</u>

CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2017

**SCHEDULE 3**

	<u>2017 Actual</u>	<u>2016 Actual</u>
<b>Sub-totals forward</b>	<u><b>13,550,508</b></u>	<u><b>12,128,361</b></u>
<b>Recreation and cultural services</b>		
Administration	2,519,923	2,664,090
Community centers and halls	74,880	70,000
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	6,906	11,817
Parks and playgrounds	554,290	285,929
Other recreational facilities	1,667,167	1,704,502
Museums	-	-
Libraries	590,952	578,307
Other cultural facilities	91,286	189,556
	<u><b>5,505,404</b></u>	<u><b>5,504,201</b></u>
<b>Water and sewer services</b>		
Municipal utility (Schedule 9)	7,661,625	6,528,885
Consolidated water co-operatives	-	-
	<u><b>7,661,625</b></u>	<u><b>6,528,885</b></u>
<b>Total expenses</b>	<u><u><b>\$ 26,717,537</b></u></u>	<u><u><b>\$ 24,161,447</b></u></u>

**SCHEDULE 4**

**CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the 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
<b>REVENUE</b>										
Property taxes	\$ 10,778,088	\$ 10,474,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	852,589	851,379	-	-	-	-	-	-	-	-
User fees	228,634	101,820	689,817	707,530	56,850	40,478	906,988	881,144	64,302	72,904
Grants - other	8,990	97,155	43,118	53,240	733,477	701,864	-	-	-	-
Permits, licences and fines	158,742	107,560	342,310	497,463	-	-	-	-	-	-
Investment income	224,416	160,528	1,937	1,469	32,478	24,701	6,487	7,106	21	23
Other revenue	428,459	343,022	-	-	7,325	4,323	(9,223)	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	2,332,904	2,402,409	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	261,100	261,000	485,169	487,043	284,813	292,194	-	-
<b>Total revenue</b>	<b>\$ 15,012,822</b>	<b>\$ 14,538,297</b>	<b>\$ 1,338,282</b>	<b>\$ 1,520,702</b>	<b>\$ 1,315,299</b>	<b>\$ 1,258,409</b>	<b>\$ 1,189,065</b>	<b>\$ 1,180,444</b>	<b>\$ 64,323</b>	<b>\$ 72,927</b>
<b>EXPENSES</b>										
Personnel services	\$ 1,516,832	\$ 1,238,810	\$ 2,208,864	\$ 1,795,706	\$ 778,566	\$ 700,628	\$ 205,176	\$ 247,766	\$ 125,454	\$ 113,169
Contract services	540,525	300,690	2,905,365	3,412,565	857,053	326,179	583,062	555,104	82,924	82,958
Utilities	52,177	57,813	63,881	56,376	272,192	289,405	7,026	7,234	6,236	6,272
Maintenance materials and supplies	66,767	132,746	336,961	140,010	614,168	631,564	59,358	39,693	80,167	97,490
Grants and contributions	53,651	52,648	3,559	3,155	(2,707)	(361)	-	-	-	5,344
Amortization	28,112	21,212	165,424	123,606	464,059	385,014	84,646	35,942	-	-
Interest on long term debt	-	-	-	-	9,916	11,255	1,397	1,901	-	-
Other	154,246	124,414	-	1,962	1,246	4,389	(4,129)	25,187	1,424	1,372
<b>Total expenses</b>	<b>\$ 2,412,310</b>	<b>\$ 1,928,333</b>	<b>\$ 5,684,054</b>	<b>\$ 5,533,380</b>	<b>\$ 2,994,493</b>	<b>\$ 2,348,073</b>	<b>\$ 936,536</b>	<b>\$ 912,827</b>	<b>\$ 296,205</b>	<b>\$ 306,605</b>
<b>Surplus (Deficit)</b>	<b>\$ 12,600,512</b>	<b>\$ 12,609,964</b>	<b>\$ (4,345,772)</b>	<b>\$ (4,012,678)</b>	<b>\$ (1,679,194)</b>	<b>\$ (1,089,664)</b>	<b>\$ 252,529</b>	<b>\$ 267,617</b>	<b>\$ (231,882)</b>	<b>\$ (233,678)</b>

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



**SCHEDULE 4**

**CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2017**

	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	2016
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,474,424
Grants in lieu of taxation	-	-	-	-	-	-	-	-	851,379
User fees	434,398	374,062	1,841	16,461	851,209	1,033,048	-	-	3,227,447
Grants - other	94,407	22,208	40,002	81,757	700,452	480,161	-	-	1,436,385
Permits, licences and fines	-	-	-	-	-	-	-	-	605,023
Investment income	3,085	14,881	10	493	15,429	13,242	297,220	293,542	515,985
Other revenue	2	-	81,673	-	56,574	119,566	-	-	466,911
Water and sewer	-	-	-	-	-	-	14,472,175	12,786,405	12,786,405
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,402,409
Prov of MB - Conditional Grants	56,760	-	-	31,546	160,581	140,723	-	-	1,212,506
<b>Total revenue</b>	<b>\$ 588,652</b>	<b>\$ 411,151</b>	<b>\$ 123,526</b>	<b>\$ 130,257</b>	<b>\$ 1,784,245</b>	<b>\$ 1,786,740</b>	<b>\$ 14,769,395</b>	<b>\$ 13,079,947</b>	<b>\$ 33,978,874</b>
<b>EXPENSES</b>									
Personnel services	\$ 320,469	\$ 321,449	\$ 315,738	\$ 316,282	\$ 1,572,962	\$ 1,695,804	\$ 2,614,329	\$ 2,357,682	\$ 8,787,296
Contract services	306,665	119,310	85,366	57,159	437,159	392,895	2,855,818	1,960,933	7,207,793
Utilities	7,464	7,514	4,467	8,543	312,393	351,552	843,042	877,513	1,568,878
Maintenance materials and supplies	68,530	74,716	3,522	70,774	855,978	630,940	665,173	634,806	2,452,739
Grants and contributions	22,205	22,205	56,937	53,171	599,458	728,181	-	-	864,343
Amortization	21,326	24,481	556	9,871	1,177,280	1,117,316	527,936	454,869	2,172,311
Interest on long term debt	-	-	426	2,301	511,298	565,910	44,298	135,833	717,200
Other	7,685	8,133	5,554	3,234	38,876	21,603	111,029	107,249	297,543
<b>Total expenses</b>	<b>\$ 754,344</b>	<b>\$ 577,808</b>	<b>\$ 472,566</b>	<b>\$ 521,335</b>	<b>\$ 5,505,404</b>	<b>\$ 5,504,201</b>	<b>\$ 7,661,625</b>	<b>\$ 6,528,885</b>	<b>\$ 24,161,447</b>
<b>Surplus (Deficit)</b>	<b>\$ (165,692)</b>	<b>\$ (166,657)</b>	<b>\$ (349,040)</b>	<b>\$ (391,078)</b>	<b>\$ (3,721,159)</b>	<b>\$ (3,717,461)</b>	<b>\$ 7,107,770</b>	<b>\$ 6,551,062</b>	<b>\$ 9,817,427</b>



**SCHEDULE 5**

**CITY OF PORTAGE LA PRAIRIE**  
**CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS**  
**For the Year Ended December 31, 2017**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>								
Property taxes	\$ 10,778,088	\$ 10,474,424	\$ -	\$ -	\$ -	\$ -	\$ 10,778,088	\$ 10,474,424
Grants in lieu of taxation	852,589	851,379	-	-	-	-	852,589	851,379
User fees	1,830,065	1,730,367	37,297	24,814	1,366,677	1,472,266	3,234,039	3,227,447
Grants - other	989,252	852,259	1,056	-	630,138	584,126	1,620,446	1,436,385
Permits, licences and fines	501,052	605,023	-	-	-	-	501,052	605,023
Investment income	562,616	498,961	147	174	18,320	16,850	581,083	515,985
Other revenue	433,559	343,022	2,225	4,323	129,026	119,566	564,810	466,911
Water and sewer	14,472,175	12,786,405	-	-	-	-	14,472,175	12,786,405
Prov of MB - Unconditional Grants	2,332,904	2,402,409	-	-	-	-	2,332,904	2,402,409
Prov of MB - Conditional Grants	1,081,108	1,008,562	30,000	35,000	137,315	168,944	1,248,423	1,212,506
Total revenue	\$ 33,833,408	\$ 31,552,811	\$ 70,725	\$ 64,311	\$ 2,281,476	\$ 2,361,752	\$ 36,185,609	\$ 33,978,874
<b>EXPENSES</b>								
Personnel services	\$ 7,815,514	\$ 6,852,113	\$ 67,526	\$ 58,975	\$ 1,775,350	\$ 1,876,208	\$ 9,658,390	\$ 8,787,296
Contract services	8,285,174	6,883,906	11,296	10,257	357,467	313,630	8,653,937	7,207,793
Utilities	1,279,774	1,324,297	1,530	980	287,574	336,945	1,568,878	1,662,222
Maintenance materials and supplies	2,158,837	1,762,003	22,943	14,941	568,844	675,795	2,750,624	2,452,739
Grants and contributions	2,054,952	2,265,789	(29,107)	(28,665)	(1,292,742)	(1,372,781)	733,103	864,343
Amortization	2,272,045	2,055,653	17,643	17,644	179,651	99,014	2,469,339	2,172,311
Interest on long term debt	565,512	712,998	-	-	1,823	4,202	567,335	717,200
Other	282,119	245,566	(237)	2,792	34,049	49,185	315,931	297,543
Total expenses	\$ 24,713,927	\$ 22,102,325	\$ 91,594	\$ 76,924	\$ 1,912,016	\$ 1,982,198	\$ 26,717,537	\$ 24,161,447
<b>Surplus (Deficit)</b>	\$ 9,119,481	\$ 9,450,486	\$ (20,869)	\$ (12,613)	\$ 369,460	\$ 379,554	\$ 9,468,072	\$ 9,817,427

SCHEDULE 6

CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2017

	2017					
	General Reserve <i>Restated</i>	Equipment Replacement Reserve	Cemetery Reserve	Fire Truck Reserve	Handicap Access Reserve	Land Development Reserve
<b>REVENUE</b>						Sub-total <i>Restated</i>
Investment income	\$ 70,104	\$ 3,251	\$ 21	\$ 1,937	\$ 596	\$ 8,057
Other income	-	-	-	-	-	-
Total revenue	70,104	3,251	21	1,937	596	83,966
<b>EXPENSES</b>						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
<b>NET REVENUES</b>	70,104	3,251	21	1,937	596	83,966
<b>TRANSFERS</b>						
Transfers from general operating fund	1,145,000	185,000	-	185,000	-	8,864
Transfers to general operating fund	(110,000)	-	-	(187,718)	-	(26)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	(1,400,849)	(88,512)	-	-	-	(23,617)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(295,745)	99,739	21	(781)	596	(6,722)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	5,929,142	185,511	1,999	173,156	55,429	757,779
<b>FUND SURPLUS, END OF YEAR</b>	\$ 5,633,397	\$ 285,250	\$ 2,020	\$ 172,375	\$ 56,025	\$ 751,057
						\$ 6,900,124

**SCHEDULE 6**

**CITY OF PORTAGE LA PRAIRIE**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**For the Year Ended December 31, 2017**

	2017					
	Environmental Reserve	Computer Reserve	Crescent Lake Reserve	Handivan Reserve	Special Administration Reserve	Capital Levy Reserve
<b>REVENUE</b>						
Investment income	\$ 6,246	\$ 1,607	\$ 189	\$ 165	\$ 4,611	\$ 1,007
Other income	-	-	-	-	-	-
Total revenue	6,246	1,607	189	165	4,611	1,007
<b>EXPENSES</b>						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
<b>NET REVENUES</b>	6,246	1,607	189	165	4,611	1,007
<b>TRANSFERS</b>						
Transfers from general operating fund	37,946	30,000	-	-	13,100	-
Transfers to general operating fund	-	(6,206)	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	18,000	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(49,210)	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	44,192	(5,809)	189	165	17,711	1,007
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	585,764	114,238	17,676	15,310	188,202	93,711
<b>FUND SURPLUS, END OF YEAR</b>	\$ 629,956	\$ 108,429	\$ 17,865	\$ 15,475	\$ 205,913	\$ 94,718
						<b>\$ 7,972,480</b>

**SCHEDULE 6**

**CITY OF PORTAGE LA PRAIRIE**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**For the Year Ended December 31, 2017**

	2017						
	Recreation Dedication Fees Reserve	Sidewalk Reserve	Softball Reserve	Gas Tax Reserve	Glesby Centre Reserve	Accommodation Tax Marketing Reserve	Sub-total <i>Restated</i>
<b>REVENUE</b>							
Investment income	\$ 239	\$ 1,685	\$ 206	\$ 26,223	\$ -	\$ -	\$ 126,144
Other income	-	-	-	-	-	-	-
Total revenue	239	1,685	206	26,223	-	-	126,144
<b>EXPENSES</b>							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
<b>NET REVENUES</b>	239	1,685	206	26,223	-	-	126,144
<b>TRANSFERS</b>							
Transfers from general operating fund	-	100,000	-	710,390	25,125	76,619	2,517,044
Transfers to general operating fund	-	-	-	-	(771)	(18,433)	(323,154)
Transfer from nominal surplus	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	18,000
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	(13,265)	(1,575,453)
<b>CHANGE IN RESERVE FUND BALANCES</b>	239	101,685	206	736,613	24,354	44,921	762,581
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	22,213	79,456	10,667	2,499,869	74,685	57,599	10,862,406
<b>FUND SURPLUS, END OF YEAR</b>	\$ 22,452	\$ 181,141	\$ 10,873	\$ 3,236,482	\$ 99,039	\$ 102,520	\$ 11,624,987



**SCHEDULE 6**

**CITY OF PORTAGE LA PRAIRIE**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**For the Year Ended December 31, 2017**

	2017			2016
	Accommodation Tax Sisk Ave Reserve	Utility Replacement Reserve	Utility Nutrient Removal Reserve	Total
<b>REVENUE</b>				
Investment income	\$ -	\$ 156,490	\$ 140,730	\$ 415,160
Other income	-	-	-	-
Total revenue	-	156,490	140,730	415,160
<b>EXPENSES</b>				
Investment charges	-	-	-	-
Other expenses	-	-	-	-
Total expenses	-	-	-	-
<b>NET REVENUES</b>	-	156,490	140,730	415,160
<b>TRANSFERS</b>				
Transfers from general operating fund	76,619	-	-	2,123,931
Transfers to general operating fund	-	-	-	(841,474)
Transfer from nominal surplus	-	-	-	-
Transfers from utility operating fund	-	1,513,538	1,570,880	3,318,614
Transfers to utility operating fund	-	(1,015,739)	(34,573)	(1,922,000)
Acquisition of tangible capital assets	-	(528,113)	(59,291)	(652,237)
<b>CHANGE IN RESERVE FUND BALANCES</b>	76,619	126,176	1,617,746	2,441,994
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	170,745	8,262,484	8,646,167	25,499,808
<b>FUND SURPLUS, END OF YEAR</b>	\$ 247,364	\$ 8,388,660	\$ 10,263,913	\$ 27,941,802

CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF L.U.D. OPERATIONS  
For the Year Ended December 31, 2017

SCHEDULE 7

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
<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	-	-	-
Total expenses	-	-	-
<b>Net revenues (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	<u>\$ -</u>	-	-
<b>Unexpended balance, beginning of year</b>		-	-
<b>Unexpended balance, end of year</b>		<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF FINANCIAL POSITION FOR UTILITY  
As at December 31, 2017

SCHEDULE 8

	2017	2016
	Total	Total
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 2,299,066	\$ 1,660,084
Due from other funds	166,684	-
	<u>\$ 2,465,750</u>	<u>\$ 1,660,084</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 283,906	\$ 308,218
Long-term debt (Note 9)	200,957	1,291,884
Due to other funds	-	892,328
	<u>484,863</u>	<u>2,492,430</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 1,980,887</u>	<u>\$ (832,346)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 17,224,261	\$ 14,675,736
Inventories	249,858	244,527
Prepaid expenses	394	21,635
	<u>17,474,513</u>	<u>14,941,898</u>
<b>FUND SURPLUS</b>	<u>\$ 19,455,400</u>	<u>\$ 14,109,552</u>

COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)

CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF UTILITY OPERATIONS  
For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 10,606,940	\$ 11,669,443	\$ 10,451,846
Bulk Water fees	-	10,514	8,215
sub-total- water	10,606,940	11,679,957	10,460,061
<b>Sewer</b>			
Sewer fees	25,750	31,455	27,704
Lagoon tipping fees	-	-	-
sub-total- sewer	25,750	31,455	27,704
<b>Property taxes</b>	-	-	-
<b>Government transfers</b>			
Operating	-	-	-
Capital	1,322,532	1,968,502	1,270,482
sub-total- government transfers	1,322,532	1,968,502	1,270,482
<b>Other</b>			
Hydrant rentals	57,725	57,700	57,725
Connection charges	22,140	21,220	28,868
Installation service	-	-	-
Penalties	9,476	11,393	6,424
Contributed tangible capital assets	-	-	-
Investment income	-	74,982	54,716
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	14,040
Other income	316,623	626,966	866,385
sub-total- other	405,964	792,261	1,028,158
<b>Total revenue</b>	<b>12,361,186</b>	<b>14,472,175</b>	<b>12,786,405</b>



**CITY OF PORTAGE LA PRAIRIE**  
**SCHEDULE OF UTILITY OPERATIONS (cont'd)**  
**For the Year Ended December 31, 2017**

**SCHEDULE 9**

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	1,146,894	1,171,387	1,561,468
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>1,146,894</u>	<u>1,171,387</u>	<u>1,561,468</u>
<b>Water General</b>			
Purification and treatment	2,489,983	3,072,813	1,966,843
Water purchases	-	-	-
Transmission and distribution	2,245,426	1,244,047	925,144
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>4,735,409</u>	<u>4,316,860</u>	<u>2,891,987</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	220,855	220,855	182,289
Interest on long-term debt	22,149	22,149	67,917
sub-total- water amortization & interest	<u>243,004</u>	<u>243,004</u>	<u>250,206</u>
<b>Sewer General</b>			
Collection system costs	1,472,855	1,289,533	921,987
Treatment and disposal cost	488,680	59,060	331,997
Lift Station costs	211,180	252,551	230,744
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>2,172,715</u>	<u>1,601,144</u>	<u>1,484,728</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	307,081	307,081	272,580
Interest on long-term debt	22,149	22,149	67,916
sub-total- sewer amortization & interest	<u>329,230</u>	<u>329,230</u>	<u>340,496</u>
<b>Total expenses</b>	<u>8,627,252</u>	<u>7,661,625</u>	<u>6,528,885</u>
<b>NET OPERATING SURPLUS</b>	<u>3,733,934</u>	<u>6,810,550</u>	<u>6,257,520</u>
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	(1,464,702)	(1,396,614)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 3,733,934</u>	<u>5,345,848</u>	<u>4,860,906</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>14,109,552</u>	<u>9,248,646</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 19,455,400</u>	<u>\$ 14,109,552</u>

## CITY OF PORTAGE LA PRAIRIE

## SCHEDULE 10

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 10,519,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,519,086
Grants in lieu of taxation	852,589	-	-	-	-	-	-	852,589
User fees	1,494,725	-	-	-	-	-	1,403,974	2,898,699
Permits, licences and fines	351,035	-	-	-	-	-	-	351,035
Investment income	51,000	-	-	-	-	-	18,467	69,467
Other revenue	292,146	-	-	-	-	-	140,474	432,620
Water and sewer	-	12,361,186	-	-	-	-	-	12,361,186
Grants - Province of Manitoba	4,543,007	-	-	-	-	-	167,315	4,710,322
Grants - other	29,678	-	-	-	-	-	631,194	660,872
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	2,440,282	1,904,000	-	-	(4,344,282)	-	-	-
Total revenue	<u>\$ 20,573,548</u>	<u>\$ 14,265,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,344,282)</u>	<u>\$ -</u>	<u>\$ 2,361,424</u>	<u>\$ 32,855,876</u>
<b>EXPENSES</b>								
General government services	\$ 2,418,466	\$ -	\$ 28,112	\$ -	\$ 175,153	\$ -	\$ -	\$ 2,621,731
Protective services	5,892,773	-	165,424	-	-	-	-	6,058,197
Transportation services	2,010,175	-	446,416	9,916	-	-	91,594	2,558,101
Environmental health services	824,331	-	4,149	-	-	-	213,067	1,041,547
Public health and welfare services	341,640	-	-	-	-	-	-	341,640
Regional planning and development	471,680	-	8,935	-	-	-	231,528	712,143
Resource cons and industrial dev	238,072	-	-	-	-	-	9,745	247,817
Recreation and cultural services	3,132,154	-	1,091,073	511,298	-	-	1,466,899	6,201,424
Water and sewer services	-	8,055,018	527,936	44,298	-	-	-	8,627,252
Fiscal services:								
Transfer to capital	922,400	1,928,000	-	-	(2,850,400)	-	-	-
Debt charges	1,613,669	1,179,750	-	(2,793,419)	-	-	-	-
Short term interest	113,200	-	-	-	(113,200)	-	-	-
Transfer to reserves	2,533,035	3,102,418	-	-	(5,635,453)	-	-	-
Allowance for tax assets	61,953	-	-	-	(61,953)	-	-	-
Total expenses	<u>\$ 20,573,548</u>	<u>\$ 14,265,186</u>	<u>\$ 2,272,045</u>	<u>\$ (2,227,907)</u>	<u>\$ (8,485,853)</u>	<u>\$ -</u>	<u>\$ 2,012,833</u>	<u>\$ 28,409,852</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,272,045)</u>	<u>\$ 2,227,907</u>	<u>\$ 4,141,571</u>	<u>\$ -</u>	<u>\$ 348,591</u>	<u>\$ 4,446,024</u>

CITY OF PORTAGE LA PRAIRIE  
ANALYSIS OF TAXES ON ROLL  
December 31, 2017

SCHEDULE 11

	2017	2016
<b>Balance, beginning of year</b>	<b>\$ 706,614</b>	<b>\$ 839,179</b>
<b>Add:</b>		
Tax levy (Schedule 12)	18,464,483	18,005,581
Taxes added	343,348	121,367
Penalties or interest	133,924	126,050
Other accounts added	555,883	273,519
<b>Sub-total</b>	<b>19,497,638</b>	<b>18,526,517</b>
<b>Deduct:</b>		
Cash collections - current	16,152,798	15,501,406
Cash collections - arrears	567,619	749,238
Writeoffs	12,712	38,593
Tax discounts	7,745	6,258
E.P.T.C. - cash advance	2,370,215	2,363,587
<b>Sub-total</b>	<b>19,111,089</b>	<b>18,659,082</b>
<b>Balance, end of year</b>	<b>\$ 1,093,163</b>	<b>\$ 706,614</b>

CITY OF PORTAGE LA PRAIRIE  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2017

SCHEDULE 12

	2017			2016
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D.	502,588,360	2.807	\$ 1,410,766	\$ 1,410,194
At large	502,588,360	0.121	60,813	60,836
sub-total- Debt charges			<u>1,471,579</u>	<u>1,471,030</u>
Reserves:				
Environmental	502,588,360	0.070	35,181	17,952
Special Admin	502,588,360	0.009	4,523	4,488
Glesby Centre	502,588,360	0.018	9,047	9,474
Fire	502,588,360	0.018	9,047	138,626
Sidewalk	502,588,360	0.184	92,476	18,450
Computer	502,588,360	0.055	27,642	27,925
General	502,588,360	2.106	1,058,451	570,460
Equipment Replacement	502,588,360	0.340	170,880	161,564
sub-total- Reserves			<u>1,407,247</u>	<u>948,939</u>
General municipal	502,588,360	14.742	<u>7,409,158</u>	<u>7,784,489</u>
Special levies:				
Assessment Levy	502,588,360	0.292	<u>146,756</u>	<u>148,599</u>
<b>Total municipal taxes (Schedule 2)</b>			<b><u>10,434,740</u></b>	<b><u>10,353,057</u></b>
Education support levy	120,099,880	10.500	<u>1,261,049</u>	<u>1,254,720</u>
Special levies:				
Portage la Prairie School Division	487,131,660	13.895	<u>6,768,694</u>	<u>6,397,804</u>
<b>Total education taxes</b>			<b><u>8,029,743</u></b>	<b><u>7,652,524</u></b>
<b>Total tax levy (Schedule 11)</b>			<b><u>\$ 18,464,483</u></b>	<b><u>\$ 18,005,581</u></b>



CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
For the Year Ended December 31, 2017

SCHEDULE 13

	2017 Actual	2016 Actual
<b>General government services:</b>		
Legislative	\$ 180,898	\$ 171,112
General administrative	2,025,548	1,603,585
Other	205,864	153,636
	<u>2,412,310</u>	<u>1,928,333</u>
<b>Protective services:</b>		
Police	3,159,546	3,574,695
Fire	2,383,854	1,824,376
Emergency measures	55,535	55,305
Other	85,119	79,004
	<u>5,684,054</u>	<u>5,533,380</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	233,715	132,869
Road and street maintenance	2,307,431	1,763,409
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	97,114	98,558
Street lighting	238,239	248,009
Other	-	-
Air transport	-	-
Public transit	26,400	28,304
Other	-	-
	<u>2,902,899</u>	<u>2,271,149</u>
<b>Environmental health services:</b>		
Waste collection and disposal	507,907	515,606
Recycling	224,785	220,097
Other	-	-
	<u>732,692</u>	<u>735,703</u>
<b>Public health and welfare services:</b>		
Public health	225,484	230,017
Medical care	-	-
Social assistance	70,721	76,588
Other	-	-
	<u>296,205</u>	<u>306,605</u>
<b>Regional planning and development</b>		
Planning and zoning	129,714	75,532
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	238,567	183,598
Other	154,535	124,638
	<u>522,816</u>	<u>383,768</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	417,482	386,692
Industrial development	25,441	7,012
Tourism	9,264	2,289
Other	10,634	8,177
	<u>462,821</u>	<u>404,170</u>
<b>Sub-totals forward</b>	<u>13,013,797</u>	<u>11,563,108</u>

CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
For the Year Ended December 31, 2017

**SCHEDULE 13**

	2017 Actual	2016 Actual
<b>Sub-totals forward</b>	<b>13,013,797</b>	11,563,108
<b>Recreation and cultural services:</b>		
Administration	1,313,624	1,423,539
Community centers and halls	74,880	70,000
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	6,906	11,817
Parks and playgrounds	554,290	285,929
Other recreational facilities	1,667,167	1,704,502
Museums	-	-
Libraries	330,352	324,989
Other cultural facilities	91,286	189,556
	<b>4,038,505</b>	4,010,332
<b>Total expenses</b>	<b>\$ 17,052,302</b>	<b>\$ 15,573,440</b>

# SCHEDULE 14

## CITY OF PORTAGE LA PRAIRIE RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) December 31, 2017

	2017		2016	
	General Restated	Utility	Total Restated	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 8,549	\$ 1,706,396	\$ 1,714,945	\$ 2,271,927
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	2,593,663	3,102,418	5,696,081	5,442,545
Eliminate revenue - transfers from reserves	(1,898,607)	(1,637,716)	(3,536,323)	(3,415,711)
Increase revenue - reserve funds interest	423,364	-	423,364	415,160
Increase revenue - Net surplus of consolidated entities	348,591	-	348,591	366,941
Increase revenue - gain on disposal of tangible capital assets	5,100	-	5,100	57,852
Decrease revenue - proceeds on sale of tangible capital assets	(8,100)	-	(8,100)	(83,440)
Increase expense - amortization of tangible capital assets	(1,744,109)	(527,936)	(2,272,045)	(2,055,653)
Decrease expense - principal portion of debenture debt	1,037,370	1,090,927	2,128,297	2,024,368
Eliminate expense - acquisitions of tangible capital assets	1,891,701	3,076,461	4,968,162	4,793,438
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 2,657,522</b>	<b>\$ 6,810,550</b>	<b>\$ 9,468,072</b>	<b>\$ 9,817,427</b>