

CITY OF PORTAGE LA PRAIRIE

**Consolidated Financial Statements
For the Year Ended December 31, 2016**

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.

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, 2016 and the consolidated statements of operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2016, 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, 2016, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

June 26, 2017
Portage la Prairie, Manitoba

A stylized, handwritten-style signature of 'MNP LLP' in black ink.

Chartered Professional Accountants

CITY OF PORTAGE LA PRAIRIE

Consolidated Financial Statements

For the Year Ended December 31, 2016

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CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 20,783,228	\$ 18,724,929
Amounts receivable (Note 4)	6,662,433	3,656,824
Portfolio investments (Note 5)	10,134,213	9,880,211
Real estate properties held for sale	102,914	103,224
Other inventories for sale (Note 6)	3,483	4,241
	<u>\$ 37,686,271</u>	<u>\$ 32,369,429</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 6,606,355	\$ 4,762,070
Deferred revenue	73,781	183,881
Landfill closure and post closure liabilities (Note 8)	31,819	41,685
Long-term debt (Note 9)	11,515,739	13,565,441
	<u>18,227,694</u>	<u>18,553,077</u>
NET FINANCIAL ASSETS	<u>\$ 19,458,577</u>	<u>\$ 13,816,352</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 75,971,365	\$ 71,818,917
Inventories (Note 6)	308,153	300,679
Prepaid expenses	226,753	211,473
	<u>76,506,271</u>	<u>72,331,069</u>
ACCUMULATED SURPLUS (Note 15)	<u>\$ 95,964,848</u>	<u>\$ 86,147,421</u>

COMMITMENTS (NOTE 10)

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, 2016**

	<u>2016 Budget (Note 14)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
REVENUE			
Property taxes	\$ 10,368,344	\$ 10,474,424	\$ 10,219,234
Grants in lieu of taxation	851,379	851,379	889,891
User fees	2,984,195	3,227,447	3,310,103
Permits, licences and fines	369,500	605,023	390,204
Investment income	67,024	515,985	494,305
Other revenue	413,989	466,911	373,277
Water and sewer	12,256,532	12,786,405	11,341,071
Grants - Province of Manitoba	4,375,518	3,614,915	3,667,558
Grants - other	610,940	1,436,385	1,210,002
Total revenue (Schedules 2, 4 and 5)	<u>32,297,421</u>	<u>33,978,874</u>	<u>31,895,645</u>
EXPENSES			
General government services	2,295,893	1,928,333	2,238,241
Protective services	5,612,821	5,533,380	5,513,633
Transportation services	2,763,576	2,348,073	2,673,872
Environmental health services	1,004,224	912,827	980,967
Public health and welfare services	327,400	306,605	299,341
Regional planning and development	579,749	577,808	584,902
Resource conservation and industrial development	342,745	521,335	589,887
Recreation and cultural services	5,284,093	5,504,201	5,405,389
Water and sewer services	8,406,870	6,528,885	6,134,138
Total expenses (Schedules 3, 4 and 5)	<u>26,617,371</u>	<u>24,161,447</u>	<u>24,420,370</u>
ANNUAL SURPLUS	<u>\$ 5,680,050</u>	9,817,427	7,475,275
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>86,147,421</u>	<u>78,672,146</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 95,964,848</u>	<u>\$ 86,147,421</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, 2016

	<u>2016 Budget (Note 14)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS	\$ 5,680,050	\$ 9,817,427	\$ 7,475,275
Acquisition of tangible capital assets	(4,372,825)	(6,350,347)	(5,010,926)
Amortization of tangible capital assets	2,172,311	2,172,311	2,050,166
Gain on sale of tangible capital assets	-	(57,852)	(12,537)
Proceeds on sale of tangible capital assets	-	83,440	20,015
Increase in inventories	-	(7,474)	(22,205)
Decrease (increase) in prepaid expense	-	(15,280)	50,217
	<u>(2,200,514)</u>	<u>(4,175,202)</u>	<u>(2,925,270)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 3,479,536</u>	5,642,225	4,550,005
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>13,816,352</u>	<u>9,266,347</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 19,458,577</u>	<u>\$ 13,816,352</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, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 9,817,427	\$ 7,475,275
Changes in non-cash items:		
Amounts receivable	(3,005,609)	(23,314)
Inventories	(6,716)	(21,562)
Prepays	(15,280)	50,217
Accounts payable and accrued liabilities	1,844,285	(741,500)
Deferred revenue	(110,100)	96,218
Landfill closure and post closure liabilities	(9,866)	3,611
Gain on sale of real estate properties	(294)	(90)
Gain on sale of tangible capital asset	(57,852)	(12,537)
Amortization	2,172,311	2,050,166
Cash provided by operating transactions	<u>10,628,306</u>	<u>8,876,484</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	83,440	20,015
Cash used to acquire tangible capital assets	<u>(6,350,347)</u>	<u>(5,010,926)</u>
Cash applied to capital transactions	<u>(6,266,907)</u>	<u>(4,990,911)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	274,655
Proceeds on sale of real estate properties	604	146
Purchase of portfolio investments	<u>(254,002)</u>	<u>-</u>
Cash provided by (applied to) investing transactions	<u>(253,398)</u>	<u>274,801</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>(2,049,702)</u>	<u>(1,930,409)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	2,058,299	2,229,965
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>18,724,929</u>	<u>16,494,964</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$20,783,228</u></u>	<u><u>\$18,724,929</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, 2016

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 consolidated financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Portage la Prairie Planning District (66.67%) (2015 - 66.67%)
Portage la Prairie Regional Landfill Authority (66.67%) (2015 - 66.67%)
Portage la Prairie Regional Library (77.00%) (2015 - 77.00%)
Portage Regional Recreation Authority (75.00%) (2015 - 75.00%)
Central Plains Inc. (66.67%) (2015 - 66.67%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these consolidated financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

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, 2016

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 revenue 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, 2016

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 consolidated 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 revenue and expenses in circumstances where the actual accrued revenue is unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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 consolidated 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 consolidated 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, 2016

2. Significant Accounting Policies (continued)

I) Recent Accounting Pronouncements (continued)

Contingent Assets (PS 3320)

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

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

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

Contractual Rights (PS 3380)

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

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

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

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, 2016

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2016</u>	<u>2015</u>
Cash	\$ 20,086,979	\$ 18,068,844
Temporary investments	696,249	656,085
	<u>\$ 20,783,228</u>	<u>\$ 18,724,929</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$27,941,802 (2015 - \$25,499,808) 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 \$11,164,533 (2015 - \$10,960,043).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 706,614	\$ 839,179
Government grants	104,371	572,213
Utility customers	1,660,634	906,992
Accrued interest	1,118	995
Organizations and individuals	4,079,152	1,161,500
Other governments	146,539	188,840
	<u>6,698,428</u>	<u>3,669,719</u>
Less allowances for doubtful amounts	<u>(35,995)</u>	<u>(12,895)</u>
	<u>\$ 6,662,433</u>	<u>\$ 3,656,824</u>

5. Portfolio Investments

	<u>2016</u>	<u>2015</u>
Guaranteed investment certificate and term deposits	<u>\$ 10,134,213</u>	<u>\$ 9,880,211</u>

The aggregate market value of the marketable securities at December 31, 2016 is \$10,134,213 (2015 - \$9,880,211). Portfolio investments earned \$223,464 in investment income during the year (2015 - \$232,786).

6. Inventories

Inventories for sale:

	<u>2016</u>	<u>2015</u>
Food and beverages	<u>\$ 3,483</u>	<u>\$ 4,241</u>

Inventories for use:

	<u>2016</u>	<u>2015</u>
Chemicals, herbicides, insecticides	\$ 244,527	\$ 243,304
Fuel	9,428	8,279
Other supplies	54,198	49,096
	<u>\$ 308,153</u>	<u>\$ 300,679</u>

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

7. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 4,726,943	\$ 904,948
Accrued expenses	1,356,915	1,027,755
Accrued interest payable	368,466	424,518
School levies (Schedule 13)	-	949,543
Other governments	154,031	1,455,306
	<u>\$ 6,606,355</u>	<u>\$ 4,762,070</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>2016</u>	<u>2015</u>
Estimated closure and post closure costs over the next 25 years	\$ 192,810	\$ 216,011
Discount rate	5.90%	5.90%
Discounted costs	<u>\$ 56,170</u>	<u>\$ 75,988</u>
Expected year capacity will be reached	2041	2041
Capacity (tonnes):		
Used to date	1,403,536	1,359,180
Remaining	1,074,164	1,118,520
Total	2,477,700	2,477,700
Percent utilized	56.65%	54.86%
Liability based on percentage	<u>\$ 31,819</u>	<u>\$ 41,685</u>

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

9. Long-Term Debt

	<u>2016</u>	<u>2015</u>
General Authority:		
Loan payable, interest at 4.000%, payable at \$1,233 monthly including interest, maturing 2020, secured by a building with a net book value of \$60,374 (2015 - \$61,074)	\$ 50,714	\$ 63,212
Debenture, interest at 6.250%, payable at \$38,721 annually including interest, maturing 2019	103,025	133,408
Debenture, interest at 5.375%, payable at \$19,760 annually including interest, maturing 2021	84,671	99,104
Debenture, interest at 5.375%, payable at \$7,410 annually including interest, maturing 2021	31,751	37,164
Debenture, interest at 5.375%, payable at \$4,342 annually including interest, maturing 2016	-	4,120
Debenture, interest at 5.375%, payable at \$12,515 annually including interest, maturing 2016	-	11,876
Debenture, interest at 5.375%, payable at \$4,965 annually including interest, maturing 2016	-	4,712
Debenture, interest at 5.500%, payable at \$697,379 annually including interest, maturing 2024	4,417,594	4,848,316
Debenture, interest at 5.500%, payable at \$298,877 annually including interest, maturing 2024	1,893,255	2,077,850
Debenture, interest at 5.500%, payable at \$8,468 annually including interest, maturing 2024	53,642	58,872
Debenture, interest at 5.500%, payable at \$145,952 annually including interest, maturing 2024	924,539	1,014,684
Debenture, interest at 5.500%, payable at \$159,401 annually including interest, maturing 2025	1,108,187	1,201,505
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	69,262	75,094
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	69,262	75,094
Debenture, interest at 5.250%, payable at \$146,965 annually including interest, maturing 2025	1,033,074	1,121,178
Debenture, interest at 5.250%, payable at \$9,798 annually including interest, maturing 2025	68,872	74,745
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	137,743	149,490
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	137,743	149,490
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 \$100,967 (2015 - \$109,913)	40,521	53,357
	<u>\$ 10,223,855</u>	<u>\$ 11,253,271</u>

**CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016**

9. Long-Term Debt (continued)

Sub-total (previous page)	<u>\$ 10,223,855</u>	<u>\$ 11,253,271</u>
Utility Funds:		
Debenture for Sewage Facility, interest at 7.000%, payable at \$54,897 annually including interest, maturing 2017	51,306	99,255
Debenture for Sewage Facility, interest at 7.125%, payable at \$33,199 annually including interest, maturing 2017	30,991	59,920
Debenture for Sewage Facility, interest at 7.000%, payable at \$219,589 annually including interest, maturing 2017	205,223	397,021
Debenture for Sewage Facility, interest at 7.125%, payable at \$33,199 annually including interest, maturing 2017	30,991	59,920
Debenture for Sewage Facility, interest at 7.000%, payable at \$548,973 annually including interest, maturing 2017	513,059	992,554
Debenture for Sewage Facility, interest at 6.750%, payable at \$75,647 annually including interest, maturing 2017	70,864	137,247
Debenture for Sewage Facility, interest at 6.500%, payable at \$21,271 annually including interest, maturing 2018	38,726	56,335
Debenture for Sewage Facility, interest at 6.625%, payable at \$75,046 annually including interest, maturing 2018	136,393	198,301
Debenture for Sewage Facility, interest at 6.625%, payable at \$117,929 annually including interest, maturing 2018	<u>214,331</u>	<u>311,617</u>
	<u>\$ 1,291,884</u>	<u>\$ 2,312,170</u>
	<u><u>\$ 11,515,739</u></u>	<u><u>\$ 13,565,441</u></u>

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

2017	\$ 2,154,297
2018	\$ 1,323,224
2019	\$ 1,182,351
2020	\$ 1,188,470
2021	\$ 1,243,557

10. Commitments

The City has a contract for 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.

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 \$465,806 (2015 - \$483,376) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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. 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.

13. 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 \$475,824. This project is to be funded by utility operating fund.

Subsequent to year-end, the City contracted for the land application of biosolids for the 2017 season at a cost of \$370 per dry tonne up to \$517,300. This project is to be funded by utility operating fund.

Subsequent to the year-end, the City contracted for the supply of dry pebbled lime for the Water Treatment Plant of approximately \$643,800. This project is to be funded by utility operating fund.

Subsequent to the year-end, the City contracted for construction work with respect to the 2017 pavement contract of approximately \$1,106,968. This project is to be funded by grants, reserves and operating fund.

Subsequent to year-end, the City contracted for provision of by-law, parking meter and animal control enforcement for approximately \$140,220. This project is to be funded by the general operating fund.

Subsequent to year-end the Portage Regional Recreational Authority Inc. entered in to a contract with Paradies LeisureScapes of Regina to complete the Splash Island Liner Replacement Project for a total cost of \$250,000.

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 consolidated financial statements have been approved by council.

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

15. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,944,387	\$ 982,273
Utility operating fund - Nominal surplus	286,043	250,646
TCA net of related borrowings	63,101,170	57,090,189
Reserve funds	<u>27,941,802</u>	<u>25,499,808</u>
Accumulated surplus of municipality	93,273,402	83,822,916
Accumulated surpluses of consolidated entities	<u>2,691,446</u>	<u>2,324,505</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 95,964,848</u></u>	<u><u>\$ 86,147,421</u></u>

16. 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, 2016:

- a) Compensation paid to members of council amounted to \$132,204 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	\$ 39,104	\$ 3,533	\$ 42,637
Councillor - Brent Froese	14,712	1,613	16,325
Councillor - Liz Driedger	15,041	486	15,527
Councillor - Brent Budz	17,414	377	17,791
Councillor - Ryan Espey	15,161	320	15,481
Councillor - Wayne Wall	15,161	1,688	16,849
Councillor - Melissa Draycott	<u>15,611</u>	<u>600</u>	<u>16,211</u>
	<u><u>\$ 132,204</u></u>	<u><u>\$ 8,617</u></u>	<u><u>\$ 140,821</u></u>

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

16. 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	\$ 145,410
Amanda Watson	Director of Finance	\$ 70,265
Darren Jones	Manager of IT	\$ 66,238
Diane Van Aert	Manager of Administration	\$ 59,078
Kathy McGregor	Communications Coordinator	\$ 53,316
David Green	Manager of Parks	\$ 78,203
Tieny Kirchner	Manager of Finance	\$ 64,558
Jennifer Sandney	Finance Clerk & Manager of Finance	\$ 52,906
Brandy Smith	Human Resource Officer	\$ 67,402
Scott Miller	Health and Safety Co-ordinator	\$ 58,887
Adam Carpenter	Transportation Foreman	\$ 68,601
Matthew Phillips	Engineering Technologist	\$ 65,122
Matthew Heintz	Engineering Technologist	\$ 64,025
Mandy Costley	GIS Technologist	\$ 59,297
Phil Carpenter	Fire Chief	\$ 102,694
Brad Bailey	Fire Fighter	\$ 83,308
Jared Bergen	Fire Fighter	\$ 85,394
Dave Holmes	Deputy Fire Chief	\$ 94,108
Corey Jowett	Fire Fighter	\$ 98,695
George Kerr	Fire Fighter	\$ 90,132
Curtis Rance	Fire Fighter	\$ 80,402
Todd McKinnon	Fire Fighter	\$ 98,809
Don Robertson	Fire Fighter	\$ 89,069
Stephen Moffit	Fire Fighter	\$ 84,506
David Sproat	Fire Fighter	\$ 94,841
Landeyn Aymont	Fire Fighter	\$ 81,374
Chris Perry	Fire Fighter	\$ 83,751
Gerard Pawloski	Fire Fighter	\$ 84,676
Daren Van Den Bussche	Fire Fighter	\$ 82,546
Jeff Tessier	Fire Fighter	\$ 80,422
Ryan Draycott	Fire Fighter	\$ 61,061
Sharon Thorsteinson	Administration Assistant	\$ 50,103
Kelly Braden	Director of Operations	\$ 118,527
Ian Milne	Manager of Engineering	\$ 86,660
Jocelyn Lequier-jobin	Asst. City Engineer	\$ 60,263
Wade Andrushuk	Transportation Operator B	\$ 55,846
Shane Pierson	Assistant Mechanic	\$ 61,045
Brian Taylor	Manager of Public Works	\$ 86,205
Terry Thompson	Mechanic	\$ 73,173
Charles Ward	Waterworks Mtnce	\$ 57,567
Trevor Bruno	Transportation Operator B	\$ 54,159
Curtis Sanderson	Transportation "A" Operator	\$ 61,522
Keith Barron	Waterworks Foreman	\$ 77,622
Lloyd Vivier	Cemetery Foreman	\$ 59,291
Vaughn Williams	Facility Maintenance	\$ 68,875
Michael Sandney	Manager of Water Treatment Plant	\$ 83,001
Jeff Sing	WTP Operator	\$ 77,956
John Altenburg	WPCF Operator	\$ 73,113
Rick Ingram	Maintenance Foreman	\$ 76,399
Jim Mekkes	WPCF Operator	\$ 77,913
Allan O'Neil	Facility Maintenance	\$ 66,163
Richard Yanchycki	Operations Foreman	\$ 64,428
Karly Friesen	Manager of Water Pollution Control Facility	\$ 88,804
Aaron Stechesen	Lab Technologist	\$ 67,497
Wyatt McEachnie	Water Pollution Operator	\$ 74,188
Dwayne Houston	WPCF Operator	\$ 77,345
Mark Palendat	Parks Foreman	\$ 56,949
Kaley Giffin	Water Treatment Operator	\$ 79,651
Joel Trandafir	Water Treatment Operator	\$ 75,167
Wade Lundstrom	Transportation Operator B	\$ 56,184
Bryan Cairns	Facility Maintenance	\$ 66,841
Ben Olson	Water Treatment Operator	\$ 74,875
Kelly Popko	Transportation Operator B	\$ 52,594
David Anderson	Waterworks Mtnce	\$ 51,104
Jim Morrison	Waterworks Mtnce	\$ 52,171

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

17. 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.

18. Government Partnerships

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

	<u>2016</u>	<u>2015</u>
Financial Position		
Financial assets	\$ 1,796,822	\$ 1,689,636
Financial liabilities	<u>615,479</u>	<u>712,628</u>
Net financial assets	\$ 1,181,343	\$ 977,008
Non-financial assets	<u>1,417,221</u>	<u>1,242,002</u>
Accumulated surplus	<u>\$ 2,598,564</u>	<u>\$ 2,219,010</u>
Result of Operations		
Revenues	\$ 2,361,752	\$ 2,244,103
Expenses	<u>1,982,198</u>	<u>1,983,955</u>
Annual surplus	<u>\$ 379,554</u>	<u>\$ 260,148</u>

19. Contingency

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 December 31, 2016, the Organization has incurred \$157,873 in costs relating to the roof repairs. The total cost of the repairs is estimated at \$1,795,026. As of May 26, 2017, management is unsure of the amount recoverable from the outcome of the lawsuit.

CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2016

SCHEDULE 1

	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	2016	2015
Cost										
Opening costs	9,449,183	44,019,946	5,087,158	327,262	1,893,959	18,691,263	90,084,415	5,165,809	174,718,995	169,807,164
Additions during the year	227,592	1,665,412	565,222	106,288	(880,333)	845,731	5,766,252	(1,945,817)	6,350,347	5,010,926
Disposals and write downs	-	-	(185,465)	-	-	-	-	-	(185,465)	(99,095)
Closing costs	9,676,775	45,685,358	5,466,915	433,550	1,013,626	19,536,994	95,850,667	3,219,992	180,883,877	174,718,995
Accumulated Amortization										
Opening accum'd amortization	2,935,930	10,457,049	2,404,647	258,121	-	2,904,277	83,940,054	-	102,900,078	100,941,529
Amortization	213,805	1,020,737	346,641	29,142	-	107,117	454,869	-	2,172,311	2,050,166
Disposals and write downs	-	-	(159,877)	-	-	-	-	-	(159,877)	(91,617)
Closing 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
Net Book Value of Tangible Capital Assets	6,527,040	34,207,572	2,875,504	146,287	1,013,626	16,525,600	11,455,744	3,219,992	75,971,365	71,818,917

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, 2016

SCHEDULE 2

	2016 Actual	2015 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 10,353,057	\$ 10,082,265
Taxes added	121,367	136,969
	<u>10,474,424</u>	<u>10,219,234</u>
Grants in lieu of taxation:		
Federal government	16,496	16,056
Federal government enterprises	2,294	2,515
Provincial government	417,665	443,174
Provincial government enterprises	414,924	428,146
Other local governments	-	-
Non-government organizations	-	-
	<u>851,379</u>	<u>889,891</u>
User fees		
Parking meters	88,051	83,630
Sales of service	2,035,808	2,143,936
Sales of goods	115,052	108,931
Rentals	246,748	212,573
Development charges	-	-
Facility use fees	741,788	761,033
	<u>3,227,447</u>	<u>3,310,103</u>
Permits, licences and fines		
Permits	-	-
Licences	108,961	106,047
Fees	408,773	199,476
Fines	87,289	84,681
	<u>605,023</u>	<u>390,204</u>
Investment income:		
Cash and temporary investments	515,985	494,305
Marketable securities	-	-
Municipal debentures	-	-
Other	-	-
	<u>515,985</u>	<u>494,305</u>
Other revenue:		
Gain on sale of tangible capital assets	43,812	12,537
Gain on sale of real estate held for sale	294	90
Contributed assets	-	-
Penalties and interest	126,050	126,797
Miscellaneous	296,755	233,853
	<u>466,911</u>	<u>373,277</u>
Water and sewer		
Municipal utility (Schedule 9)	12,786,405	11,341,071
Consolidated water co-operatives	-	-
	<u>12,786,405</u>	<u>11,341,071</u>
Grants - Province of Manitoba		
General assistance payment	2,061,591	2,061,591
General support grant	147,585	138,612
Municipal program grants	193,233	193,233
Other unconditional grants	-	-
Conditional grants	1,212,506	1,274,122
	<u>3,614,915</u>	<u>3,667,558</u>
Grants - other		
Federal government - gas tax funding	701,864	668,442
Federal government - other	-	-
Other local governments	734,521	541,560
	<u>1,436,385</u>	<u>1,210,002</u>
Total revenue	<u>\$ 33,978,874</u>	<u>\$ 31,895,645</u>

CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 3

	<u>2016 Actual</u>	<u>2015 Actual</u>
General government services:		
Legislative	\$ 171,112	\$ 183,270
General administrative	1,603,585	1,827,596
Other	153,636	227,375
	<u>1,928,333</u>	<u>2,238,241</u>
Protective services:		
Police	3,574,695	3,527,306
Fire	1,824,376	1,845,527
Emergency measures	55,305	51,014
Other	79,004	89,786
	<u>5,533,380</u>	<u>5,513,633</u>
Transportation services:		
Road transport		
Administration and engineering	132,869	212,710
Road and street maintenance	1,763,409	2,025,383
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	98,558	89,775
Street lighting	248,009	239,109
Other	-	-
Air transport	-	-
Public transit	105,228	106,895
Other	-	-
	<u>2,348,073</u>	<u>2,673,872</u>
Environmental health services:		
Waste collection and disposal	692,730	746,627
Recycling	220,097	234,340
Other	-	-
	<u>912,827</u>	<u>980,967</u>
Public health and welfare services:		
Public health	230,017	228,567
Medical care	-	-
Social assistance	76,588	70,774
Other	-	-
	<u>306,605</u>	<u>299,341</u>
Regional planning and development		
Planning and zoning	269,572	268,562
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	183,598	208,233
Other	124,638	108,107
	<u>577,808</u>	<u>584,902</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	503,857	529,020
Industrial development	7,012	3,071
Tourism	2,289	41,397
Other	8,177	16,399
	<u>521,335</u>	<u>589,887</u>
Sub-totals forward	<u>12,128,361</u>	<u>12,880,843</u>

CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 3

	<u>2016 Actual</u>	<u>2015 Actual</u>
Sub-totals forward	<u>12,128,361</u>	<u>12,880,843</u>
Recreation and cultural services:		
Administration	2,664,090	2,488,740
Community centers and halls	70,000	74,357
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	11,817	11,729
Parks and playgrounds	285,929	322,283
Other recreational facilities	1,704,502	1,828,229
Museums	-	-
Libraries	578,307	582,454
Other cultural facilities	189,556	97,597
	<u>5,504,201</u>	<u>5,405,389</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	6,528,885	6,134,138
Consolidated water co-operatives	-	-
	<u>6,528,885</u>	<u>6,134,138</u>
Total expenses	<u><u>\$ 24,161,447</u></u>	<u><u>\$ 24,420,370</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$10,474,424	\$ 10,219,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	851,379	889,891	-	-	-	-	-	-	-	-
User fees	101,820	99,537	707,530	688,988	40,478	38,805	881,144	906,724	72,904	64,718
Grants - other	97,155	17,003	53,240	26,000	701,864	668,442	-	-	-	-
Permits, licences and fines	107,560	104,577	497,463	285,627	-	-	-	-	-	-
Investment income	160,528	145,632	1,469	1,520	24,701	21,219	7,106	6,386	23	25
Other revenue	343,022	295,406	-	-	4,323	16,187	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	2,402,409	2,393,436	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	261,000	261,100	487,043	584,271	292,194	284,555	-	-
Total revenue	\$ 14,538,297	\$ 14,164,716	\$ 1,520,702	\$ 1,263,235	\$ 1,258,409	\$ 1,328,924	\$ 1,180,444	\$ 1,197,665	\$ 72,927	\$ 64,743
EXPENSES										
Personnel services	\$ 1,238,810	\$ 1,459,023	\$ 1,795,706	\$ 1,857,459	\$ 700,628	\$ 678,172	\$ 247,766	\$ 248,696	\$ 113,169	\$ 126,444
Contract services	300,690	418,888	3,412,565	3,341,114	326,179	718,062	555,104	584,855	82,958	82,945
Utilities	57,813	55,349	56,376	66,196	289,405	286,807	7,234	5,405	6,272	6,472
Maintenance materials and supplies	132,746	48,583	140,010	131,941	631,564	624,789	39,693	73,703	97,490	78,726
Grants and contributions	52,648	56,131	3,155	2,774	(361)	-	-	-	5,344	3,563
Amortization	21,212	15,086	123,606	114,149	385,014	346,586	35,942	60,018	-	-
Interest on long term debt	-	-	-	-	11,255	17,285	1,901	2,403	-	-
Other	124,414	185,181	1,962	-	4,389	2,171	25,187	5,887	1,372	1,191
Total expenses	\$ 1,928,333	\$ 2,238,241	\$ 5,533,380	\$ 5,513,633	\$ 2,348,073	\$ 2,673,872	\$ 912,827	\$ 980,967	\$ 306,605	\$ 299,341
Surplus (Deficit)	\$ 12,609,964	\$ 11,926,475	\$ (4,012,678)	\$ (4,250,398)	\$ (1,089,664)	\$ (1,344,948)	\$ 267,617	\$ 216,698	\$ (233,678)	\$ (234,598)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,474,424	\$ 10,219,234
Grants in lieu of taxation	-	-	-	-	-	-	-	-	851,379	889,891
User fees	374,062	397,664	16,461	38,677	1,033,048	1,074,990	-	-	3,227,447	3,310,103
Grants - other	22,208	22,208	81,757	53,086	480,161	423,263	-	-	1,436,385	1,210,002
Permits, licences and fines	-	-	-	-	-	-	-	-	605,023	390,204
Investment income	14,881	17,743	493	492	13,242	8,672	293,542	292,616	515,985	494,305
Other revenue	-	-	-	2,442	119,566	59,242	-	-	466,911	373,277
Water and sewer	-	-	-	-	-	-	12,786,405	11,341,071	12,786,405	11,341,071
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,402,409	2,393,436
Prov of MB - Conditional Grants	-	-	31,546	3,484	140,723	140,712	-	-	1,212,506	1,274,122
Total revenue	\$ 411,151	\$ 437,615	\$ 130,257	\$ 98,181	\$ 1,786,740	\$ 1,706,879	\$ 13,079,947	\$ 11,633,687	\$ 33,978,874	\$ 31,895,645
EXPENSES										
Personnel services	\$ 321,449	\$ 304,279	\$ 316,282	\$ 323,709	\$ 1,695,804	\$ 1,699,388	\$ 2,357,682	\$ 2,644,419	\$ 8,787,296	\$ 9,341,589
Contract services	119,310	162,965	57,159	89,662	392,895	384,926	1,960,933	1,400,512	7,207,793	7,183,929
Utilities	7,514	8,762	8,543	9,493	351,552	365,678	877,513	886,304	1,662,222	1,690,466
Maintenance materials and supplies	74,716	61,830	70,774	79,830	630,940	543,555	634,806	592,189	2,452,739	2,235,146
Grants and contributions	22,205	22,205	53,171	68,326	728,181	576,161	-	-	864,343	729,160
Amortization	24,481	22,017	9,871	11,011	1,117,316	1,180,769	454,869	300,530	2,172,311	2,050,166
Interest on long term debt	-	-	2,301	2,790	565,910	613,799	135,833	196,269	717,200	832,546
Other	8,133	2,844	3,234	5,066	21,603	41,113	107,249	113,915	297,543	357,368
Total expenses	\$ 577,808	\$ 584,902	\$ 521,335	\$ 589,887	\$ 5,504,201	\$ 5,405,389	\$ 6,528,885	\$ 6,134,138	\$ 24,161,447	\$ 24,420,370
Surplus (Deficit)	\$ (166,657)	\$ (147,287)	\$ (391,078)	\$ (491,706)	\$ (3,717,461)	\$ (3,698,510)	\$ 6,551,062	\$ 5,499,549	\$ 9,817,427	\$ 7,475,275

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 10,474,424	\$ 10,219,234	\$ -	\$ -	\$ -	\$ -	\$ 10,474,424	\$ 10,219,234
Grants in lieu of taxation	851,379	889,891	-	-	-	-	851,379	889,891
User fees	1,730,367	1,723,319	24,814	28,683	1,472,266	1,558,101	3,227,447	3,310,103
Grants - other	852,259	738,767	-	-	584,126	471,235	1,436,385	1,210,002
Permits, licences and fines	605,023	390,204	-	-	-	-	605,023	390,204
Investment income	498,961	481,919	174	174	16,850	12,212	515,985	494,305
Other revenue	343,022	295,406	4,323	16,187	119,566	61,684	466,911	373,277
Water and sewer	12,786,405	11,341,071	-	-	-	-	12,786,405	11,341,071
Prov of MB - Unconditional Grants	2,402,409	2,393,436	-	-	-	-	2,402,409	2,393,436
Prov of MB - Conditional Grants	1,008,562	1,097,529	35,000	35,722	168,944	140,871	1,212,506	1,274,122
Total revenue	\$ 31,552,811	\$ 29,570,776	\$ 64,311	\$ 80,766	\$ 2,361,752	\$ 2,244,103	\$ 33,978,874	\$ 31,895,645
EXPENSES								
Personnel services	\$ 6,852,113	\$ 7,367,238	\$ 58,975	\$ 55,580	\$ 1,876,208	\$ 1,918,771	\$ 8,787,296	\$ 9,341,589
Contract services	6,883,906	6,858,318	10,257	15,884	313,630	309,727	7,207,793	7,183,929
Utilities	1,324,297	1,339,004	980	2,164	336,945	349,298	1,662,222	1,690,466
Maintenance materials and supplies	1,762,003	1,687,725	14,941	15,133	675,795	532,288	2,452,739	2,235,146
Grants and contributions	2,265,789	2,041,524	(28,665)	(26,400)	(1,372,781)	(1,285,964)	864,343	729,160
Amortization	2,055,653	1,922,971	17,644	17,643	99,014	109,552	2,172,311	2,050,166
Interest on long term debt	712,998	827,353	-	-	4,202	5,193	717,200	832,546
Other	245,566	311,787	2,792	491	49,185	45,090	297,543	357,368
Total expenses	\$ 22,102,325	\$ 22,355,920	\$ 76,924	\$ 80,495	\$ 1,982,198	\$ 1,983,955	\$ 24,161,447	\$ 24,420,370
Surplus (Deficit)	\$ 9,450,486	\$ 7,214,856	\$ (12,613)	\$ 271	\$ 379,554	\$ 260,148	\$ 9,817,427	\$ 7,475,275

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016							
	General Reserve	Equipment Replacement Reserve	Cemetery Reserve	Recreation Reserve	Fire Truck Reserve	Handicap Access Reserve	Land Development Reserve	Sub-total
REVENUE								
Investment income	\$ 69,977	\$ 2,030	\$ 23	\$ -	\$ 1,469	\$ 631	\$ 11,760	\$ 85,890
Other income	-	-	-	-	-	-	-	-
Total revenue	69,977	2,030	23	-	1,469	631	11,760	85,890
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	69,977	2,030	23	-	1,469	631	11,760	85,890
TRANSFERS								
Transfers from general operating fund	617,576	175,000	-	-	150,000	-	-	942,576
Transfers to general operating fund	(397,966)	-	-	-	-	-	-	(397,966)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(245,801)	-	-	-	-	(275,000)	(520,801)
CHANGE IN RESERVE FUND BALANCES	289,587	(68,771)	23	-	151,469	631	(263,240)	109,699
FUND SURPLUS, BEGINNING OF YEAR	5,639,555	254,282	1,976	-	21,687	54,798	1,021,019	6,993,317
FUND SURPLUS, END OF YEAR	\$ 5,929,142	\$ 185,511	\$ 1,999	\$ -	\$ 173,156	\$ 55,429	\$ 757,779	\$ 7,103,016

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016							
	Environmental Reserve	Computer Reserve	Crescent Lake Reserve	Handivan Reserve	Special Administration Reserve	Capital Levy Reserve	Dedication Fees Reserve	Sub-total
REVENUE								
Investment income	\$ 6,664	\$ 1,932	\$ 148	\$ 174	\$ 2,972	\$ 1,067	\$ 253	\$ 99,100
Other income	-	-	-	-	-	-	-	-
Total revenue	6,664	1,932	148	174	2,972	1,067	253	99,100
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	6,664	1,932	148	174	2,972	1,067	253	99,100
TRANSFERS								
Transfers from general operating fund	19,498	30,000	543	-	270,100	-	-	1,262,717
Transfers to general operating fund	(14,000)	(91,240)	-	-	(335,740)	-	-	(838,946)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	18,000	-	-	-	-	-	18,000
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	(520,801)
CHANGE IN RESERVE FUND BALANCES	12,162	(41,308)	691	174	(62,668)	1,067	253	20,070
FUND SURPLUS, BEGINNING OF YEAR	573,602	155,546	16,985	15,136	250,870	92,644	21,960	8,120,060
FUND SURPLUS, END OF YEAR	\$ 585,764	\$ 114,238	\$ 17,676	\$ 15,310	\$ 188,202	\$ 93,711	\$ 22,213	\$ 8,140,130

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016							
	Economic Development Reserve	Sidewalk Reserve	Softball Reserve	Gas Tax Reserve	Glesby Centre Reserve	Utility Replacement Reserve	Utility Nutrient Removal Reserve	Sub-total
REVENUE								
Investment income	\$ -	\$ 952	\$ 195	\$ 21,371	\$ -	\$ 156,017	\$ 137,525	\$ 415,160
Other income	-	-	-	-	-	-	-	-
Total revenue	-	952	195	21,371	-	156,017	137,525	415,160
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	952	195	21,371	-	156,017	137,525	415,160
TRANSFERS								
Transfers from general operating fund	-	20,000	-	701,864	20,000	-	-	2,004,581
Transfers to general operating fund	-	-	-	-	-	-	-	(838,946)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	1,879,738	1,420,876	3,318,614
Transfers to utility operating fund	-	-	-	-	-	(1,922,000)	-	(1,922,000)
Acquisition of tangible capital assets	-	(10,000)	-	(121,436)	-	-	-	(652,237)
CHANGE IN RESERVE FUND BALANCES	-	10,952	195	601,799	20,000	113,755	1,558,401	2,325,172
FUND SURPLUS, BEGINNING OF YEAR	-	68,504	10,472	1,898,070	54,685	8,148,729	7,087,766	25,388,286
FUND SURPLUS, END OF YEAR	\$ -	\$ 79,456	\$ 10,667	\$ 2,499,869	\$ 74,685	\$ 8,262,484	\$ 8,646,167	\$ 27,713,458

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016			2015
	Accommodation Tax Marketing Reserve	Accommodation Tax Sask Ave Reserve	Total	Total
REVENUE				
Investment income	\$ -	\$ -	\$ 415,160	\$ 418,500
Other income	-	-	-	-
Total revenue	-	-	415,160	418,500
EXPENSES				
Investment charges	-	-	-	-
Other expenses	-	-	-	-
Total expenses	-	-	-	-
NET REVENUES	-	-	415,160	418,500
TRANSFERS				
Transfers from general operating fund	59,675	59,675	2,123,931	2,840,678
Transfers to general operating fund	(2,528)	-	(841,474)	(566,248)
Transfer from nominal surplus	-	-	-	-
Transfers from utility operating fund	-	-	3,318,614	2,886,379
Transfers to utility operating fund	-	-	(1,922,000)	(468,163)
Acquisition of tangible capital assets	-	-	(652,237)	(2,406,250)
CHANGE IN RESERVE FUND BALANCES	57,147	59,675	2,441,994	2,704,896
FUND SURPLUS, BEGINNING OF YEAR	452	111,070	25,499,808	22,794,912
FUND SURPLUS, END OF YEAR	\$ 57,599	\$ 170,745	\$ 27,941,802	\$ 25,499,808

CITY OF PORTAGE LA PRAIRIE
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2016

SCHEDULE 7

	Northeast Community Family Care	Willow Bay Paving In Trust	Cemetery Perpetual Trust	West-end Development Trust	Manitoba Hydro	Fire Equipment	Multiplex Public Contributions	Sub-total
ASSETS								
Cash and temporary investments	\$ 1,594	\$ 4,267	\$ 155,568	\$ 21	\$ 53,987	\$ -	\$ 1	\$ 215,438
Portfolio investments	-	-	131,444	-	-	-	-	131,444
Due from Municipality	-	-	12,796	-	-	12,302	207	25,305
	<u>\$ 1,594</u>	<u>\$ 4,267</u>	<u>\$ 299,808</u>	<u>\$ 21</u>	<u>\$ 53,987</u>	<u>\$ 12,302</u>	<u>\$ 208</u>	<u>\$ 372,187</u>
LIABILITIES AND FUND BALANCES								
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	1,594	4,267	299,808	21	53,987	12,302	208	372,187
	<u>\$ 1,594</u>	<u>\$ 4,267</u>	<u>\$ 299,808</u>	<u>\$ 21</u>	<u>\$ 53,987</u>	<u>\$ 12,302</u>	<u>\$ 208</u>	<u>\$ 372,187</u>
REVENUES								
Contributions and donations	\$ -	\$ -	\$ 5,344	\$ -	\$ -	\$ 1,913	\$ 208	\$ 7,465
Investment income	29	78	5,807	-	989	-	-	6,903
	<u>29</u>	<u>78</u>	<u>11,151</u>	<u>-</u>	<u>989</u>	<u>1,913</u>	<u>208</u>	<u>14,368</u>
EXPENDITURES								
Cemetery maintenance	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	29	78	11,151	-	989	1,913	208	14,368
FUND BALANCE, BEGINNING OF YEAR	1,565	4,189	288,657	21	52,998	10,389	-	357,819
FUND BALANCE, END OF YEAR	<u>\$ 1,594</u>	<u>\$ 4,267</u>	<u>\$ 299,808</u>	<u>\$ 21</u>	<u>\$ 53,987</u>	<u>\$ 12,302</u>	<u>\$ 208</u>	<u>\$ 372,187</u>

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF TRUST FUNDS
 For the Year Ended December 31, 2016

SCHEDULE 7

	Golf Island Park	Centennial Community Club Inc.	Misc City Contributions	DARE Program	2014 Election Surplus	Total	
						2016	2015
ASSETS							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 964	\$ -	\$ 216,402	\$ 212,438
Portfolio investments	-	-	-	-	-	131,444	128,486
Due from Municipality	2,121	1,500	1,325	-	98	30,349	21,785
	<u>\$ 2,121</u>	<u>\$ 1,500</u>	<u>\$ 1,325</u>	<u>\$ 964</u>	<u>\$ 98</u>	<u>\$ 378,195</u>	<u>\$ 362,709</u>
LIABILITIES AND FUND BALANCES							
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	2,121	1,500	1,325	964	98	378,195	362,709
	<u>\$ 2,121</u>	<u>\$ 1,500</u>	<u>\$ 1,325</u>	<u>\$ 964</u>	<u>\$ 98</u>	<u>\$ 378,195</u>	<u>\$ 362,709</u>
REVENUES							
Contributions and donations	\$ -	\$ 10,375	\$ 5,720	\$ -	\$ -	\$ 23,560	\$ 18,355
Investment income	-	-	-	18	-	6,921	6,961
	<u>-</u>	<u>10,375</u>	<u>5,720</u>	<u>18</u>	<u>-</u>	<u>30,481</u>	<u>25,316</u>
EXPENDITURES							
Cemetery maintenance	-	-	-	-	-	-	-
Distribution to beneficiaries	-	8,875	6,120	-	-	14,995	-
Other	-	-	-	-	-	-	22,496
	<u>-</u>	<u>8,875</u>	<u>6,120</u>	<u>-</u>	<u>-</u>	<u>14,995</u>	<u>22,496</u>
EXCESS OF REVENUES OVER EXPENDITURES							
	-	1,500	(400)	18	-	15,486	2,820
FUND BALANCE, BEGINNING OF YEAR							
	2,121	-	1,725	946	98	362,709	359,889
FUND BALANCE, END OF YEAR							
	<u>\$ 2,121</u>	<u>\$ 1,500</u>	<u>\$ 1,325</u>	<u>\$ 964</u>	<u>\$ 98</u>	<u>\$ 378,195</u>	<u>\$ 362,709</u>

CITY OF PORTAGE LA PRAIRIE
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2016

SCHEDULE 8

	<u>2016</u>	<u>2015</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 1,660,084	\$ 906,442
Due from other funds	-	379,115
	<u>\$ 1,660,084</u>	<u>\$ 1,285,557</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 308,218	\$ 1,278,586
Long-term debt (Note 9)	1,291,884	2,312,170
Due to other funds	892,328	-
	<u>2,492,430</u>	<u>3,590,756</u>
NET DEBT	<u>\$ (832,346)</u>	<u>\$ (2,305,199)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 14,675,736	\$ 11,310,170
Inventories	244,527	243,304
Prepaid expenses	21,635	371
	<u>14,941,898</u>	<u>11,553,845</u>
FUND SURPLUS	<u>\$ 14,109,552</u>	<u>\$ 9,248,646</u>

COMMITMENTS (Note 10)

CITY OF PORTAGE LA PRAIRIE
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2016

SCHEDULE 9

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
REVENUE			
Water			
Water fees	\$ 10,298,000	\$ 10,451,846	\$ 9,644,174
Bulk Water fees	-	8,215	9,191
sub-total- water	<u>10,298,000</u>	<u>10,460,061</u>	<u>9,653,365</u>
Sewer			
Sewer fees	25,000	27,704	23,356
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>25,000</u>	<u>27,704</u>	<u>23,356</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	1,270,482	868,527
sub-total- government transfers	<u>-</u>	<u>1,270,482</u>	<u>868,527</u>
Other			
Hydrant rentals	57,700	57,725	57,725
Connection charges	1,200	28,868	24,675
Installation service	-	-	-
Penalties	9,200	6,424	8,800
Contributed tangible capital assets	-	-	-
Investment income	-	54,716	42,280
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	14,040	-
Other income	1,865,432	866,385	662,343
sub-total- other	<u>1,933,532</u>	<u>1,028,158</u>	<u>795,823</u>
Total revenue	<u>12,256,532</u>	<u>12,786,405</u>	<u>11,341,071</u>

CITY OF PORTAGE LA PRAIRIE
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2016

SCHEDULE 9

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
EXPENSES			
General			
Administration	1,152,094	1,561,468	1,050,414
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>1,152,094</u>	<u>1,561,468</u>	<u>1,050,414</u>
Water General			
Purification and treatment	2,134,700	1,966,843	1,979,614
Water purchases	-	-	-
Transmission and distribution	2,582,274	925,144	1,204,853
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>4,716,974</u>	<u>2,891,987</u>	<u>3,184,467</u>
Water Amortization & Interest			
Amortization	182,289	182,289	123,983
Interest on long term debt	67,917	67,917	98,134
sub-total- water amortization & interest	<u>250,206</u>	<u>250,206</u>	<u>222,117</u>
Sewer General			
Collection system costs	1,558,700	921,987	926,884
Treatment and disposal cost	210,200	331,997	229,464
Lift Station costs	173,200	230,744	246,110
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	5,000	-	-
sub-total- sewer general	<u>1,947,100</u>	<u>1,484,728</u>	<u>1,402,458</u>
Sewage Amortization & Interest			
Amortization	272,580	272,580	176,547
Interest on long term debt	67,916	67,916	98,135
sub-total- sewer amortization & interest	<u>340,496</u>	<u>340,496</u>	<u>274,682</u>
Total expenses	<u>8,406,870</u>	<u>6,528,885</u>	<u>6,134,138</u>
NET OPERATING SURPLUS	3,849,662	6,257,520	5,206,933
TRANSFERS			
Transfers from (to) operating fund	-	-	17,107
Transfers from (to) reserve funds	<u>(5,240,614)</u>	<u>(1,396,614)</u>	<u>(1,628,427)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (1,390,952)</u>	4,860,906	3,595,613
FUND SURPLUS, BEGINNING OF YEAR		<u>9,248,646</u>	<u>5,653,033</u>
FUND SURPLUS, END OF YEAR		<u>\$ 14,109,552</u>	<u>\$ 9,248,646</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 10,368,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,368,344
Grants in lieu of taxation	851,379	-	-	-	-	-	-	851,379
User fees	1,487,115	-	-	-	-	-	1,497,080	2,984,195
Permits, licences and fines	369,500	-	-	-	-	-	-	369,500
Investment income	50,000	-	-	-	-	-	17,024	67,024
Other revenue	290,100	-	-	-	-	-	123,889	413,989
Water and sewer	-	12,256,532	-	-	-	-	-	12,256,532
Grants - Province of Manitoba	4,171,574	-	-	-	-	-	203,944	4,375,518
Grants - other	26,814	-	-	-	-	-	584,126	610,940
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	1,611,740	1,922,000	-	-	(3,533,740)	-	-	-
Total revenue	\$ 19,226,566	\$ 14,178,532	\$ -	\$ -	\$ (3,533,740)	\$ -	\$ 2,426,063	\$ 32,297,421
EXPENSES								
General government services	\$ 2,140,875	\$ -	\$ 21,212	\$ -	\$ 133,806	\$ -	\$ -	\$ 2,295,893
Protective services	5,489,215	-	123,606	-	-	-	-	5,612,821
Transportation services	2,308,027	-	367,370	11,255	-	-	76,924	2,763,576
Environmental health services	827,100	-	-	-	-	-	177,124	1,004,224
Public health and welfare services	327,400	-	-	-	-	-	-	327,400
Regional planning and development	376,822	-	8,887	-	-	-	194,040	579,749
Resource cons and industrial dev	225,580	-	-	-	-	-	117,165	342,745
Recreation and cultural services	2,144,605	-	1,079,709	565,910	-	-	1,493,869	5,284,093
Water and sewer services	-	7,816,168	454,869	135,833	-	-	-	8,406,870
Fiscal services:								
Transfer to capital	1,430,000	2,162,000	-	-	(3,592,000)	-	-	-
Debt charges	1,613,669	1,179,750	-	(2,793,419)	-	-	-	-
Other	65,300	-	-	-	(65,300)	-	-	-
Transfer to reserves	2,209,467	3,318,614	-	-	(5,528,081)	-	-	-
Allowance for tax assets and tax discounts	68,506	-	-	-	(68,506)	-	-	-
Total expenses	\$ 19,226,566	\$ 14,476,532	\$ 2,055,653	\$ (2,080,421)	\$ (9,120,081)	\$ -	\$ 2,059,122	\$ 26,617,371
Surplus (Deficit)	\$ -	\$ (298,000)	\$ (2,055,653)	\$ 2,080,421	\$ 5,586,341	\$ -	\$ 366,941	\$ 5,680,050

**CITY OF PORTAGE LA PRAIRIE
ANALYSIS OF TAXES ON ROLL
December 31, 2016**

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 839,179	\$ 782,748
Add:		
Tax levy (Schedule 12)	18,005,581	17,622,437
Taxes added	121,367	136,969
Penalties or interest	126,050	126,797
Other accounts added	<u>273,519</u>	<u>313,275</u>
Sub-total	<u>18,526,517</u>	<u>18,199,478</u>
Deduct:		
Cash collections - current	15,501,406	15,106,087
Cash collections - arrears	749,238	620,863
Writeoffs	38,593	53,545
Tax discounts	6,258	6,814
M.P.T.C. - cash advance	<u>2,363,587</u>	<u>2,355,738</u>
Sub-total	<u>18,659,082</u>	<u>18,143,047</u>
Balance, end of year	<u><u>\$ 706,614</u></u>	<u><u>\$ 839,179</u></u>

CITY OF PORTAGE LA PRAIRIE
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D.	498,654,140	2.828	\$ 1,410,194	\$ 1,408,460
At Large	498,654,140	0.122	60,836	60,713
sub-total- Debt charges			<u>1,471,030</u>	<u>1,469,173</u>
Reserves:				
Environmental	498,654,140	0.036	17,952	77,506
Special Admin	498,654,140	0.009	4,488	3,875
Glesby Centre	498,654,140	0.019	9,474	9,042
Fire	498,654,140	0.278	138,626	138,650
Sidewalk	498,654,140	0.037	18,450	18,515
Computer	498,654,140	0.056	27,925	27,558
General	498,654,140	1.144	570,460	429,298
Equipment Replacement	498,654,140	0.324	161,564	156,736
sub-total- Reserves			<u>948,939</u>	<u>861,180</u>
General municipal	498,654,140	15.611	<u>7,784,489</u>	<u>7,602,928</u>
Special levies:				
Assessment Levy	498,654,140	0.298	148,599	148,984
Total municipal taxes (Schedule 2)			<u>10,353,057</u>	<u>10,082,265</u>
Education support levy	119,497,020	10.500	<u>1,254,720</u>	<u>1,279,465</u>
Special levies:				
Portage la Prairie School Division	483,619,620	13.229	<u>6,397,804</u>	<u>6,260,707</u>
Total education taxes			<u>7,652,524</u>	<u>7,540,172</u>
Total tax levy (Schedule 11)			<u>\$ 18,005,581</u>	<u>\$ 17,622,437</u>

CITY OF PORTAGE LA PRAIRIE
ANALYSIS OF SCHOOL ACCOUNTS
December 31, 2016

SCHEDULE 13

	2016				2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 244,667	\$ 1,567,808	\$ (1,812,475)	\$ -	\$ 244,667
Special levies					
Portage la Prairie School Division	704,876	6,955,815	(7,660,691)	-	704,876
Total	\$ 949,543	\$ 8,523,623	\$ (9,473,166)	\$ -	\$ 949,543

CITY OF PORTAGE LA PRAIRIE
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 14

	<u>2016 Actual</u>	<u>2015 Actual</u>
General government services:		
Legislative	\$ 171,112	\$ 183,270
General administrative	1,603,585	1,827,596
Other	153,636	227,375
	<u>1,928,333</u>	<u>2,238,241</u>
Protective services:		
Police	3,574,695	3,527,306
Fire	1,824,376	1,845,527
Emergency measures	55,305	51,014
Other	79,004	89,786
	<u>5,533,380</u>	<u>5,513,633</u>
Transportation services:		
Road transport		
Administration and engineering	132,869	212,710
Road and street maintenance	1,763,409	2,025,383
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	98,558	89,775
Street lighting	248,009	239,109
Other	-	-
Air transport	-	-
Public transit	28,304	26,400
Other	-	-
	<u>2,271,149</u>	<u>2,593,377</u>
Environmental health services:		
Waste collection and disposal	515,606	541,955
Recycling	220,097	234,340
Other	-	-
	<u>735,703</u>	<u>776,295</u>
Public health and welfare services:		
Public health	230,017	228,567
Medical care	-	-
Social assistance	76,588	70,774
Other	-	-
	<u>306,605</u>	<u>299,341</u>
Regional planning and development		
Planning and zoning	75,532	76,047
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	183,598	208,233
Other	124,638	108,107
	<u>383,768</u>	<u>392,387</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	386,692	448,471
Industrial development	7,012	3,071
Tourism	2,289	41,397
Other	8,177	16,399
	<u>404,170</u>	<u>509,338</u>
Sub-totals forward	<u>11,563,108</u>	<u>12,322,612</u>

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2016

SCHEDULE 14

	<u>2016 Actual</u>	<u>2015 Actual</u>
Sub-totals forward	<u>11,563,108</u>	<u>12,322,612</u>
Recreation and cultural services:		
Administration	1,423,539	1,227,000
Community centers and halls	70,000	74,357
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	11,817	11,729
Parks and playgrounds	285,929	322,283
Other recreational facilities	1,704,502	1,828,229
Museums	-	-
Libraries	324,989	337,975
Other cultural facilities	189,556	97,597
	<u>4,010,332</u>	<u>3,899,170</u>
Total expenses	<u>\$ 15,573,440</u>	<u>\$ 16,221,782</u>

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF L.U.D. OPERATIONS
 For the Year Ended December 31, 2016

SCHEDULE 15

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF DEBENTURES PENDING
 December 31, 2016

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTAGE LA PRAIRIE

SCHEDULE 17

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2016

	General	2016 Utility	Total	2015 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 522,457	\$ 1,749,470	\$ 2,271,927	\$ 164,331
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	2,123,931	3,318,614	5,442,545	5,727,057
Eliminate revenue - transfers from reserves	(1,493,711)	(1,922,000)	(3,415,711)	(3,440,661)
Increase revenue - reserve funds interest	415,160	-	415,160	418,500
Increase revenue - Net surplus of consolidated entities	366,941	-	366,941	260,419
Increase revenue - gain on disposal of tangible capital assets	43,812	14,040	57,852	12,537
Eliminate revenue - transfer from nominal surplus	-	-	-	(517,579)
Increase expense - amortization of tangible capital assets	(1,600,784)	(454,869)	(2,055,653)	(1,922,971)
Decrease expense - principal portion of debenture debt	1,004,082	1,020,286	2,024,368	1,906,065
Eliminate expense - acquisitions of tangible capital assets net proceeds and grants	2,178,019	2,531,979	4,709,998	4,867,577
	\$ 3,559,907	\$ 6,257,520	\$ 9,817,427	\$ 7,475,275
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS				