

# **CITY OF PORTAGE LA PRAIRIE**

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

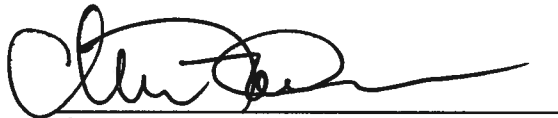
## STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the *City of 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 of 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 Corporate Services

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

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

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

#### **Basis for Opinion**

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

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

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

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

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

## INDEPENDENT AUDITORS' REPORT

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

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

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

June 24, 2019  
Portage la Prairie, Manitoba

*MNP* **LLP**  
Chartered Professional Accountants

# **CITY OF PORTAGE LA PRAIRIE**

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

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**CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2018**

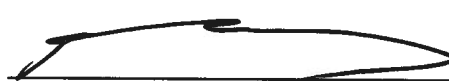
	<u>2018</u>	<u>2017</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 29,232,339	\$ 24,136,963
Amounts receivable (Note 4)	12,698,751	5,605,929
Portfolio investments (Note 5)	10,571,337	10,403,857
Real estate properties held for sale	344,958	102,914
Other inventories for sale (Note 6)	1,943	2,730
	<u>\$ 52,849,328</u>	<u>\$ 40,252,393</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 11,542,964	\$ 4,792,950
Unearned revenue	211,632	197,717
Landfill closure and post closure liabilities (Note 8)	29,353	30,515
Long-term debt (Note 9)	8,133,879	9,354,145
Obligations under capital lease (Note 10)	4,121	-
	<u>19,921,949</u>	<u>14,375,327</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 32,927,379</u>	<u>\$ 25,877,066</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$102,357,073	\$ 79,010,786
Inventories (Note 6)	266,585	306,182
Prepaid expenses	162,474	238,886
	<u>102,786,132</u>	<u>79,555,854</u>
<b>ACCUMULATED SURPLUS (Note 17)</b>	<u>\$135,713,511</u>	<u>\$105,432,920</u>

**COMMITMENTS AND CONTINGENCIES (NOTES 11 and 12)**

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, 2018**

	<u>2018 Budget (Note 16)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 10,502,823	\$ 10,595,776	\$ 10,778,088
Grants in lieu of taxation	874,901	874,901	852,589
User fees	3,634,099	3,913,752	3,234,039
Permits, licences and fines	407,675	342,088	501,052
Investment income	92,189	740,228	581,083
Other revenue	368,392	691,570	564,810
Water and sewer	42,361,036	34,909,659	14,472,175
Grants - Province of Manitoba	4,562,337	3,346,021	3,581,327
Grants - other	548,432	1,428,642	1,620,446
Total revenue (Schedules 2, 4 and 5)	<u>63,351,884</u>	<u>56,842,637</u>	<u>36,185,609</u>
<b>EXPENSES</b>			
General government services	2,665,830	2,584,958	2,412,310
Protective services	6,062,837	5,679,009	5,684,054
Transportation services	2,664,750	3,218,454	2,994,493
Environmental health services	1,014,947	903,152	936,536
Public health and welfare services	361,165	239,776	296,205
Regional planning and development	734,835	700,544	754,344
Resource conservation and industrial development	214,877	459,796	472,566
Recreation and cultural services	5,759,427	5,733,016	5,505,404
Water and sewer services	8,339,899	7,043,341	7,661,625
Total expenses (Schedules 3, 4 and 5)	<u>27,818,567</u>	<u>26,562,046</u>	<u>26,717,537</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 35,533,317</u>	<u>30,280,591</u>	<u>9,468,072</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>105,432,920</u>	<u>95,964,848</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$135,713,511</u>	<u>\$105,432,920</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, 2018**

	<u>2018 Budget (Note 16)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
<b>ANNUAL SURPLUS</b>	<b><u>\$ 35,533,317</u></b>	<b><u>\$ 30,280,591</u></b>	<b><u>\$ 9,468,072</u></b>
Acquisition of tangible capital assets	(42,535,500)	(25,945,685)	(5,616,125)
Amortization of tangible capital assets	2,582,031	2,582,031	2,469,339
Gain on sale of tangible capital assets	-	(31,532)	(77,551)
Proceeds on sale of tangible capital assets	-	48,899	184,916
Decrease in inventories	-	39,597	1,971
Decrease (increase) in prepaid expense	-	76,412	(12,133)
	<u>(39,953,469)</u>	<u>(23,230,278)</u>	<u>(3,049,583)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u><u>\$ (4,420,152)</u></u></b>	<b>7,050,313</b>	<b>6,418,489</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b><u>25,877,066</u></b>	<b><u>19,458,577</u></b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u><u>\$ 32,927,379</u></u></b>	<b><u><u>\$ 25,877,066</u></u></b>

*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, 2018**

	<u>2018</u>	<u>2017</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	<b>\$30,280,591</b>	\$ 9,468,072
Changes in non-cash items:		
Amounts receivable	<b>(7,092,822)</b>	1,056,504
Inventories	<b>40,384</b>	2,724
Prepays	<b>76,412</b>	(12,133)
Accounts payable and accrued liabilities	<b>6,750,014</b>	(1,813,405)
Unearned revenue	<b>13,915</b>	123,936
Landfill closure and post closure liabilities	<b>(1,162)</b>	(1,304)
Gain on sale of tangible capital asset	<b>(31,532)</b>	(77,551)
Amortization	<b>2,582,031</b>	2,469,339
Cash provided by operating transactions	<b><u>32,617,831</u></b>	<u>11,216,182</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	<b>48,899</b>	184,916
Cash used to acquire tangible capital assets	<b><u>(25,945,685)</u></b>	<u>(5,616,125)</u>
Cash applied to capital transactions	<b><u>(25,896,786)</u></b>	<u>(5,431,209)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments	<b>(167,480)</b>	(269,644)
Acquisition of real estate properties	<b><u>(242,044)</u></b>	<u>-</u>
Cash applied to investing transactions	<b><u>(409,524)</u></b>	<u>(269,644)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	<b>96,644</b>	36,167
Debt repayment	<b>(1,316,910)</b>	(2,197,761)
Obligation under capital lease	<b>5,216</b>	-
Repayment of obligation under capital lease	<b><u>(1,095)</u></b>	<u>-</u>
Cash applied to financing transactions	<b><u>(1,216,145)</u></b>	<u>(2,161,594)</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>5,095,376</b>	3,353,735
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>24,136,963</u></b>	<u>20,783,228</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u><u>\$29,232,339</u></u></b>	<u><u>\$24,136,963</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, 2018**

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

The incorporated City of Portage la Prairie is a City 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, revenue 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 City. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

*Portage Handivan Inc.*

The City 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 City's pro-rata share of each of the assets, liabilities, revenue 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%) (2017 - 66.67%)*  
*Portage la Prairie Regional Landfill Authority (66.67%) (2017 - 66.67%)*  
*Portage la Prairie Regional Library (77.00%) (2017 - 77.00%)*  
*Portage Regional Recreation Authority (75.00%) (2017 - 75.00%)*  
*Central Plains Inc. (66.67%) (2017 - 66.67%)*

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

Trust funds and their related operations administered by the City are not consolidated in these consolidated 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, 2018**

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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 revenue over expenses, provides the change in net financial assets (debt) 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 City 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, 2018**

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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 City, 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.

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

**k) Measurement Uncertainty**

Estimates are used to accrue revenue and expenses in circumstances where the actual accrued amounts are 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**

*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.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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

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

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

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2018</u>	<u>2017</u>
Cash	\$ 28,503,225	\$ 23,497,883
Temporary investments	<u>729,114</u>	<u>639,080</u>
	<u>\$ 29,232,339</u>	<u>\$ 24,136,963</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The City has designated \$36,870,862 (2017 - \$30,524,924) 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 \$11,662,496 (2017 - \$11,164,533).

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2018</u>	<u>2017</u>
Taxes on roll (Schedule 11)	\$ 939,209	\$ 1,093,163
Government grants	7,947,822	1,084,453
Utility customers	1,539,833	1,389,671
Accrued interest	1,356	1,076
Organizations and individuals	1,683,203	1,820,430
Other governments	<u>800,694</u>	<u>303,135</u>
	12,912,117	5,691,928
Less allowances for doubtful amounts	<u>(213,366)</u>	<u>(85,999)</u>
	<u>\$ 12,698,751</u>	<u>\$ 5,605,929</u>

**5. Portfolio Investments**

	<u>2018</u>	<u>2017</u>
Guaranteed investment certificate and term deposits	<u>\$ 10,571,337</u>	<u>\$ 10,403,857</u>

The aggregate market value of the marketable securities at December 31, 2018 is \$10,571,337 (2017 - \$10,403,857). Portfolio investments earned \$179,170 in investment income during the year (2017 - \$92,039).

**6. Inventories**

**Inventories for sale:**

	<u>2018</u>	<u>2017</u>
Food and beverages	<u>\$ 1,943</u>	<u>\$ 2,730</u>

**Inventories for use:**

	<u>2018</u>	<u>2017</u>
Chemicals, herbicides, insecticides	\$ 215,524	\$ 249,858
Fuel	8,203	8,605
Other supplies	<u>42,858</u>	<u>47,719</u>
	<u>\$ 266,585</u>	<u>\$ 306,182</u>

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**7. Accounts Payable and Accrued Liabilities**

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 6,539,839	\$ 1,747,273
Accrued expenses	1,090,875	952,060
Accrued interest payable	247,942	290,677
School levies	2,597,151	217,231
Other governments	1,067,157	1,585,709
	<u>\$ 11,542,964</u>	<u>\$ 4,792,950</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>2018</u>	<u>2017</u>
Estimated closure and post closure costs over the next 34 years	\$ 306,015	\$ 192,810
Discount rate	5.64%	5.47%
<b>Discounted costs</b>	<u>\$ 49,480</u>	<u>\$ 52,555</u>
Expected year capacity will be reached	2052	2046
Capacity (tonnes):		
Used to date	1,468,751	1,438,616
Remaining	1,008,949	1,039,084
Total	2,477,700	2,477,700
Percent utilized	59.28%	58.06%
<b>Liability based on percentage</b>	<u>\$ 29,353</u>	<u>\$ 30,515</u>

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**9. Long-Term Debt**

	<u>2018</u>	<u>2017</u>
<b>General Authority:</b>		
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 \$83,074 (2017 - \$92,021)	\$ 13,399	\$ 27,179
Loan payable, interest at 4.890%, payable at \$554 monthly including interest, maturing 2023.	25,508	30,759
Loan payable, interest at 5.300%, payable at \$1,685 monthly including interest, maturing 2024.	94,053	-
Debenture, interest at 6.250%, payable at \$38,721 annually including interest, maturing 2019	36,443	70,743
Debenture, interest at 5.375%, payable at \$19,760 annually including interest, maturing 2021	53,435	69,462
Debenture, interest at 5.375%, payable at \$7,410 annually including interest, maturing 2021	20,038	26,048
Debenture, interest at 5.500%, payable at \$697,379 annually including interest, maturing 2024	3,483,779	3,963,183
Debenture, interest at 5.500%, payable at \$298,877 annually including interest, maturing 2024	1,493,048	1,698,507
Debenture, interest at 5.500%, payable at \$8,468 annually including interest, maturing 2024	42,303	48,124
Debenture, interest at 5.500%, payable at \$145,952 annually including interest, maturing 2024	729,105	829,438
Debenture, interest at 5.500%, payable at \$159,401 annually including interest, maturing 2025	905,871	1,009,736
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	56,617	63,108
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	56,617	63,108
Debenture, interest at 5.250%, payable at \$146,965 annually including interest, maturing 2025	842,748	940,345
Debenture, interest at 5.250%, payable at \$9,798 annually including interest, maturing 2025	56,183	62,690
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	112,366	125,379
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	112,366	125,379
	<u>\$ 8,133,879</u>	<u>\$ 9,153,188</u>



**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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

	<u>2018</u>	<u>2017</u>
<b>Sub-total (previous page)</b>	<b>\$ 8,133,879</b>	<b>\$ 9,153,188</b>
<b>Utility Funds:</b>		
Debenture for Sewage Facility, interest at 6.500%, payable at \$21,271 annually including interest, maturing 2018	-	19,972
Debenture for Sewage Facility, interest at 6.625%, payable at \$75,046 annually including interest, maturing 2018		70,383
Debenture for Sewage Facility, interest at 6.625%, payable at \$117,929 annually including interest, maturing 2018	-	110,602
	<u>\$ -</u>	<u>\$ 200,957</u>
	<u><b>\$ 8,133,879</b></u>	<u><b>\$ 9,354,145</b></u>

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

2019	\$ 1,189,321
2020	\$ 1,201,671
2021	\$ 1,267,258
2022	\$ 1,309,260
2023	\$ 1,375,779

**10. Obligations Under Capital Lease**

Future minimum lease payments under the capital lease together with the obligations due under the capital lease are as follows:

	<u>2018</u>	<u>2017</u>
2019	\$ 2,101	\$ -
2020	2,101	-
2021	794	-
Total minimum lease payments	<u>\$ 4,996</u>	<u>\$ -</u>
Less amount representing future interest at 5.000%	<u>(875)</u>	<u>-</u>
Balance of obligations	<u><b>\$ 4,121</b></u>	<u><b>\$ -</b></u>

Interest expense includes \$212 (2017 - \$NIL) with respect to this obligation.

Assets under capital lease include machinery and equipment.

	<u>2018</u>	<u>2017</u>
Cost of leased tangible capital asset	\$ 5,217	\$ -
Accumulated amortization of leased tangible capital asset	<u>(522)</u>	<u>-</u>
	<u><b>\$ 4,695</b></u>	<u><b>\$ -</b></u>

Amortization expense includes \$522 (2017 - \$NIL) on leased tangible capital assets.

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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**11. Commitments**

The City has a contract for janitorial services of approximately \$194,309 for 2 years ending August 31, 2020.

The City has a contract for janitorial services of approximately \$81,194 for 3 years ending August 31, 2021.

The City has a contract for the collection of residential solid waste of approximately \$1,574,134 for the period August 1, 2019 to July 31, 2022.

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 building maintenance services for 3 years ending November 30, 2021.

The City has a contract for electrical services for 3 years ending November 30, 2021.

The City has a contract for plumbing services for 3 years ending November 30, 2021.

The City has a contract for the watermain extensions for Oak Bay and Cedar Bay of approximately \$625,540.

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.

**12. 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 Shindelman Aquatic Centre in conjunction with the City of Portage la Prairie and the Rural Municipality of Portage la Prairie. As of June 24, 2019, management is unsure of the amount recoverable from the outcome of the lawsuit.

**13. 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 \$511,061 (2017 - \$463,132) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2017.

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

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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**14. 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.

**15. Subsequent Events**

Subsequent to the year-end, the City contracted for the supply of chemicals for the Water Treatment Plant for a 15 month period for approximately \$1,317,693.

Subsequent to year-end, the City contracted for the land application of biosolids for the 2019 season for approximately \$224,400.

Subsequent to the year-end, the City contracted the supply of sodium hypochlorite for the water pollution control facility for the 2019 season for approximately \$100,100.

Subsequent to year-end, the City contracted for the construction work with respect to the Crescent Lake Causeway of approximately \$8,186,749.

**16. 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 statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

**17. Accumulated Surplus**

	<u>2018</u>	<u>2017</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus (deficit)	\$ (486,252)	\$ 1,513,279
Utility operating fund - Nominal surplus	3,487,474	2,432,096
TCA net of related borrowings	92,353,216	67,922,584
Reserve funds	<u>36,870,862</u>	<u>30,524,924</u>
Accumulated surplus of municipality unconsolidated	132,225,300	102,392,883
Accumulated surpluses of consolidated entities	<u>3,488,211</u>	<u>3,040,037</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 135,713,511</u></u>	<u><u>\$ 105,432,920</u></u>

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**18. Public Sector Compensation Disclosure**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2018:

- a) Compensation paid to members of council amounted to \$134,885 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Irvine Ferris	\$ 39,567	\$ 2,694	\$ 42,261
Councillor - Brent Froese	12,226	229	12,455
Councillor - Liz Driedger	12,346	337	12,683
Councillor - Brent Budz	17,613	792	18,405
Councillor - Ryan Espey	15,481	2,239	17,720
Councillor - Wayne Wall	15,511	856	16,367
Councillor - Melissa Draycott	15,931	3,093	19,024
Councillor - Sharilyn Knox	3,105	719	3,824
Councillor - Preston Meier	3,165	637	3,802
	<u>\$ 134,945</u>	<u>\$ 11,596</u>	<u>\$ 146,541</u>

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

Name	Position	Amount
<i>Nathan Peto</i>	<i>City Manager</i>	\$ 138,504
<i>Kelly Braden</i>	<i>Director of Operations</i>	\$ 126,641
<i>Phil Carpenter</i>	<i>Fire Chief</i>	\$ 125,400
<i>Cathie McFarlane</i>	<i>Director of Corporate Services</i>	\$ 125,385
<i>Dave Holmes</i>	<i>Deputy Fire Chief</i>	\$ 113,301
<i>Corey Jowett</i>	<i>Firefighter</i>	\$ 106,941
<i>John Altenburg</i>	<i>WPCF Operator</i>	\$ 102,317
<i>Brian Taylor</i>	<i>Manager of Public Works</i>	\$ 101,456
<i>Todd McKinnon</i>	<i>Firefighter</i>	\$ 100,394
<i>Karly Friesen</i>	<i>Manager of Water Pollution Control Facility</i>	\$ 99,321
<i>Michael Sandney</i>	<i>Manager of Water Treatment Plant</i>	\$ 98,560
<i>Don Robertson</i>	<i>Firefighter</i>	\$ 97,385
<i>Ben Olson</i>	<i>Water Treatment Operator</i>	\$ 97,208
<i>George Kerr</i>	<i>Firefighter</i>	\$ 94,224
<i>Brad Bailey</i>	<i>Firefighter</i>	\$ 93,686
<i>Jared Bergen</i>	<i>Firefighter</i>	\$ 92,912
<i>Ian Milne</i>	<i>Manager of Engineering</i>	\$ 90,777
<i>Bryan Cairns</i>	<i>Facility Mtce Supervisor</i>	\$ 87,709
<i>Chris Perry</i>	<i>Firefighter</i>	\$ 88,425
<i>Ryan Draycott</i>	<i>Firefighter</i>	\$ 88,231
<i>Stephen Moffit</i>	<i>Firefighter</i>	\$ 87,749
<i>Wyatt McEachnie</i>	<i>Water Pollution Operator</i>	\$ 86,375
<i>Curtis Rance</i>	<i>Firefighter</i>	\$ 86,486
<i>Norman Vuignier</i>	<i>Firefighter</i>	\$ 85,763
<i>Daren Van Den Bussche</i>	<i>Firefighter</i>	\$ 85,376
<i>Gerard Pawloski</i>	<i>Firefighter</i>	\$ 85,446
<i>Landeyn Aymont</i>	<i>Firefighter</i>	\$ 85,312
<i>Jeff Tessier</i>	<i>Firefighter</i>	\$ 84,178
<i>Keith Barron</i>	<i>Waterworks Foreman</i>	\$ 83,837
<i>Jeff Sing</i>	<i>WTP Operator</i>	\$ 83,606
<i>Joel Trandafir</i>	<i>Water Treatment Operator</i>	\$ 82,275
<i>Terry Thompson</i>	<i>Mechanic</i>	\$ 80,270
<i>Jocelyn Lequier-jobin</i>	<i>Asst. City Engineer</i>	\$ 79,635
<i>Jim Morrison</i>	<i>Waterworks Mtnce</i>	\$ 76,027
<i>Matthew Heintz</i>	<i>Engineering Technologist</i>	\$ 75,520
<i>Soyan Ibrahim</i>	<i>WTP Operator</i>	\$ 73,278
<i>Jim Mekkes</i>	<i>WPCF Operator</i>	\$ 73,432
<i>Adam Carpenter</i>	<i>Transportation Foreman</i>	\$ 72,513
<i>Jennifer Sandney</i>	<i>Manager of Finance</i>	\$ 71,856
<i>Brandy Smith</i>	<i>Human Resource Officer</i>	\$ 71,431

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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

Name	Position	Amount
<i>Darren Jones</i>	<i>Manager of IT</i>	\$ 70,943
<i>Kaley Giffin</i>	<i>WTP Operator</i>	\$ 70,520
<i>Matthew Phillips</i>	<i>Engineering Technologist</i>	\$ 69,958
<i>Allan O'Neil</i>	<i>Facility Mtce</i>	\$ 69,387
<i>Joel Aberdeen</i>	<i>Water Pollution Operator</i>	\$ 68,709
<i>Terry Nichol</i>	<i>Waterworks</i>	\$ 68,573
<i>Aaron Stechesen</i>	<i>Lab Technologist</i>	\$ 67,492
<i>Louis-Phillip Nadeau</i>	<i>Firefighter</i>	\$ 66,498
<i>Diane Van Aert</i>	<i>Manager of Administration</i>	\$ 66,076
<i>Scott Miller</i>	<i>Health and Safety Co-ordinator</i>	\$ 65,660
<i>Shane Pierson</i>	<i>Assistant Mechanic</i>	\$ 63,677
<i>David Anderson</i>	<i>Waterworks Mtnc</i>	\$ 63,658
<i>Curtis Sanderson</i>	<i>Transportation "A" Operator</i>	\$ 62,939
<i>Charles Ward</i>	<i>Waterworks Mtnc</i>	\$ 62,397
<i>Scott Howard</i>	<i>Facility Maintenance Operator</i>	\$ 60,612
<i>Brittany Denomme</i>	<i>Facility Maintenance Operator</i>	\$ 60,343
<i>Wade Lundstrom</i>	<i>Transportation Operator B</i>	\$ 59,549
<i>Lloyd Vivier</i>	<i>Cemetery Foreman</i>	\$ 59,838
<i>Wade Andrushuk</i>	<i>Transportation Operator B</i>	\$ 56,798
<i>Kathy McGregor</i>	<i>Communications Coordinator</i>	\$ 56,566
<i>Kelly Popko</i>	<i>Transportation Operator B</i>	\$ 54,946
<i>Sharon Thorsteinson</i>	<i>Administrative Assistant- RCMP</i>	\$ 53,555
<i>Kathy Boros</i>	<i>Administrative Assistant- Operations</i>	\$ 52,854
<i>Trevor Bruno</i>	<i>Transportation Operator B</i>	\$ 52,782
<i>David Green</i>	<i>Manager of Parks</i>	\$ 52,063
<i>Colton Dueck</i>	<i>IT Administrator</i>	\$ 51,888
<i>Jordy Painter</i>	<i>Seasonal Laborer</i>	\$ 51,641
<i>Violet Jones</i>	<i>RCMP Detachment</i>	\$ 51,113
<i>Pauline Karsin</i>	<i>COM-Centre Operator</i>	\$ 51,104
<i>Marcy Flamand</i>	<i>RCMP - Clerk</i>	\$ 50,761
<i>Chantal Worsley</i>	<i>COM-Centre Operator</i>	\$ 50,830
<i>Kayla Bray</i>	<i>COM-Centre Operator</i>	\$ 50,628

**19. 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>	\$ 1,625	\$ 40	\$ 1,665
<i>Willow Bay Paving In Trust</i>	4,349	108	4,457
<i>Cemetery Perpetual Trust</i>	305,826	9,063	314,889
<i>West-end Development Trust</i>	21	1	22
<i>Manitoba Hydro</i>	55,029	1,366	56,395
<i>Fire Equipment</i>	13,315	(5,120)	8,195
<i>Multiplex Public Contributions</i>	373	(373)	-
<i>Golf Island Park</i>	2,121	-	2,121
<i>Centennial Community Club Inc.</i>	-	17,100	17,100
<i>Misc City Contributions</i>	1,825	(1,785)	40
<i>DARE Program</i>	983	24	1,007
<i>Central Park Surplus</i>	500	101,794	102,294
<i>Portage Assisted Living Surplus</i>	-	1,500	1,500
<i>Election Surplus</i>	98	(98)	-
	<u>\$ 386,065</u>	<u>\$ 123,620</u>	<u>\$ 509,685</u>

**CITY OF PORTAGE LA PRAIRIE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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**20. 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.

**21. Government Partnerships**

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

	<u>2018</u>	<u>2017</u>
<b>Financial Position</b>		
Financial assets	\$ 2,124,793	\$ 1,817,935
Financial liabilities	<u>685,551</u>	<u>633,335</u>
Net financial assets	\$ 1,439,242	\$ 1,184,600
Non-financial assets	<u>1,895,267</u>	<u>1,783,424</u>
Accumulated surplus	<u>\$ 3,334,509</u>	<u>\$ 2,968,024</u>
<b>Result of Operations</b>		
Revenues	\$ 2,774,247	\$ 2,281,476
Expenses	<u>2,407,762</u>	<u>1,912,016</u>
Annual surplus	<u>\$ 366,485</u>	<u>\$ 369,460</u>

CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
Year Ended December 31, 2018

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2018	2017
<b>Cost</b>										
Opening 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
Additions during the year	86,906	1,374,281	622,431	32,965	(948,458)	232,000	1,195,446	23,350,114	25,945,685	5,616,125
Disposals and write downs	-	-	(100,230)	-	-	-	-	-	(100,230)	(293,702)
Closing costs	<b>10,383,767</b>	<b>47,090,551</b>	<b>6,355,068</b>	<b>558,233</b>	<b>399,834</b>	<b>20,571,622</b>	<b>99,909,126</b>	<b>26,783,554</b>	<b>212,051,755</b>	186,206,300
<b>Accumulated Amortization</b>										
Opening 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
Amortization	290,028	1,039,173	402,598	80,026	-	169,011	601,195	-	2,582,031	2,469,339
Disposals and write downs	-	-	(82,863)	-	-	-	-	-	(82,863)	(186,337)
Closing accum'd amortization	<b>3,727,854</b>	<b>13,498,795</b>	<b>3,224,100</b>	<b>383,962</b>	-	<b>3,335,917</b>	<b>85,524,054</b>	-	<b>109,694,682</b>	107,195,514
Net Book Value of Tangible Capital Assets	<b>6,655,913</b>	<b>33,591,756</b>	<b>3,130,968</b>	<b>174,271</b>	<b>399,834</b>	<b>17,235,705</b>	<b>14,385,072</b>	<b>26,783,554</b>	<b>102,357,073</b>	79,010,786

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, 2018

SCHEDULE 2

	2018 Actual	2017 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 10,450,718	\$ 10,434,740
Taxes added	145,058	343,348
	<u>10,595,776</u>	<u>10,778,088</u>
<b>Grants in lieu of taxation:</b>		
Federal government	17,771	16,495
Federal government enterprises	2,400	2,294
Provincial government	422,320	417,665
Provincial government enterprises	432,410	416,135
Other municipal governments	-	-
Non-government organizations	-	-
	<u>874,901</u>	<u>852,589</u>
<b>User fees</b>		
Parking meters	88,674	106,511
Sales of service	2,494,849	2,190,979
Sales of goods	84,686	100,183
Rentals	667,771	224,264
Development charges	-	-
Facility use fees	577,772	612,102
	<u>3,913,752</u>	<u>3,234,039</u>
<b>Permits, licences and fines</b>		
Permits	-	-
Licences	98,219	100,463
Fees	72,045	90,059
Fines	171,824	310,530
	<u>342,088</u>	<u>501,052</u>
<b>Investment income:</b>		
Cash and temporary investments	740,228	581,083
Marketable securities	-	-
Municipal debentures	-	-
	<u>740,228</u>	<u>581,083</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	31,532	77,551
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	148,730	133,924
Miscellaneous	511,308	353,335
	<u>691,570</u>	<u>564,810</u>
<b>Water and sewer</b>		
Municipal utility (Schedule 9)	34,909,659	14,472,175
Consolidated water co-operatives	-	-
	<u>34,909,659</u>	<u>14,472,175</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	2,591,097	2,332,904
Other unconditional grants	-	-
Conditional grants	754,924	1,248,423
	<u>3,346,021</u>	<u>3,581,327</u>
<b>Grants - other</b>		
Federal government - gas tax funding	735,286	710,390
Federal government - other	2,376	189,723
Other municipal governments	690,980	720,333
	<u>1,428,642</u>	<u>1,620,446</u>
<b>Total revenue</b>	<u>\$ 56,842,637</u>	<u>\$ 36,185,609</u>



CITY OF PORTAGE LA PRAIRIE  
 CONSOLIDATED SCHEDULE OF EXPENSES  
 For the Year Ended December 31, 2018

SCHEDULE 3

	2018 Actual	2017 Actual
<b>General government services:</b>		
Legislative	\$ 208,912	\$ 180,898
General administrative	1,897,328	2,025,548
Other	478,718	205,864
	<u>2,584,958</u>	<u>2,412,310</u>
<b>Protective services:</b>		
Police	3,380,528	3,159,546
Fire	2,166,115	2,383,854
Emergency measures	56,595	55,535
Other	75,771	85,119
	<u>5,679,009</u>	<u>5,684,054</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	290,225	233,715
Road and street maintenance	2,458,336	2,307,431
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	95,464	97,114
Street lighting	250,780	238,239
Other	-	-
Air transport	-	-
Public transit	123,649	117,994
Other	-	-
	<u>3,218,454</u>	<u>2,994,493</u>
<b>Environmental health services:</b>		
Waste collection and disposal	680,875	711,751
Recycling	222,277	224,785
Other	-	-
	<u>903,152</u>	<u>936,536</u>
<b>Public health and welfare services:</b>		
Public health	169,055	225,484
Medical care	-	-
Social assistance	70,721	70,721
Other	-	-
	<u>239,776</u>	<u>296,205</u>
<b>Regional planning and development</b>		
Planning and zoning	339,587	361,242
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	195,239	238,567
Other	165,718	154,535
	<u>700,544</u>	<u>754,344</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	440,047	427,227
Industrial development	16,634	25,441
Tourism	1,024	9,264
Other	2,091	10,634
	<u>459,796</u>	<u>472,566</u>
<b>Sub-totals forward</b>	<u>13,785,689</u>	<u>13,550,508</u>

**CITY OF PORTAGE LA PRAIRIE**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2018**

**SCHEDULE 3**

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Sub-totals forward</b>	<b><u>13,785,689</u></b>	<b><u>13,550,508</u></b>
<b>Recreation and cultural services:</b>		
Administration	2,924,949	2,519,923
Community centers and halls	64,100	74,880
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	8,605	6,906
Parks and playgrounds	397,338	554,290
Other recreational facilities	1,654,418	1,667,167
Museums	-	-
Libraries	591,504	590,952
Other cultural facilities	92,102	91,286
	<u>5,733,016</u>	<u>5,505,404</u>
<b>Water and sewer services</b>		
Municipal utility (Schedule 9)	7,043,341	7,661,625
Consolidated water co-operatives	-	-
	<u>7,043,341</u>	<u>7,661,625</u>
<b>Total expenses</b>	<b><u>\$ 26,562,046</u></b>	<b><u>\$ 26,717,537</u></b>

## CITY OF PORTAGE LA PRAIRIE

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>										
Property taxes	\$ 10,595,776	\$10,778,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	874,901	852,589	-	-	-	-	-	-	-	-
User fees	178,017	228,634	718,601	689,817	64,004	56,850	885,288	906,988	48,191	64,302
Grants - other	-	8,990	66,951	43,118	825,885	733,477	-	-	-	-
Permits, licences and fines	132,024	158,742	210,064	342,310	-	-	-	-	-	-
Investment income	356,465	224,416	3,202	1,937	41,966	32,478	9,394	6,487	21	21
Other revenue	589,007	428,459	-	-	46,971	7,325	(439)	(9,223)	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	2,591,097	2,332,904	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	56,506	-	-	261,100	211,102	485,169	276,312	284,813	-	-
Total revenue	\$ 15,373,793	\$ 15,012,822	\$ 998,818	\$ 1,338,282	\$ 1,189,928	\$ 1,315,299	\$ 1,170,555	\$ 1,189,065	\$ 48,212	\$ 64,323
<b>EXPENSES</b>										
Personnel services	\$ 1,514,642	\$ 1,516,832	\$ 2,136,788	\$ 2,208,864	\$ 793,823	\$ 778,566	\$ 171,760	\$ 205,176	\$ 89,782	\$ 125,454
Contract services	528,265	540,525	3,128,724	2,905,365	987,141	857,053	598,474	583,062	82,955	82,924
Utilities	49,734	52,177	68,549	63,881	291,133	272,192	7,287	7,026	8,056	6,236
Maintenance materials and supplies	50,537	66,767	187,775	336,961	631,583	614,168	58,104	59,358	55,045	80,167
Grants and contributions	203,054	53,651	3,159	3,559	(1,587)	(2,707)	-	-	2,392	-
Amortization	39,458	28,112	153,847	165,424	506,453	464,059	63,435	84,646	-	-
Interest on long-term debt	-	-	-	-	6,628	9,916	966	1,397	-	-
Other	199,268	154,246	167	-	3,280	1,246	3,126	(4,129)	1,546	1,424
Total expenses	\$ 2,584,958	\$ 2,412,310	\$ 5,679,009	\$ 5,684,054	\$ 3,218,454	\$ 2,994,493	\$ 903,152	\$ 936,536	\$ 239,776	\$ 296,205
<b>Surplus (Deficit)</b>	<b>\$ 12,788,835</b>	<b>\$ 12,600,512</b>	<b>\$ (4,680,191)</b>	<b>\$ (4,345,772)</b>	<b>\$ (2,028,526)</b>	<b>\$ (1,679,194)</b>	<b>\$ 267,403</b>	<b>\$ 252,529</b>	<b>\$ (191,564)</b>	<b>\$ (231,882)</b>

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

CITY OF PORTAGE LA PRAIRIE  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2018

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,595,776	\$10,778,088
Grants in lieu of taxation	-	-	-	-	-	-	-	-	874,901	852,589
User fees	796,448	434,398	-	1,841	1,223,203	851,209	-	-	3,913,752	3,234,039
Grants - other	22,208	94,407	33,368	40,002	480,230	700,452	-	-	1,428,642	1,620,446
Permits, licences and fines	-	-	-	-	-	-	-	-	342,088	501,052
Investment income	4,503	3,085	-	10	15,795	15,429	308,882	297,220	740,228	581,083
Other revenue	-	2	-	81,673	56,031	56,574	-	-	691,570	564,810
Water and sewer	-	-	-	-	-	-	34,909,659	14,472,175	34,909,659	14,472,175
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,591,097	2,332,904
Prov of MB - Conditional Grants	64,061	56,760	-	-	146,943	160,581	-	-	754,924	1,248,423
Total revenue	\$ 887,220	\$ 588,652	\$ 33,368	\$ 123,526	\$ 1,922,202	\$ 1,784,245	\$ 35,218,541	\$ 14,769,395	\$ 56,842,637	\$ 36,185,609
<b>EXPENSES</b>										
Personnel services	\$ 350,482	\$ 320,469	\$ 316,646	\$ 315,738	\$ 1,856,500	\$ 1,572,962	\$ 2,761,266	\$ 2,614,329	\$ 9,991,689	\$ 9,658,390
Contract services	222,586	306,665	86,574	85,366	486,159	437,159	1,650,178	2,855,818	7,771,056	8,653,937
Utilities	12,161	7,464	1,470	4,467	381,908	312,393	887,699	843,042	1,707,997	1,568,878
Maintenance materials and supplies	59,753	68,530	4,463	3,522	718,185	855,978	1,031,549	665,173	2,796,994	2,750,624
Grants and contributions	22,205	22,205	50,045	56,937	579,625	599,458	-	-	858,893	733,103
Amortization	25,099	21,326	408	556	1,192,136	1,177,280	601,195	527,936	2,582,031	2,469,339
Interest on long-term debt	-	-	-	426	458,201	511,298	5,636	44,298	471,431	567,335
Other	8,258	7,685	190	5,554	60,302	38,876	105,818	111,029	381,955	315,931
Total expenses	\$ 700,544	\$ 754,344	\$ 459,796	\$ 472,566	\$ 5,733,016	\$ 5,505,404	\$ 7,043,341	\$ 7,661,625	\$26,562,046	\$26,717,537
<b>Surplus (Deficit)</b>	\$ 186,676	\$ (165,692)	\$ (426,428)	\$ (349,040)	\$ (3,810,814)	\$ (3,721,159)	\$ 28,175,200	\$ 7,107,770	\$ 30,280,591	\$ 9,468,072

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2018

	Core Government		Controlled Entities		Government Partnerships		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>								
Property taxes	\$ 10,595,776	\$ 10,778,088	\$ -	\$ -	\$ -	\$ -	\$ 10,595,776	\$ 10,778,088
Grants in lieu of taxation	874,901	852,589	-	-	-	-	874,901	852,589
User fees	1,875,056	1,830,065	35,070	37,297	2,003,626	1,366,677	3,913,752	3,234,039
Grants - other	894,210	989,252	1,056	1,056	533,376	630,138	1,428,642	1,620,446
Permits, licences and fines	342,088	501,052	-	-	-	-	342,088	501,052
Investment income	718,039	562,616	-	147	22,189	18,320	740,228	581,083
Other revenue	620,978	433,559	15,000	2,225	55,592	129,026	691,570	564,810
Water and sewer	34,909,659	14,472,175	-	-	-	-	34,909,659	14,472,175
Prov of MB - Unconditional Grants	2,591,097	2,332,904	-	-	-	-	2,591,097	2,332,904
Prov of MB - Conditional Grants	474,838	1,081,108	120,622	30,000	159,464	137,315	754,924	1,248,423
Total revenue	\$ 53,896,642	\$ 33,833,408	\$ 171,748	\$ 70,725	\$ 2,774,247	\$ 2,281,476	\$ 56,842,637	\$ 36,185,609
<b>EXPENSES</b>								
Personnel services	\$ 7,864,658	\$ 7,815,514	\$ 63,755	\$ 67,526	\$ 2,063,276	\$ 1,775,350	\$ 9,991,689	\$ 9,658,390
Contract services	7,312,798	8,285,174	10,351	11,296	447,907	357,467	7,771,056	8,653,937
Utilities	1,351,580	1,279,774	2,158	1,530	354,259	287,574	1,707,997	1,568,878
Maintenance materials and supplies	2,221,704	2,158,837	25,469	22,943	549,821	568,844	2,796,994	2,750,624
Grants and contributions	2,138,401	2,054,952	(35,177)	(29,107)	(1,244,331)	(1,292,742)	858,893	733,103
Amortization	2,390,247	2,272,045	21,951	17,643	169,833	179,651	2,582,031	2,469,339
Interest on long-term debt	468,069	565,512	-	-	3,362	1,823	471,431	567,335
Other	316,768	282,119	1,552	(237)	63,635	34,049	381,955	315,931
Total expenses	\$ 24,064,225	\$ 24,713,927	\$ 90,059	\$ 91,594	\$ 2,407,762	\$ 1,912,016	\$ 26,562,046	\$ 26,717,537
<b>Surplus (Deficit)</b>	\$ 29,832,417	\$ 9,119,481	\$ 81,689	\$ (20,869)	\$ 366,485	\$ 369,460	\$ 30,280,591	\$ 9,468,072

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	2018							Sub-total
	General Reserve	Equipment Replacement Reserve	Cemetery Reserve	Fire Truck Reserve	Handicap Access Reserve	Land Development Reserve	Environmental Reserve	
<b>REVENUE</b>								
Investment income	\$ 83,268	\$ 4,443	\$ 21	\$ 3,202	\$ 595	\$ 8,157	\$ 6,996	\$ 106,682
Other income	-	-	-	-	-	-	-	-
Total revenue	83,268	4,443	21	3,202	595	8,157	6,996	106,682
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	83,268	4,443	21	3,202	595	8,157	6,996	106,682
<b>TRANSFERS</b>								
Transfers from general operating fund	3,293,468	185,000	-	185,000	-	231,970	40,000	3,935,438
Transfers to general operating fund	(572,002)	-	-	-	-	-	-	(572,002)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(434,096)	-	-	(54,599)	-	-	-	(488,695)
<b>CHANGE IN RESERVE FUND BALANCES</b>	2,370,638	189,443	21	133,603	595	240,127	46,996	2,981,423
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	5,633,397	285,250	2,020	172,375	56,025	751,057	629,956	7,530,080
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 8,004,035</u>	<u>\$ 474,693</u>	<u>\$ 2,041</u>	<u>\$ 305,978</u>	<u>\$ 56,620</u>	<u>\$ 991,184</u>	<u>\$ 676,952</u>	<u>\$ 10,511,503</u>

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	2018							Sub-total
	Computer Reserve	Crescent Lake Reserve	Handivan Reserve	Special Administration Reserve	Capital Levy Reserve	Recreation Dedication Fees Reserve	Sidewalk Reserve	
<b>REVENUE</b>								
Investment income	\$ 1,497	\$ 190	\$ 144	\$ 1,222	\$ 1,006	\$ 238	\$ 2,688	\$ 113,667
Other income	-	-	-	-	-	-	-	-
Total revenue	1,497	190	144	1,222	1,006	238	2,688	113,667
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	1,497	190	144	1,222	1,006	238	2,688	113,667
<b>TRANSFERS</b>								
Transfers from general operating fund	30,000	644	-	13,100	-	-	100,000	4,079,182
Transfers to general operating fund	-	-	-	(110,000)	-	-	-	(682,002)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	18,000	-	-	-	-	-	-	18,000
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(8,400)	-	(15,000)	-	-	-	-	(512,095)
<b>CHANGE IN RESERVE FUND BALANCES</b>	41,097	834	(14,856)	(95,678)	1,006	238	102,688	3,016,752
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	108,429	17,865	15,475	205,913	94,718	22,452	181,141	8,176,073
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 149,526</u>	<u>\$ 18,699</u>	<u>\$ 619</u>	<u>\$ 110,235</u>	<u>\$ 95,724</u>	<u>\$ 22,690</u>	<u>\$ 283,829</u>	<u>\$ 11,192,825</u>

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	2018							
	Softball Reserve	Gas Tax Reserve	Glesby Centre Reserve	Accommodation Tax Marketing Reserve	Accommodation Tax Sask Ave Reserve	Utility Replacement Reserve	Utility Nutrient Removal Reserve	Sub-total
<b>REVENUE</b>								
Investment income	\$ 269	\$ 33,685	\$ -	\$ -	\$ -	\$ 144,803	\$ 164,079	\$ 456,503
Other income	-	-	-	-	-	-	-	-
Total revenue	269	33,685	-	-	-	144,803	164,079	456,503
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	269	33,685	-	-	-	144,803	164,079	456,503
<b>TRANSFERS</b>								
Transfers from general operating fund	-	735,286	20,000	75,002	75,002	-	-	4,984,472
Transfers to general operating fund	-	(330,000)	(28,179)	(65,000)	-	-	-	(1,105,181)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	2,250,232	1,682,179	3,950,411
Transfers to utility operating fund	-	-	-	-	-	(138,257)	-	(138,257)
Acquisition of tangible capital assets	-	(143,379)	-	-	-	(1,146,536)	-	(1,802,010)
<b>CHANGE IN RESERVE FUND BALANCES</b>	269	295,592	(8,179)	10,002	75,002	1,110,242	1,846,258	6,345,938
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	10,873	3,236,482	99,039	102,520	247,364	8,388,660	10,263,913	30,524,924
<b>FUND SURPLUS, END OF YEAR</b>	\$ 11,142	\$ 3,532,074	\$ 90,860	\$ 112,522	\$ 322,366	\$ 9,498,902	\$ 12,110,171	\$ 36,870,862



CITY OF PORTAGE LA PRAIRIE  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 For the Year Ended December 31, 2018

SCHEDULE 6

	<u>2018</u>	<u>2017</u>
	Total	Total
<b>REVENUE</b>		
Investment income	\$ 456,503	\$ 423,364
Other income	-	-
Total revenue	<u>456,503</u>	<u>423,364</u>
<b>EXPENSES</b>		
Investment charges	-	-
Other expenses	-	-
Total expenses	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<b>456,503</b>	<b>423,364</b>
<b>TRANSFERS</b>		
Transfers from general operating fund	4,984,472	2,593,663
Transfers to general operating fund	(1,105,181)	(323,154)
Transfer from nominal surplus	-	-
Transfers from utility operating fund	3,950,411	3,102,418
Transfers to utility operating fund	(138,257)	(1,050,312)
Acquisition of tangible capital assets	<u>(1,802,010)</u>	<u>(2,162,857)</u>
<b>CHANGE IN RESERVE FUND BALANCES</b>	<b>6,345,938</b>	<b>2,583,122</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u><b>30,524,924</b></u>	<u>27,941,802</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u><u><b>\$ 36,870,862</b></u></u>	<u><u><b>\$ 30,524,924</b></u></u>

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

SCHEDULE 7

	2018 Budget	2018 Actual	2017 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
<b>Total revenue</b>	-	-	-
<b>Expenses</b>			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
<b>Total expenses</b>	-	-	-
<b>Net revenue (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, 2018

SCHEDULE 8

	<u>2018</u>	<u>2017</u>
	Total	Total
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 9,406,311	\$ 2,299,066
Due from other funds	-	166,684
	<u>\$ 9,406,311</u>	<u>\$ 2,465,750</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,160,227	\$ 283,906
Long-term debt (Note 9)	-	200,957
Due to other funds	3,974,134	-
	<u>6,134,361</u>	<u>484,863</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 3,271,950</u>	<u>\$ 1,980,887</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 41,168,626	\$ 17,224,261
Inventories	215,524	249,858
Prepaid expenses	-	394
	<u>41,384,150</u>	<u>17,474,513</u>
<b>FUND SURPLUS</b>	<u>\$ 44,656,100</u>	<u>\$ 19,455,400</u>
<b>COMMITMENTS AND CONTINGENCIES (NOTES 11 and 12)</b>		

CITY OF PORTAGE LA PRAIRIE  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2018

SCHEDULE 9

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 10,920,909	\$ 11,742,653	\$ 11,669,443
Bulk Water fees	-	13,374	10,514
sub-total- water	<u>10,920,909</u>	<u>11,756,027</u>	<u>11,679,957</u>
<b>Sewer</b>			
Sewer fees	26,512	25,885	31,455
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>26,512</u>	<u>25,885</u>	<u>31,455</u>
<b>Property taxes</b>	-	-	-
<b>Government transfers</b>			
Operating	-	-	-
Capital	31,000,000	22,518,815	1,968,502
sub-total- government transfers	<u>31,000,000</u>	<u>22,518,815</u>	<u>1,968,502</u>
<b>Other</b>			
Hydrant rentals	57,725	57,700	57,700
Connection charges	20,000	106,882	21,220
Installation service	-	-	-
Penalties	9,750	9,731	11,393
Contributed tangible capital assets	-	-	-
Investment income	-	140,575	74,982
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	326,140	294,044	626,966
sub-total- other	<u>413,615</u>	<u>608,932</u>	<u>792,261</u>
<b>Total revenue</b>	<u>42,361,036</u>	<u>34,909,659</u>	<u>14,472,175</u>

CITY OF PORTAGE LA PRAIRIE  
SCHEDULE OF UTILITY OPERATIONS  
For the Year Ended December 31, 2018

SCHEDULE 9

	Budget	2018	2017
<b>EXPENSES</b>			
<b>General</b>			
Administration	1,397,570	1,212,001	1,171,387
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>1,397,570</u>	<u>1,212,001</u>	<u>1,171,387</u>
<b>Water General</b>			
Purification and treatment	2,497,752	2,347,244	3,072,813
Water purchases	-	-	-
Transmission and distribution	1,996,584	1,391,610	1,244,047
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other	-	-	-
sub-total- water general	<u>4,494,336</u>	<u>3,738,854</u>	<u>4,316,860</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	285,779	285,779	220,855
Interest on long-term debt	2,818	2,818	22,149
sub-total- water amortization & interest	<u>288,597</u>	<u>288,597</u>	<u>243,004</u>
<b>Sewer General</b>			
Collection system costs	1,460,137	1,046,639	1,289,533
Treatment and disposal cost	143,680	175,471	59,060
Lift Station costs	237,345	263,545	252,551
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>1,841,162</u>	<u>1,485,655</u>	<u>1,601,144</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	315,416	315,416	307,081
Interest on long-term debt	2,818	2,818	22,149
sub-total- sewer amortization & interest	<u>318,234</u>	<u>318,234</u>	<u>329,230</u>
<b>Total expenses</b>	<u>8,339,899</u>	<u>7,043,341</u>	7,661,625
<b>NET OPERATING SURPLUS</b>	34,021,137	27,866,318	6,810,550
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(34,950,411)</u>	<u>(2,665,618)</u>	<u>(1,464,702)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (929,274)</u>	25,200,700	5,345,848
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>19,455,400</u>	<u>14,109,552</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 44,656,100</u>	<u>\$ 19,455,400</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2018

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long-Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 10,502,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,502,823
Grants in lieu of taxation	874,901	-	-	-	-	-	-	874,901
User fees	1,595,403	-	-	-	-	-	2,038,696	3,634,099
Permits, licences and fines	407,675	-	-	-	-	-	-	407,675
Investment income	70,000	-	-	-	-	-	22,189	92,189
Other revenue	297,800	-	-	-	-	-	70,592	368,392
Water and sewer	-	42,361,036	-	-	-	-	-	42,361,036
Grants - Province of Manitoba	4,282,251	-	-	-	-	-	280,086	4,562,337
Grants - other	14,000	-	-	-	-	-	534,432	548,432
Transfers from accumulated surplus	2,926,960	536,689	-	-	(3,463,649)	-	-	-
Transfers from reserves	65,000	-	-	-	(65,000)	-	-	-
<b>Total revenue</b>	<b>\$ 21,036,813</b>	<b>\$ 42,897,725</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,528,649)</b>	<b>\$ -</b>	<b>\$ 2,945,995</b>	<b>\$ 63,351,884</b>
<b>EXPENSES</b>								
General government services	\$ 2,384,105	\$ -	\$ 39,458	\$ -	\$ 242,267	\$ -	\$ -	\$ 2,665,830
Protective services	5,908,990	-	153,847	-	-	-	-	6,062,837
Transportation services	2,083,561	-	484,502	6,628	-	-	90,059	2,664,750
Environmental health services	809,164	-	9,958	-	-	-	195,825	1,014,947
Public health and welfare services	361,165	-	-	-	-	-	-	361,165
Regional planning and development	462,576	-	14,059	-	-	-	258,200	734,835
Resource cons and industrial dev	179,400	-	-	-	-	-	35,477	214,877
Recreation and cultural services	2,298,134	-	1,087,228	455,805	-	-	1,918,260	5,759,427
Water and sewer services	-	7,733,068	601,195	5,636	-	-	-	8,339,899
Fiscal services:								
Transfer to capital	-	-	-	-	-	-	-	-
Debt charges	1,613,669	214,246	-	(1,827,915)	-	-	-	-
Short term interest	114,900	-	-	-	(114,900)	-	-	-
Transfer to reserves	4,693,782	34,950,411	-	-	(39,644,193)	-	-	-
Allowance for tax assets	127,367	-	-	-	(127,367)	-	-	-
<b>Total expenses</b>	<b>\$ 21,036,813</b>	<b>\$ 42,897,725</b>	<b>\$ 2,390,247</b>	<b>\$ (1,359,846)</b>	<b>\$ (39,644,193)</b>	<b>\$ -</b>	<b>\$ 2,497,821</b>	<b>\$ 27,818,567</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,390,247)</b>	<b>\$ 1,359,846</b>	<b>\$ 36,115,544</b>	<b>\$ -</b>	<b>\$ 448,174</b>	<b>\$ 35,533,317</b>

CITY OF PORTAGE LA PRAIRIE  
ANALYSIS OF TAXES ON ROLL  
December 31, 2018

SCHEDULE 11

	<u>2018</u>	<u>2017</u>
<b>Balance, beginning of year</b>	<b>\$ 1,093,163</b>	<b>\$ 706,614</b>
<b>Add:</b>		
Tax levy (Schedule 12)	18,387,238	18,464,483
Taxes added	145,058	343,348
Penalties or interest	148,730	133,924
Other accounts added	411,073	555,883
<b>Sub-total</b>	<b><u>19,092,099</u></b>	<b><u>19,497,638</u></b>
<b>Deduct:</b>		
Cash collections - current	15,922,578	16,152,798
Cash collections - arrears	935,817	567,619
Writeoffs	-	12,712
Tax discounts	7,215	7,745
E.P.T.C. - cash advance	2,380,443	2,370,215
<b>Sub-total</b>	<b><u>19,246,053</u></b>	<b><u>19,111,089</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 939,209</u></u></b>	<b><u><u>\$ 1,093,163</u></u></b>

CITY OF PORTAGE LA PRAIRIE  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2018

SCHEDULE 12

	2018			2017
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D.	503,357,940	2.797	\$ 1,407,892	\$ 1,410,766
At large	503,357,940	0.121	60,906	60,813
sub-total- Debt charges			<u>1,468,798</u>	<u>1,471,579</u>
Reserves:				
Environmental	503,357,940	0.073	36,745	35,181
Special Admin	503,357,940	0.024	12,081	4,523
Glesby Centre	503,357,940	0.037	18,624	9,047
Fire	503,357,940	0.339	170,638	9,047
Sidewalk	503,357,940	0.183	92,115	92,476
Computer	503,357,940	0.055	27,685	27,642
General	503,357,940	0.672	338,257	1,058,451
Equipment Replacement	503,357,940	0.339	170,638	170,880
sub-total- Reserves			<u>866,783</u>	<u>1,407,247</u>
General municipal	503,357,940	15.829	<u>7,967,653</u>	<u>7,409,158</u>
Special levies:				
Assessment Levy	503,357,940	0.293	<u>147,484</u>	<u>146,756</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>10,450,718</b></u>	<u>10,434,740</u>
Education support levy	126,934,120	9.770	<u>1,240,146</u>	<u>1,261,049</u>
Special levies:				
Portage la Prairie School Division	487,327,980	13.741	<u>6,696,374</u>	<u>6,768,694</u>
<b>Total education taxes</b>			<u><b>7,936,520</b></u>	<u>8,029,743</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 18,387,238</b></u>	<u>\$ 18,464,483</u>



CITY OF PORTAGE LA PRAIRIE  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
For the Year Ended December 31, 2018

**SCHEDULE 13**

	2018 Actual	2017 Actual
<b>General government services:</b>		
Legislative	\$ 208,912	\$ 180,898
General administrative	1,897,328	2,025,548
Other	478,718	205,864
	<u>2,584,958</u>	<u>2,412,310</u>
<b>Protective services:</b>		
Police	3,380,528	3,159,546
Fire	2,166,115	2,383,854
Emergency measures	56,595	55,535
Other	75,771	85,119
	<u>5,679,009</u>	<u>5,684,054</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	290,225	233,715
Road and street maintenance	2,458,336	2,307,431
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	95,464	97,114
Street lighting	250,780	238,239
Other	-	-
Air transport	-	-
Public transit	33,590	26,400
Other	-	-
	<u>3,128,395</u>	<u>2,902,899</u>
<b>Environmental health services:</b>		
Waste collection and disposal	485,050	507,907
Recycling	222,277	224,785
Other	-	-
	<u>707,327</u>	<u>732,692</u>
<b>Public health and welfare services:</b>		
Public health	169,055	225,484
Medical care	-	-
Social assistance	70,721	70,721
Other	-	-
	<u>239,776</u>	<u>296,205</u>
<b>Regional planning and development</b>		
Planning and zoning	81,387	129,714
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	195,239	238,567
Other	165,718	154,535
	<u>442,344</u>	<u>522,816</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	404,570	417,482
Industrial development	16,634	25,441
Tourism	1,024	9,264
Other	2,091	10,634
	<u>424,319</u>	<u>462,821</u>
<b>Sub-totals forward</b>	<u>13,206,128</u>	<u>13,013,797</u>

CITY OF PORTAGE LA PRAIRIE  
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
 For the Year Ended December 31, 2018

SCHEDULE 13

	<u>2018 Actual</u>	<u>2017 Actual</u>
<b>Sub-totals forward</b>	<b><u>13,206,128</u></b>	<b><u>13,013,797</u></b>
<b>Recreation and cultural services:</b>		
Administration	1,264,215	1,313,624
Community centers and halls	64,100	74,880
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	8,605	6,906
Parks and playgrounds	397,338	554,290
Other recreational facilities	1,654,418	1,667,167
Museums	-	-
Libraries	333,978	330,352
Other cultural facilities	92,102	91,286
	<b><u>3,814,756</u></b>	<b><u>4,038,505</u></b>
<b>Total expenses</b>	<b><u>\$ 17,020,884</u></b>	<b><u>\$ 17,052,302</u></b>

CITY OF PORTAGE LA PRAIRIE  
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)  
December 31, 2018

SCHEDULE 14

	2018		2017 Total	
	General	Utility		Total
<b>MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ 927,429	\$ 1,592,067	\$ 2,519,496	\$ 1,714,945
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	4,984,472	3,950,411	8,934,883	5,696,081
Eliminate revenue - transfers from reserves	(1,760,655)	(1,284,793)	(3,045,448)	(3,536,323)
Increase revenue - reserve funds interest	456,503	-	456,503	423,364
Increase revenue - Net surplus of consolidated entities	448,174	-	448,174	348,591
Eliminate revenue - transfer from nominal surpluses	(2,926,960)	(536,689)	(3,463,649)	-
Increase revenue - gain on sale of tangible capital assets	31,971	-	31,971	5,100
Increase expense - amortization of tangible capital assets	(1,789,052)	(601,195)	(2,390,247)	(2,272,045)
Decrease expense - principal portion of debenture debt	1,094,331	200,957	1,295,288	2,128,297
Eliminate expense - acquisitions of tangible capital assets (net proceeds)	948,060	24,545,560	25,493,620	4,960,062
<b>NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ 2,414,273</u>	<u>\$ 27,866,318</u>	<u>\$ 30,280,591</u>	<u>\$ 9,468,072</u>