

CITY OF PORTAGE LA PRAIRIE

**Consolidated Financial Statements
For the Year Ended December 31, 2019**

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 City. 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 City's external auditors.

MNP LLP as the City's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's Report is addressed to the Mayor and members of council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian Public Sector Accounting Standards.



Cathie McFarlane

Director of Corporate Services

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the
CITY OF PORTAGE LA PRAIRIE

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, 2019, 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, 2019, 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 Auditor's 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.

Auditor's 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 Auditor's 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.
- 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 Auditor's 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 Auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

22-Jun-20

Portage la Prairie, Manitoba

MNP LLP

Chartered Professional Accountants

CITY OF PORTAGE LA PRAIRIE

Consolidated Financial Statements

For the Year Ended December 31, 2019

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**CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 41,027,872	\$ 29,232,339
Amounts receivable (Note 4)	6,083,367	12,698,751
Portfolio investments (Note 5)	3,136,882	10,571,337
Real estate properties held for sale	373,411	344,958
Other inventories for sale (Note 6)	1,808	1,943
	<u>\$ 50,623,340</u>	<u>\$ 52,849,328</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 5,944,294	\$ 11,542,964
Unearned revenue	223,871	211,632
Landfill closure and post closure liabilities (Note 9)	33,394	29,353
Long-term debt (Note 10)	6,946,456	8,133,879
Obligations under capital lease (Note 11)	2,252	4,121
	<u>13,150,267</u>	<u>19,921,949</u>
NET FINANCIAL ASSETS	<u>\$ 37,473,073</u>	<u>\$ 32,927,379</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$111,608,782	\$102,357,073
Inventories (Note 6)	305,590	266,585
Prepaid expenses	295,754	162,474
	<u>112,210,126</u>	<u>102,786,132</u>
ACCUMULATED SURPLUS (Note 18)	<u>\$149,683,199</u>	<u>\$135,713,511</u>

COMMITMENTS AND CONTINGENCIES (NOTES 12 AND 13)

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, 2019

	<u>2019 Budget (Note 17)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
REVENUE			
Property taxes	\$ 10,736,908	\$ 10,868,386	\$ 10,595,776
Grants in lieu of taxation	891,388	891,388	874,901
User fees	5,405,334	4,759,405	3,913,752
Permits, licences and fines	413,160	549,107	342,088
Investment income	112,347	1,033,901	740,228
Other revenue	251,498	931,739	691,570
Water and sewer	28,201,047	16,744,996	34,909,659
Grants - Province of Manitoba	3,232,710	3,585,684	3,346,021
Grants - other	<u>1,366,918</u>	<u>1,951,362</u>	<u>1,428,642</u>
Total revenue (Schedules 2, 4 and 5)	<u>50,611,310</u>	<u>41,315,968</u>	<u>56,842,637</u>
EXPENSES			
General government services	3,273,261	2,948,313	2,584,958
Protective services	6,147,331	6,003,158	5,679,009
Transportation services	2,767,809	2,898,145	3,218,454
Environmental health services	1,169,144	1,102,348	903,152
Public health and welfare services	336,797	221,197	239,776
Regional planning and development	814,982	796,667	700,544
Resource conservation and industrial development	175,711	170,093	459,796
Recreation and cultural services	5,622,123	5,715,457	5,733,016
Water and sewer services	<u>8,750,019</u>	<u>7,490,902</u>	<u>7,043,341</u>
Total expenses (Schedules 3, 4 and 5)	<u>29,057,177</u>	<u>27,346,280</u>	<u>26,562,046</u>
ANNUAL SURPLUS	<u>\$ 21,554,133</u>	<u>13,969,688</u>	<u>30,280,591</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>135,713,511</u>	<u>105,432,920</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 149,683,199</u>	<u>\$ 135,713,511</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, 2019

	<u>2019 Budget (Note 17)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
ANNUAL SURPLUS	\$ 21,554,133	\$ 13,969,688	\$ 30,280,591
Acquisition of tangible capital assets	(27,441,101)	(12,134,731)	(25,945,685)
Amortization of tangible capital assets	2,788,158	2,788,158	2,582,031
Gain on sale of tangible capital assets	-	(29,928)	(31,532)
Proceeds on sale of tangible capital assets	-	124,792	48,899
Decrease (increase) in inventories	-	(39,005)	39,597
Decrease (increase) in prepaid expense	-	(133,280)	76,412
	<u>(24,652,943)</u>	<u>(9,423,994)</u>	<u>(23,230,278)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (3,098,810)	4,545,694	7,050,313
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>32,927,379</u>	<u>25,877,066</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 37,473,073</u>	<u>\$ 32,927,379</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, 2019

	<u>2019</u>	<u>2018</u>
OPERATING TRANSACTIONS		
Annual surplus	\$13,969,688	\$30,280,591
Changes in non-cash items:		
Amounts receivable	6,615,384	(7,092,822)
Inventories	(38,870)	40,384
Prepays	(133,280)	76,412
Accounts payable and accrued liabilities	(5,598,670)	6,750,014
Unearned revenue	12,239	13,915
Landfill closure and post closure liabilities	4,041	(1,162)
Gain on land held for resale	(389,265)	-
Gain on sale of tangible capital asset	(29,928)	(31,532)
Amortization	2,788,158	2,582,031
Cash provided by operating transactions	<u>17,199,497</u>	<u>32,617,831</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	124,792	48,899
Cash used to acquire tangible capital assets	(12,134,731)	(25,945,685)
Cash applied to capital transactions	<u>(12,009,939)</u>	<u>(25,896,786)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	7,434,455	-
Proceeds on sale of real estate properties	408,550	-
Purchase of portfolio investments	-	(167,480)
Acquisition of real estate properties	(47,738)	(242,044)
Cash provided by (applied to) investing transactions	<u>7,795,267</u>	<u>(409,524)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	96,644
Debt repayment	(1,187,423)	(1,316,910)
Obligations under capital lease	-	5,216
Repayment of obligations under capital lease	(1,869)	(1,095)
Cash applied to financing transactions	<u>(1,189,292)</u>	<u>(1,216,145)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	11,795,533	5,095,376
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>29,232,339</u>	<u>24,136,963</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$41,027,872</u>	<u>\$29,232,339</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, 2019

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 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, 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%) (2018 - 66.67%)
Portage la Prairie Regional Landfill Authority (66.67%) (2018 - 66.67%)
Portage la Prairie Regional Library (77.00%) (2018 - 77.00%)
Portage Regional Recreation Authority Inc. (75.00%) (2018 - 75.00%)
Portage Regional Economic Development (66.67%) (2018 - 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.

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, 2019

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 costs 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 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, 2019

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) Leases

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

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the 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.

l) 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.

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies (continued)

m) 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. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. Early adoption is permitted.

Financial Instruments (PS 3450)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
 - Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
 - Portfolio investments in equity instruments quoted in an active market are measured at fair value.
 - Other financial assets and financial liabilities are generally measured at cost or amortized cost.
 - An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses;
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exist, 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.

PS 3450 was to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. 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.

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies (continued)

m) Recent Accounting Pronouncements (continued)

Asset Retirement Obligations (PS 3280)

In August 2018, new PS 3280 Asset Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents 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.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- 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.

- The best method to estimate the liability is often a present value technique.

This standard is effective for fiscal years beginning on or after April 1, 2021. Early adoption is permitted.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 40,166,293	\$ 28,503,225
Temporary investments	<u>861,579</u>	<u>729,114</u>
	<u>\$ 41,027,872</u>	<u>\$ 29,232,339</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$38,965,453 (2018 - \$36,870,862) 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 \$19,751,855 (2018 - \$11,662,496).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 1,030,261	\$ 939,209
Government grants	2,909,712	7,947,822
Utility customers	1,059,402	1,539,833
Accrued interest	932	1,356
Organizations and individuals	1,266,989	1,683,203
Other governments	<u>364,580</u>	<u>800,694</u>
	6,631,876	12,912,117
Less allowances for doubtful amounts	<u>(548,509)</u>	<u>(213,366)</u>
	<u>\$ 6,083,367</u>	<u>\$ 12,698,751</u>

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

5. Portfolio Investments

	<u>2019</u>	<u>2018</u>
Guaranteed investment certificate and term deposits	<u>\$ 3,136,882</u>	<u>\$ 10,571,337</u>

The aggregate market value of the marketable securities at December 31, 2019 is \$3,136,882 (2018 - \$10,571,337). Portfolio investments earned \$208,241 in investment income during the year (2018 - \$179,170).

6. Inventories

Inventories for sale:

	<u>2019</u>	<u>2018</u>
Food and beverages	<u>\$ 1,808</u>	<u>\$ 1,943</u>

Inventories for use:

	<u>2019</u>	<u>2018</u>
Chemicals, herbicides, insecticides	\$ 250,145	\$ 215,524
Fuel	9,865	8,203
Other supplies	<u>45,580</u>	<u>42,858</u>
	<u>\$ 305,590</u>	<u>\$ 266,585</u>

7. Bank Indebtedness

The City has available a line of credit of \$3,000,000 for general operating, bearing interest at 3.35%. The City has drawn \$nil (2018 - \$nil) of the line of credit available.

8. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 1,382,306	\$ 6,539,839
Accrued expenses	936,371	1,090,875
Accrued interest payable	210,922	247,942
School levies	1,036,956	2,597,151
Other governments	<u>2,377,739</u>	<u>1,067,157</u>
	<u>\$ 5,944,294</u>	<u>\$ 11,542,964</u>

9. 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>2019</u>	<u>2018</u>
Estimated closure and post closure costs over the next 32 years	<u>\$ 306,015</u>	<u>\$ 306,015</u>
Discount rate	<u>5.64%</u>	<u>5.64%</u>
Discounted costs	<u>\$ 54,759</u>	<u>\$ 49,480</u>
Expected year capacity will be reached	2051	2052
Capacity (tonnes):		
Used to date	1,510,985	1,468,751
Remaining	966,715	1,008,949
Total	<u>2,477,700</u>	<u>2,477,700</u>
Percent utilized	<u>60.98%</u>	<u>59.28%</u>
Liability based on percentage	<u>\$ 33,394</u>	<u>\$ 29,353</u>

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

10. Long-Term Debt

	<u>2019</u>	<u>2018</u>
General Authority:		
Loan payable, interest at 4.000%, payable at \$1,228 monthly including interest, maturing 2019.	\$ -	\$ 13,399
Loan payable, interest at 4.890%, payable at \$554 monthly including interest, maturing 2023.	21,890	25,508
Loan payable, interest at 5.300%, payable at \$1,685 monthly including interest, maturing 2024.	78,071	94,053
Debenture, interest at 6.250%, payable at \$38,721 annually including interest, maturing 2019	-	36,443
Debenture, interest at 5.375%, payable at \$19,760 annually including interest, maturing 2021	36,548	53,435
Debenture, interest at 5.375%, payable at \$7,410 annually including interest, maturing 2021	13,705	20,038
Debenture, interest at 5.500%, payable at \$697,379 annually including interest, maturing 2024	2,978,008	3,483,779
Debenture, interest at 5.500%, payable at \$298,877 annually including interest, maturing 2024	1,276,289	1,493,048
Debenture, interest at 5.500%, payable at \$8,468 annually including interest, maturing 2024	36,161	42,303
Debenture, interest at 5.500%, payable at \$145,952 annually including interest, maturing 2024	623,255	729,105
Debenture, interest at 5.500%, payable at \$159,401 annually including interest, maturing 2025	796,292	905,871
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	49,768	56,617
Debenture, interest at 5.500%, payable at \$9,963 annually including interest, maturing 2025	49,768	56,617
Debenture, interest at 5.250%, payable at \$146,965 annually including interest, maturing 2025	740,026	842,748
Debenture, interest at 5.250%, payable at \$9,798 annually including interest, maturing 2025	49,335	56,183
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	98,670	112,366
Debenture, interest at 5.250%, payable at \$19,595 annually including interest, maturing 2025	98,670	112,366
	<u>\$ 6,946,456</u>	<u>\$ 8,133,879</u>

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

2020	\$ 1,201,671
2021	\$ 1,267,259
2022	\$ 1,309,260
2023	\$ 1,375,779
2024	\$ 1,436,329

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

11. 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>2019</u>	<u>2018</u>
2019	\$ -	\$ 2,100
2020	2,102	2,102
2021	<u>794</u>	<u>794</u>
Total minimum lease payments	\$ 2,896	\$ 4,996
Less amount representing future interest at 5.000%	<u>(644)</u>	<u>(875)</u>
Balance of obligation	<u>\$ 2,252</u>	<u>\$ 4,121</u>

Interest expense includes **\$362** (2018 - \$212) with respect to this obligation.

Assets under capital lease include vehicles, machinery and road construction equipment.

	<u>2019</u>	<u>2018</u>
Cost of leased tangible capital asset	\$ 5,217	\$ 5,217
Accumulated amortization of leased tangible capital asset	<u>(1,304)</u>	<u>(522)</u>
	<u>\$ 3,913</u>	<u>\$ 4,695</u>

Amortization expense includes **\$782** (2018 - \$522) on leased tangible capital assets.

12. 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 maintenance of green areas of approximately \$505,688 for the period April 1, 2018 to October 31, 2020.

13. Contingencies

The Portage Regional Recreation 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 Shindleman 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.

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

14. 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 **\$509,027** (2018 - \$511,061) 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, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 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, 2018.

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.

15. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that 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.

16. Subsequent Events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Subsequent to the year-end, the City contracted for the supply of chemicals for the Water Treatment Plant for a 12 month period for approximately \$1,611,632.

Subsequent to the year-end, the City contracted for the land application of biosolids for the 2020 season for approximately \$224,400.

Subsequent to the year-end, the City contracted the cleaning of the Anaerobic Digester for the WPCF for the 2020 season for approximately \$373,783.

Subsequent to year-end, the City contracted for the upgrading and long-term operating contract for the water pollution control facility of approximately \$5,781,117.

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

17. 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.

18. Accumulated Surplus

	2019	2018
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,023,532	\$ (486,252)
Utility operating fund - Nominal surplus	2,683,380	3,487,474
TCA net of related borrowings	102,410,836	92,353,216
Reserve funds	<u>38,965,453</u>	<u>36,870,862</u>
Accumulated surplus of Municipality unconsolidated	145,083,201	132,225,300
Accumulated surpluses of consolidated entities	<u>4,599,998</u>	<u>3,488,211</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 149,683,199</u>	<u>\$ 135,713,511</u>

19. 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 \$75,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2019:

a) There were no members of council receiving compensation in excess of \$75,000 individually.

b) The following officers and employees received compensation in excess of \$75,000:

Name	Position	Amount
Nathan Peto	City Manager	\$ 152,137
Kelly Braden	Director of Operations	\$ 148,364
Cathie McFarlane	Director of Corporate Services	\$ 129,921
Phil Carpenter	Fire Chief	\$ 127,785
Dave Holmes	Deputy Fire Chief	\$ 112,515
John Altenburg	WPCF Operator Supervisor	\$ 107,868
Brian Taylor	Manager of Public Works	\$ 106,328
Karly Friesen	Manager of Water Pollution Control Facility	\$ 105,718
Michael Sandney	Manager of Water Treatment Plant	\$ 105,559
Corey Jowett	Fire Fighter	\$ 104,004
Ben Olson	Water Treatment Operator	\$ 101,747
Todd McKinnon	Fire Fighter	\$ 100,493
George Kerr	Fire Fighter	\$ 98,711
Bryan Cairns	Facility Maintenance Supervisor	\$ 96,612
Gerard Pawloski	Fire Fighter	\$ 95,979
Don Robertson	Fire Fighter	\$ 95,678
Ryan Draycott	Fire Fighter	\$ 95,236
Curtis Rance	Fire Fighter	\$ 95,113
Brad Bailey	Fire Fighter	\$ 94,839
Stephen Moffit	Fire Fighter	\$ 93,983
Jared Bergen	Fire Fighter	\$ 92,118
Keith Barron	Waterworks Foreman	\$ 91,843
Wyatt McEachnie	Water Pollution Operator	\$ 91,245
Chris Perry	Fire Fighter	\$ 90,833
Aaron Stechesen	Lab Technologist	\$ 90,284
Landeyn Aymont	Fire Fighter	\$ 88,057
Norman Vuignier	Fire Fighter	\$ 87,839
Daren Van Den Bussche	Fire Fighter	\$ 86,594
Jocelyn Lequier-Jobin	Manager of Engineering	\$ 86,109
Jeff Sing	WTP Operator	\$ 84,867
Jeff Tessier	Fire Fighter	\$ 84,082

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

19. Public Sector Compensation Disclosure (continued)

Name	Position	Amount
<i>Louis-Phillip Nadeau</i>	<i>Fire Fighter</i>	\$ 83,790
<i>Terry Thompson</i>	<i>Mechanic</i>	\$ 82,979
<i>Joel Trandafir</i>	<i>Water Treatment Operator</i>	\$ 81,722
<i>Adam Carpenter</i>	<i>Transportation Foreman</i>	\$ 79,366
<i>Darren McDonald</i>	<i>Facility Maintenance</i>	\$ 78,720
<i>Jim Morrison</i>	<i>Senior Waterworks Maintenance</i>	\$ 77,136
<i>Soyan Ibrahim</i>	<i>WTP Operator</i>	\$ 76,888
<i>Brittany Denommee</i>	<i>WPCF Operator</i>	\$ 76,036

It is a requirement of The Municipal Act that the annual consolidated financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the Municipality. For the year ended December 31, 2019:

c) Compensation paid to members of council amounted to \$162,104 in aggregate.

Council Members:

	Compensation	Expenses	Total
Mayor - Irvine Ferris	\$ 46,384	\$ 4,749	\$ 51,133
Councillor - Melissa Draycott	18,352	1,138	19,490
Councillor - Brent Budz	21,563	1,193	22,756
Councillor - Ryan Espey	18,502	1,313	19,815
Councillor - Wayne Wall	19,551	4,105	23,656
Councillor - Sharilyn Knox	18,861	1,688	20,549
Councillor - Preston Meier	18,891	4,010	22,901
	<u>\$ 162,104</u>	<u>\$ 18,196</u>	<u>\$ 180,300</u>

20. 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>	\$ 1,665	\$ 47	\$ 1,712
<i>Willow Bay Paving In Trust</i>	4,457	127	4,584
<i>Cemetery Perpetual Trust</i>	314,889	11,718	326,607
<i>West-end Development Trust</i>	22	1	23
<i>Manitoba Hydro</i>	56,395	(11,143)	45,252
<i>Fire Equipment</i>	8,195	5,205	13,400
<i>Golf Island Park</i>	2,121	-	2,121
<i>Centennial Community Club Inc.</i>	17,100	(15,600)	1,500
<i>Misc City Contributions</i>	40	40	80
<i>DARE Program</i>	1,007	29	1,036
<i>Central Park Surplus</i>	102,294	35,182	137,476
<i>Portage Assisted Living Surplus</i>	1,500	(1,500)	-
<i>Bear Clan Donations</i>	-	230	230
	<u>\$ 509,685</u>	<u>\$ 24,336</u>	<u>\$ 534,021</u>

CITY OF PORTAGE LA PRAIRIE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

21. 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.

22. 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>2019</u>	<u>2018</u>
Financial Position		
Financial assets	\$ 2,793,143	\$ 2,124,793
Financial liabilities	606,609	685,551
Net financial assets	<u>\$ 2,186,534</u>	<u>\$ 1,439,242</u>
Non-financial assets	<u>2,285,696</u>	1,895,267
Accumulated surplus	<u>\$ 4,472,230</u>	<u>\$ 3,334,509</u>
Result of Operations		
Revenue	\$ 3,650,961	\$ 2,774,247
Expenses	<u>2,513,240</u>	<u>2,407,762</u>
Annual surplus	<u>\$ 1,137,721</u>	<u>\$ 366,485</u>

23. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
City of Portage la Prairie	<u>\$ 36,733,816</u>	<u>\$ 4,900,567</u>	<u>\$ 1,170,291</u>	<u>\$ 40,464,092</u>

CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2019

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	2019	2018
Cost										
Opening costs	10,383,767	47,090,551	6,355,068	558,233	399,834	20,571,622	99,909,126	26,783,554	212,051,755	186,206,300
Additions during the year	34,225	76,971	933,818	38,554	2,177,250	356,010	4,545,510	3,972,393	12,134,731	25,945,685
Disposals and write downs	(51,572)	-	(66,603)	-	-	-	-	-	(118,175)	(100,230)
Closing costs	10,366,420	47,167,522	7,222,283	596,787	2,577,084	20,927,632	104,454,636	30,755,947	224,068,311	212,051,755
Accumulated Amortization										
Opening accum'd amortization	3,727,854	13,498,795	3,224,100	383,962	-	3,335,917	85,524,054	-	109,694,682	107,195,514
Amortization	294,346	1,078,366	515,078	85,573	-	170,494	644,301	-	2,788,158	2,582,031
Disposals and write downs	-	-	(23,311)	-	-	-	-	-	(23,311)	(82,863)
Closing accum'd amortization	4,022,200	14,577,161	3,715,867	469,535	-	3,506,411	86,168,355	-	112,459,529	109,694,682
Net Book Value of Tangible Capital Assets	6,344,220	32,590,361	3,506,416	127,252	2,577,084	17,421,221	18,286,281	30,755,947	111,608,782	102,357,073

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, 2019

SCHEDULE 2

	2019 Actual	2018 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$10,700,718	\$10,450,718
Taxes added	167,668	145,058
	<u>10,868,386</u>	<u>10,595,776</u>
Grants in lieu of taxation		
Federal government	18,325	17,771
Federal government enterprises	2,434	2,400
Provincial government	431,550	422,320
Provincial government enterprises	439,079	432,410
Other municipal governments	-	-
Non-government organizations	-	-
	<u>891,388</u>	<u>874,901</u>
User fees		
Parking meters	87,299	88,674
Sales of service	3,366,742	2,494,849
Sales of goods	107,196	84,686
Rentals	648,637	667,771
Development charges	-	-
Facility use fees	549,531	577,772
	<u>4,759,405</u>	<u>3,913,752</u>
Permits, licences and fines		
Permits	-	-
Licences	104,646	98,219
Fees	277,515	72,045
Fines	166,946	171,824
	<u>549,107</u>	<u>342,088</u>
Investment income		
Cash and temporary investments	1,033,901	740,228
Marketable securities	-	-
Municipal debentures	-	-
	<u>1,033,901</u>	<u>740,228</u>
Other revenue		
Gain on sale of tangible capital assets	29,928	31,532
Gain on sale of real estate held for sale	389,265	-
Contributed assets	-	-
Penalties and interest	147,065	148,730
Miscellaneous	365,481	511,308
	<u>931,739</u>	<u>691,570</u>
Water and sewer		
Municipal utility (Schedule 9)	16,744,996	34,909,659
Consolidated water co-operatives	-	-
	<u>16,744,996</u>	<u>34,909,659</u>
Grants - Province of Manitoba		
Municipal operating grants	2,841,697	2,591,097
Other unconditional grants	-	-
Conditional grants	743,987	754,924
	<u>3,585,684</u>	<u>3,346,021</u>
Grants - other		
Federal government - gas tax funding	1,427,084	735,286
Federal government - other	2,603	2,376
Other municipal governments	521,675	690,980
	<u>1,951,362</u>	<u>1,428,642</u>
Total revenue	<u>\$41,315,968</u>	<u>\$56,842,637</u>

CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	2019 Actual	2018 Actual
General government services		
Legislative	\$ 241,824	\$ 208,912
General administrative	1,870,521	1,897,328
Other	835,968	478,718
	<u>2,948,313</u>	<u>2,584,958</u>
Protective services		
Police	3,379,456	3,380,528
Fire	2,239,573	2,166,115
Emergency measures	306,622	56,595
Other	77,507	75,771
	<u>6,003,158</u>	<u>5,679,009</u>
Transportation services		
Road transport		
Administration and engineering	305,382	290,225
Road and street maintenance	2,107,604	2,458,336
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	93,502	95,464
Street lighting	252,724	250,780
Other	-	-
Air transport	138,933	123,649
Public transit	-	-
Other	-	-
	<u>2,898,145</u>	<u>3,218,454</u>
Environmental health services		
Waste collection and disposal	862,597	680,875
Recycling	239,751	222,277
Other	-	-
	<u>1,102,348</u>	<u>903,152</u>
Public health and welfare services		
Public health	150,476	169,055
Medical care	-	-
Social assistance	70,721	70,721
Other	-	-
	<u>221,197</u>	<u>239,776</u>
Regional planning and development		
Planning and zoning	379,905	339,587
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	218,086	195,239
Other	198,676	165,718
	<u>796,667</u>	<u>700,544</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	146,461	440,047
Industrial development	12,270	16,634
Tourism	1,362	1,024
Other	10,000	2,091
	<u>170,093</u>	<u>459,796</u>
Sub-totals forward	<u>14,139,921</u>	<u>13,785,689</u>

CITY OF PORTAGE LA PRAIRIE
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 3

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Sub-totals forward	<u>14,139,921</u>	<u>13,785,689</u>
Recreation and cultural services		
Administration	2,828,519	2,924,949
Community centers and halls	72,900	64,100
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	5,280	8,605
Parks and playgrounds	449,976	397,338
Other recreational facilities	1,654,077	1,654,418
Museums	-	-
Libraries	622,785	591,504
Other cultural facilities	81,920	92,102
	<u>5,715,457</u>	<u>5,733,016</u>
Water and sewer services		
Municipal utility (Schedule 9)	7,490,902	7,043,341
Consolidated water co-operatives	-	-
	<u>7,490,902</u>	<u>7,043,341</u>
Total expenses	<u>\$ 27,346,280</u>	<u>\$ 26,562,046</u>

CITY OF PORTAGE LA PRAIRIE
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2019

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ 10,868,386	\$ 10,595,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	891,388	874,901	-	-	-	-	-	-	-	-
User fees	167,043	178,017	695,031	718,601	51,958	64,004	1,539,226	885,288	58,934	48,191
Grants - other	-	-	60,606	66,951	1,428,140	825,885	-	-	-	-
Permits, licences and fines	331,531	132,024	217,576	210,064	-	-	-	-	-	-
Investment income	469,360	356,465	4,554	3,202	51,548	41,966	11,182	9,394	27	21
Other revenue	1,004,247	589,007	-	-	1,781	46,971	(13,291)	(439)	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	2,841,697	2,591,097	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	32,839	56,506	-	-	209,110	211,102	290,232	276,312	-	-
Total revenue	\$ 16,606,491	\$ 15,373,793	\$ 977,767	\$ 998,818	\$ 1,742,537	\$ 1,189,928	\$ 1,827,349	\$ 1,170,555	\$ 58,961	\$ 48,212
EXPENSES										
Personnel services	\$ 1,509,989	\$ 1,514,642	\$ 2,226,926	\$ 2,136,788	\$ 760,200	\$ 793,823	\$ 260,987	\$ 171,760	\$ 70,668	\$ 89,782
Contract services	427,688	528,265	3,151,182	3,128,724	656,834	987,141	637,785	598,474	82,602	82,955
Utilities	53,414	49,734	69,934	68,549	294,352	291,133	9,970	7,287	7,983	8,056
Maintenance materials and supplies	145,136	50,537	133,842	187,775	631,548	631,583	84,076	58,104	55,680	55,045
Grants and contributions	74,578	203,054	3,538	3,159	-	(1,587)	-	-	2,695	2,392
Amortization	42,565	39,458	169,269	153,847	550,632	506,453	97,797	63,435	-	-
Interest on long term debt	-	-	-	-	3,127	6,628	469	966	-	-
Other	694,943	199,268	248,467	167	1,452	3,280	11,264	3,126	1,569	1,546
Total expenses	\$ 2,948,313	\$ 2,584,958	\$ 6,003,158	\$ 5,679,009	\$ 2,898,145	\$ 3,218,454	\$ 1,102,348	\$ 903,152	\$ 221,197	\$ 239,776
Surplus (Deficit)	\$ 13,658,178	\$ 12,788,835	\$ (5,025,391)	\$ (4,680,191)	\$ (1,155,608)	\$ (2,028,526)	\$ 725,001	\$ 267,403	\$ (162,236)	\$ (191,564)

* 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, 2019

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,868,386	\$10,595,776
Grants in lieu of taxation	-	-	-	-	-	-	-	-	891,388	874,901
User fees	1,021,613	796,448	1,577	-	1,224,023	1,223,203	-	-	4,759,405	3,913,752
Grants - other	-	22,208	33,368	33,368	429,248	480,230	-	-	1,951,362	1,428,642
Permits, licences and fines	-	-	-	-	-	-	-	-	549,107	342,088
Investment income	21,000	4,503	-	-	19,367	15,795	456,863	308,882	1,033,901	740,228
Other revenue	(88,893)	-	-	-	27,895	56,031	-	-	931,739	691,570
Water and sewer	-	-	-	-	-	-	16,744,996	34,909,659	16,744,996	34,909,659
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,841,697	2,591,097
Prov of MB - Conditional Grants	68,908	64,061	-	-	142,898	146,943	-	-	743,987	754,924
Total revenue	\$ 1,022,628	\$ 887,220	\$ 34,945	\$ 33,368	\$ 1,843,431	\$ 1,922,202	\$ 17,201,859	\$ 35,218,541	\$ 41,315,968	\$ 56,842,637
EXPENSES										
Personnel services	\$ 353,933	\$ 350,482	\$ 40,025	\$ 316,646	\$ 1,911,143	\$ 1,856,500	\$ 2,813,957	\$ 2,761,266	\$ 9,947,828	\$ 9,991,689
Contract services	258,475	222,586	77,414	86,574	454,661	486,159	1,574,418	1,650,178	7,321,059	7,771,056
Utilities	6,800	12,161	1,119	1,470	341,483	381,908	969,365	887,699	1,754,420	1,707,997
Maintenance materials and supplies	97,615	59,753	704	4,463	709,484	718,185	1,381,501	1,031,549	3,239,586	2,796,994
Grants and contributions	44,447	22,205	50,045	50,045	586,742	579,625	-	-	762,045	858,893
Amortization	26,118	25,099	300	408	1,257,176	1,192,136	644,301	601,195	2,788,158	2,582,031
Interest on long term debt	-	-	-	-	402,702	458,201	-	5,636	406,298	471,431
Other	9,279	8,258	486	190	52,066	60,302	107,360	105,818	1,126,886	381,955
Total expenses	\$ 796,667	\$ 700,544	\$ 170,093	\$ 459,796	\$ 5,715,457	\$ 5,733,016	\$ 7,490,902	\$ 7,043,341	\$27,346,280	\$26,562,046
Surplus (Deficit)	\$ 225,961	\$ 186,676	\$ (135,148)	\$ (426,428)	\$ (3,872,026)	\$ (3,810,814)	\$ 9,710,957	\$ 28,175,200	\$ 13,969,688	\$ 30,280,591

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

	Core Government		Controlled Entities		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Property taxes	\$ 10,868,386	\$ 10,595,776	\$ -	\$ -	\$ -	\$ -	\$ 10,868,386	\$ 10,595,776
Grants in lieu of taxation	891,388	874,901	-	-	-	-	891,388	874,901
User fees	1,644,441	1,875,056	42,072	35,070	3,072,892	2,003,626	4,759,405	3,913,752
Grants - other	1,487,690	894,210	1,056	1,056	462,616	533,376	1,951,362	1,428,642
Permits, licences and fines	549,107	342,088	-	-	-	-	549,107	342,088
Investment income	991,554	718,039	220	-	42,127	22,189	1,033,901	740,228
Other revenue	1,004,247	620,978	1,781	15,000	(74,289)	55,592	931,739	691,570
Water and sewer	16,744,996	34,909,659	-	-	-	-	16,744,996	34,909,659
Prov of MB - Unconditional Grants	2,841,697	2,591,097	-	-	-	-	2,841,697	2,591,097
Prov of MB - Conditional Grants	557,502	474,838	38,870	120,622	147,615	159,464	743,987	754,924
Total revenue	\$ 37,581,008	\$ 53,896,642	\$ 83,999	\$ 171,748	\$ 3,650,961	\$ 2,774,247	\$ 41,315,968	\$ 56,842,637
EXPENSES								
Personnel services	\$ 7,746,153	\$ 7,864,658	\$ 74,587	\$ 63,755	\$ 2,127,088	\$ 2,063,276	\$ 9,947,828	\$ 9,991,689
Contract services	6,951,856	7,312,798	8,705	10,351	360,498	447,907	7,321,059	7,771,056
Utilities	1,435,557	1,351,580	1,603	2,158	317,260	354,259	1,754,420	1,707,997
Maintenance materials and supplies	2,635,578	2,221,704	36,725	25,469	567,283	549,821	3,239,586	2,796,994
Grants and contributions	1,956,466	2,138,401	(29,000)	(35,177)	(1,165,421)	(1,244,331)	762,045	858,893
Amortization	2,532,274	2,390,247	17,275	21,951	238,609	169,833	2,788,158	2,582,031
Interest on long term debt	400,403	468,069	-	-	5,895	3,362	406,298	471,431
Other	1,064,820	316,768	38	1,552	62,028	63,635	1,126,886	381,955
Total expenses	\$ 24,723,107	\$ 24,064,225	\$ 109,933	\$ 90,059	\$ 2,513,240	\$ 2,407,762	\$ 27,346,280	\$ 26,562,046
Surplus (Deficit)	\$ 12,857,901	\$ 29,832,417	\$ (25,934)	\$ 81,689	\$ 1,137,721	\$ 366,485	\$ 13,969,688	\$ 30,280,591

CITY OF PORTAGE LA PRAIRIE

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	2019							
	General Reserve	Equipment Replacement Reserve	Cemetery Reserve	Fire Truck Reserve	Handicap Access Reserve	Land Development Reserve	Environmental Reserve	Sub-total
REVENUE								
Investment income	\$ 106,619	\$ 5,366	\$ 27	\$ 4,554	\$ 761	\$ 17,731	\$ 8,801	\$ 143,859
Other income	-	-	-	-	-	-	-	-
Total revenue	106,619	5,366	27	4,554	761	17,731	8,801	143,859
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	106,619	5,366	27	4,554	761	17,731	8,801	143,859
TRANSFERS								
Transfers from general operating fund	181,549	-	-	185,000	-	699,348	-	1,065,897
Transfers to general operating fund	(381,067)	-	-	-	(6,574)	(101,072)	(3,750)	(492,463)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(108,990)	-	(143,563)	-	(136,078)	(56,669)	(445,300)
CHANGE IN RESERVE FUND BALANCES	(92,899)	(103,624)	27	45,991	(5,813)	479,929	(51,618)	271,993
FUND SURPLUS, BEGINNING OF YEAR	8,004,035	474,693	2,041	305,978	56,620	991,184	676,952	10,511,503
FUND SURPLUS, END OF YEAR	\$ 7,911,136	\$ 371,069	\$ 2,068	\$ 351,969	\$ 50,807	\$ 1,471,113	\$ 625,334	\$ 10,783,496

CITY OF PORTAGE LA PRAIRIE

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	2019							
	Computer Reserve	Crescent Lake Reserve	Handivan Reserve	Special Administration Reserve	Capital Levy Reserve	Recreation Dedication Fees Reserve	Sidewalk Reserve	Sub-total
REVENUE								
Investment income	\$ 2,081	\$ 254	\$ 8	\$ 1,484	\$ 1,289	\$ 305	\$ 3,937	\$ 153,217
Other income	237	-	-	-	-	-	-	237
Total revenue	2,318	254	8	1,484	1,289	305	3,937	153,454
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	2,318	254	8	1,484	1,289	305	3,937	153,454
TRANSFERS								
Transfers from general operating fund	-	2,275	-	-	-	-	11,093	1,079,265
Transfers to general operating fund	-	-	-	-	-	-	-	(492,463)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	18,000	-	-	-	-	-	-	18,000
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(13,337)	-	-	-	-	-	-	(458,637)
CHANGE IN RESERVE FUND BALANCES	6,981	2,529	8	1,484	1,289	305	15,030	299,619
FUND SURPLUS, BEGINNING OF YEAR	149,526	18,699	619	110,235	95,724	22,690	283,829	11,192,825
FUND SURPLUS, END OF YEAR	\$ 156,507	\$ 21,228	\$ 627	\$ 111,719	\$ 97,013	\$ 22,995	\$ 298,859	\$ 11,492,444

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2019

	2019							Sub-total
	Softball Reserve	Gas Tax Reserve	Glesby Centre Reserve	Accomm. Tax Marketing Reserve	Accomm. Tax Sask Ave Reserve	BDO Capital Reserve	Library Capital Reserve	
REVENUE								
Investment income	\$ 316	\$ 42,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,550
Other income	-	-	-	-	-	-	-	237
Total revenue	316	42,017	-	-	-	-	-	195,787
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	316	42,017	-	-	-	-	-	195,787
TRANSFERS								
Transfers from general operating fund	-	1,427,084	20,000	84,341	84,341	10,000	1,968	2,706,999
Transfers to general operating fund	-	-	(2,770)	(55,000)	-	-	-	(550,233)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	18,000
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(2,389,696)	-	-	-	-	-	(2,848,333)
CHANGE IN RESERVE FUND BALANCES	316	(920,595)	17,230	29,341	84,341	10,000	1,968	(477,780)
FUND SURPLUS, BEGINNING OF YEAR	11,142	3,532,074	90,860	112,522	322,366	-	-	15,261,789
FUND SURPLUS, END OF YEAR	\$ 11,458	\$ 2,611,479	\$ 108,090	\$ 141,863	\$ 406,707	\$ 10,000	\$ 1,968	\$ 14,784,009

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019

SCHEDULE 6

	2019		2018	
	Utility Replacement Reserve	Utility Nutrient Removal Reserve	Total	Total
REVENUE				
Investment income	\$ 228,562	\$ 228,301	\$ 652,413	\$ 456,503
Other income	-	-	237	-
Total revenue	228,562	228,301	652,650	456,503
EXPENSES				
Investment charges	-	-	-	-
Other expenses	-	-	-	-
Total expenses	-	-	-	-
NET REVENUES	228,562	228,301	652,650	456,503
TRANSFERS				
Transfers from general operating fund	-	-	2,706,999	4,984,472
Transfers to general operating fund	-	-	(550,233)	(1,105,181)
Transfer from nominal surplus	-	-	-	-
Transfers from utility operating fund	4,829,025	-	4,847,025	3,950,411
Transfers to utility operating fund	(198,858)	(19,532)	(218,390)	(138,257)
Acquisition of tangible capital assets	(2,300,670)	(194,457)	(5,343,460)	(1,802,010)
CHANGE IN RESERVE FUND BALANCES	2,558,059	14,312	2,094,591	6,345,938
FUND SURPLUS, BEGINNING OF YEAR	9,498,902	12,110,171	36,870,862	30,524,924
FUND SURPLUS, END OF YEAR	\$ 12,056,961	\$ 12,124,483	\$ 38,965,453	\$ 36,870,862

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF L.U.D. OPERATIONS
 For the Year Ended December 31, 2019

SCHEDULE 7

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
Net revenue (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		<u>-</u>	<u>-</u>
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF FINANCIAL POSITION FOR UTILITY
 As at December 31, 2019

SCHEDULE 8

	<u>2019</u>	<u>2018</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	<u>\$ 3,896,678</u>	<u>\$ 9,406,311</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 438,280	\$ 2,160,227
Due to other funds	<u>1,027,527</u>	<u>3,974,134</u>
	<u>1,465,807</u>	<u>6,134,361</u>
NET FINANCIAL ASSETS	<u>\$ 2,430,871</u>	<u>\$ 3,271,950</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 49,042,228	\$41,168,626
Inventories	250,145	215,524
Prepaid expenses	<u>2,364</u>	<u>-</u>
	<u>49,294,737</u>	<u>41,384,150</u>
FUND SURPLUS	<u>\$ 51,725,608</u>	<u>\$44,656,100</u>
COMMITMENTS AND CONTINGENCIES (Notes 12 and 13)		

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2019

SCHEDULE 9

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 11,460,000	\$ 11,525,919	\$ 11,742,653
Bulk Water fees	-	14,768	13,374
sub-total- water	<u>11,460,000</u>	<u>11,540,687</u>	<u>11,756,027</u>
Sewer			
Sewer fees	20,000	28,396	25,885
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>20,000</u>	<u>28,396</u>	<u>25,885</u>
Property taxes	-	-	-
Recovery			
Deficit recovery	-	-	-
Debenture recovery	-	-	-
sub-total- recovery	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	16,500,000	4,900,567	22,518,815
sub-total- government transfers	<u>16,500,000</u>	<u>4,900,567</u>	<u>22,518,815</u>
Other			
Hydrant rentals	57,725	57,575	57,700
Connection charges	20,000	22,887	106,882
Installation service	-	-	-
Penalties	7,500	12,004	9,731
Contributed tangible capital assets	-	-	-
Investment income	-	182,480	140,575
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	135,822	400	294,044
sub-total- other	<u>221,047</u>	<u>275,346</u>	<u>608,932</u>
Total revenue	<u>28,201,047</u>	<u>16,744,996</u>	<u>34,909,659</u>

CITY OF PORTAGE LA PRAIRIE
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2019

SCHEDULE 9

	Budget	2019	2018
EXPENSES			
General			
Administration	1,327,880	1,294,548	1,212,001
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>1,327,880</u>	<u>1,294,548</u>	<u>1,212,001</u>
Water General			
Purification and treatment	2,542,787	2,493,703	2,347,244
Water purchases	-	-	-
Transmission and distribution	1,759,212	1,535,604	1,391,610
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other	-	-	-
sub-total- water general	<u>4,301,999</u>	<u>4,029,307</u>	<u>3,738,854</u>
Water Amortization & Interest			
Amortization	322,157	322,157	285,779
Interest on long term debt	-	-	2,818
sub-total- water amortization & interest	<u>322,157</u>	<u>322,157</u>	<u>288,597</u>
Sewer General			
Collection system costs	1,749,928	894,206	1,046,639
Treatment and disposal cost	331,863	326,869	175,471
Lift Station costs	394,048	301,671	263,545
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>2,475,839</u>	<u>1,522,746</u>	<u>1,485,655</u>
Sewage Amortization & Interest			
Amortization	322,144	322,144	315,416
Interest on long term debt	-	-	2,818
sub-total- sewer amortization & interest	<u>322,144</u>	<u>322,144</u>	<u>318,234</u>
Total expenses	<u>8,750,019</u>	<u>7,490,902</u>	<u>7,043,341</u>
NET OPERATING SURPLUS	19,451,028	9,254,094	27,866,318
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(4,829,025)</u>	<u>(2,184,586)</u>	<u>(2,665,618)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 14,622,003</u>	7,069,508	25,200,700
FUND SURPLUS, BEGINNING OF YEAR		<u>44,656,100</u>	<u>19,455,400</u>
FUND SURPLUS, END OF YEAR		<u>\$ 51,725,608</u>	<u>\$ 44,656,100</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2019

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 10,736,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,736,908
Grants in lieu of taxation	891,388	-	-	-	-	-	-	891,388
User fees	2,290,370	-	-	-	-	-	3,114,964	5,405,334
Permits, licences and fines	413,160	-	-	-	-	-	-	413,160
Investment income	70,000	-	-	-	-	-	42,347	112,347
Other revenue	324,006	-	-	-	-	-	(72,508)	251,498
Water and sewer	-	28,201,047	-	-	-	-	-	28,201,047
Grants - Province of Manitoba	3,046,225	-	-	-	-	-	186,485	3,232,710
Grants - other	903,246	-	-	-	-	-	463,672	1,366,918
Transfers from accumulated surplus	8,549	1,706,396	-	-	(1,714,945)	-	-	-
Transfers from reserves	311,060	-	-	-	(311,060)	-	-	-
Total revenue	<u>\$ 18,994,912</u>	<u>\$ 29,907,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,026,005)</u>	<u>\$ -</u>	<u>\$ 3,734,960</u>	<u>\$ 50,611,310</u>
EXPENSES								
General government services	\$ 2,506,224	\$ -	\$ 42,565	\$ -	\$ 724,472	\$ -	\$ -	\$ 3,273,261
Protective services	5,978,062	-	169,269	-	-	-	-	6,147,331
Transportation services	2,121,392	-	533,357	3,127	-	-	109,933	2,767,809
Environmental health services	837,145	-	9,958	-	-	-	322,041	1,169,144
Public health and welfare services	336,797	-	-	-	-	-	-	336,797
Regional planning and development	440,638	-	14,059	-	-	-	360,285	814,982
Resource cons and industrial dev	179,400	-	-	-	-	-	(3,689)	175,711
Recreation and cultural services	2,271,479	-	1,118,765	397,276	-	-	1,834,603	5,622,123
Water and sewer services	-	8,105,718	644,301	-	-	-	-	8,750,019
Fiscal services:								
Transfer to capital	127,500	16,954,700	-	-	(17,082,200)	-	-	-
Debt charges	1,591,847	-	-	(1,591,847)	-	-	-	-
Short term interest	389,400	-	-	-	(389,400)	-	-	-
Transfer to reserves	1,879,956	4,847,025	-	-	(6,726,981)	-	-	-
Allowance for tax assets	335,072	-	-	-	(335,072)	-	-	-
Total expenses	<u>\$ 18,994,912</u>	<u>\$ 29,907,443</u>	<u>\$ 2,532,274</u>	<u>\$ (1,191,444)</u>	<u>\$ (23,809,181)</u>	<u>\$ -</u>	<u>\$ 2,623,173</u>	<u>\$ 29,057,177</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,532,274)</u>	<u>\$ 1,191,444</u>	<u>\$ 21,783,176</u>	<u>\$ -</u>	<u>\$ 1,111,787</u>	<u>\$ 21,554,133</u>

CITY OF PORTAGE LA PRAIRIE
 ANALYSIS OF TAXES ON ROLL
 December 31, 2019

SCHEDULE 11

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 939,209	\$ 1,093,163
Add:		
Tax levy (Schedule 12)	18,771,929	18,387,238
Taxes added	167,668	145,058
Penalties or interest	147,065	148,730
Other accounts added	455,632	411,073
Sub-total	<u>19,542,294</u>	<u>19,092,099</u>
Deduct:		
Cash collections - current	16,282,389	15,922,578
Cash collections - arrears	836,592	935,817
Tax discounts	6,105	7,215
E.P.T.C. - cash advance	2,326,156	2,380,443
Sub-total	<u>19,451,242</u>	<u>19,246,053</u>
Balance, end of year	<u><u>\$ 1,030,261</u></u>	<u><u>\$ 939,209</u></u>

CITY OF PORTAGE LA PRAIRIE
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2019

SCHEDULE 12

	2019			2018
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D.	508,082,160	2.772	1,408,404	1,407,892
At large	508,082,160	0.120	60,970	60,906
sub-total - Debt charges			<u>1,469,374</u>	<u>1,468,798</u>
Reserves:				
Environmental			-	36,745
Special Admin			-	12,081
Glesby Centre	508,082,160	0.036	18,291	18,624
Fire	508,082,160	0.336	170,715	170,638
Sidewalk	508,082,160	0.020	10,161	92,115
Computer	508,082,160		-	27,685
General	508,082,160	0.314	159,538	338,257
Equipment Replacement	508,082,160		-	170,638
sub-total - Reserves			<u>358,705</u>	<u>866,783</u>
General municipal	508,082,160	17.172	<u>8,724,787</u>	<u>7,967,653</u>
Special levies:				
Assessment Levy	508,082,160	0.291	<u>147,852</u>	<u>147,484</u>
Total municipal taxes (Schedule 2)			<u>10,700,718</u>	<u>10,450,718</u>
Education support levy	127,419,730	9.770	<u>1,244,891</u>	<u>1,240,146</u>
Special levies:				
Portage la Prairie School Division	491,916,090	13.877	<u>6,826,320</u>	<u>6,696,374</u>
Total education taxes			<u>8,071,211</u>	<u>7,936,520</u>
Total tax levy (Schedule 11)			<u>\$ 18,771,929</u>	<u>\$ 18,387,238</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 241,824	\$ 208,912
General administrative	1,870,521	1,897,328
Other	835,968	478,718
	<u>2,948,313</u>	<u>2,584,958</u>
Protective services:		
Police	3,379,456	3,380,528
Fire	2,239,573	2,166,115
Emergency measures	306,622	56,595
Other	77,507	75,771
	<u>6,003,158</u>	<u>5,679,009</u>
Transportation services:		
Road transport		
Administration and engineering	305,382	290,225
Road and street maintenance	2,107,604	2,458,336
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	93,502	95,464
Street lighting	252,724	250,780
Other	-	-
Air transport	-	-
Public transit	29,000	33,590
Other	-	-
	<u>2,788,212</u>	<u>3,128,395</u>
Environmental health services:		
Waste collection and disposal	540,556	485,050
Recycling	239,751	222,277
Other	-	-
	<u>780,307</u>	<u>707,327</u>
Public health and welfare services:		
Public health	150,476	169,055
Medical care	-	-
Social assistance	70,721	70,721
Other	-	-
	<u>221,197</u>	<u>239,776</u>
Regional planning and development		
Planning and zoning	19,620	81,387
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	218,086	195,239
Other	198,676	165,718
	<u>436,382</u>	<u>442,344</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	150,150	404,570
Industrial development	12,270	16,634
Tourism	1,362	1,024
Other	10,000	2,091
	<u>173,782</u>	<u>424,319</u>
Sub-totals forward	<u>13,351,351</u>	<u>13,206,128</u>

CITY OF PORTAGE LA PRAIRIE
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 13

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Sub-totals forward	<u>13,351,351</u>	<u>13,206,128</u>
Recreation and cultural services:		
Administration	1,288,886	1,264,215
Community centers and halls	72,900	64,100
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	5,280	8,605
Parks and playgrounds	449,976	397,338
Other recreational facilities	1,654,077	1,654,418
Museums	-	-
Libraries	327,815	333,978
Other cultural facilities	81,920	92,102
	<u>3,880,854</u>	<u>3,814,756</u>
Total expenses	<u>\$ 17,232,205</u>	<u>\$ 17,020,884</u>

CITY OF PORTAGE LA PRAIRIE
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2019

SCHEDULE 14

	General	2019 Utility	Total	2018 Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 1,518,333	\$ 902,302	\$ 2,420,635	\$ 2,519,496
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	2,706,999	4,847,025	7,554,024	8,934,883
Eliminate revenue - transfers from reserves	(3,449,644)	(2,662,439)	(6,112,083)	(3,045,448)
Increase revenue - reserve funds interest (and other income)	652,650	-	652,650	456,503
Increase revenue - Net surplus of consolidated entities	1,111,787	-	1,111,787	448,174
Eliminate revenue - transfer from nominal surpluses	(8,549)	(1,706,396)	(1,714,945)	(3,463,649)
Decrease expense - gain on sale of tangible capital assets	43,219	-	43,219	31,971
Eliminate revenue - proceeds on sale of tangible capital assets	(94,791)	-	(94,791)	(48,600)
Increase expense - amortization of tangible capital assets	(1,887,973)	(644,301)	(2,532,274)	(2,390,247)
Decrease expense - principal portion of debenture debt	1,154,424	-	1,154,424	1,295,288
Eliminate expense - acquisitions of tangible capital assets	2,969,139	8,517,903	11,487,042	25,542,220
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 4,715,594</u>	<u>\$ 9,254,094</u>	<u>\$ 13,969,688</u>	<u>\$ 30,280,591</u>