



City of
**Prince
Albert**

2018

ANNUAL REPORT



PRINCE ALBERT,
SASKATCHEWAN,
CANADA

YEAR ENDED
DECEMBER 31, 2018

The purpose of this report is to present Council, residents and stakeholders a summary of the financial and operational activities for the year ended December 31, 2018.

This document is available on our website for download and review at www.citypa.ca.

Presented by the Financial Services Department with preparation and production by Corporate Communications along with cooperation from all departments of the City of Prince Albert.



VISION

Prince Albert will be an innovative, welcoming, diverse, and healthy City of opportunity.

MISSION

The City of Prince Albert enhances quality of life through excellence in service.

CORE VALUES

Entrepreneurial, Partnerships, Innovative, Accountable and Transparent.

OPERATIONAL THEMES

Collaborative, Sustainable, Compassionate, and Exceptional.



“The mandate at the City of Prince Albert the last several years has been to do business differently and as we come to the final years of the five year strategic plan adopted in 2015, it is impressive to see just how much that mandate has been embraced by City Council and Administration and how many projects have been completed.”

Mayor Greg Dionne



Index

Introduction

7	GFOA Canadian Award for Financial Reporting
8	Message from the Mayor
9	Prince Albert City Council
10	Message from the City Manager
11	Organizational Chart
12	Guiding Documents
13	Prince Albert at a Glance
14	Hangar Fire
15	Police Chief
16	New Transit Fleet
17	Municipal Impound Lot
18	Landfill, Garbage and Recycling
19	Major Sporting Events
20	Love for Country Music
21	Aging Pipes
22	Water Storage Capacity
23	Central Avenue Streetscape Design
24	Economic Highlights – Development
25	Economic Highlights – Business
26	Economic Highlights – Census Data and Trends

Financial Statement Discussion and Analysis

28	Introduction
30	Statement Of Operations
32	Revenue
36	Expenses
39	Financial Position
40	Capital Assets
42	Long-Term Debt
44	Reserves
45	Financial Controls And Accountability
46	Message From Director Of Financial Services

Consolidated Financial Statements

48	Management's Report
49	Independent Auditors' Report
51	Consolidated Statement of Financial Position
52	Consolidated Statement of Operations And Accumulated Surplus
53	Consolidated Statement of Change in Net Financial Debt
54	Consolidated Statement of Cash Flows
55	Notes to the Consolidated Financial Statements
68	Schedule 1 Consolidated Statement of Financial Position Segmented by Fund
70	Schedule 2 Consolidated Statement of Financial Position – Prior Year Segmented by Fund
72	Schedule 3 Consolidated Statement of Operations Segmented by Fund
74	Schedule 4 Consolidated Statement of Operations – Prior Year Segmented by Fund
76	Schedule 5 General Fund Statement of Operations Segmented by Department
77	Schedule 6 General Fund Statement of Operations – Prior Year Segmented by Department
78	Schedule 7 Tangible Capital Assets – Cost Segmented by Fund
80	Schedule 8 Schedule of Fund Balances
81	Schedule 9 Schedule of Reserves Segmented by Fund
83	Schedule 10 Schedule of Funds Held In Trust
84	Schedule 11 Schedule of Trust Fund Transactions

Introduction

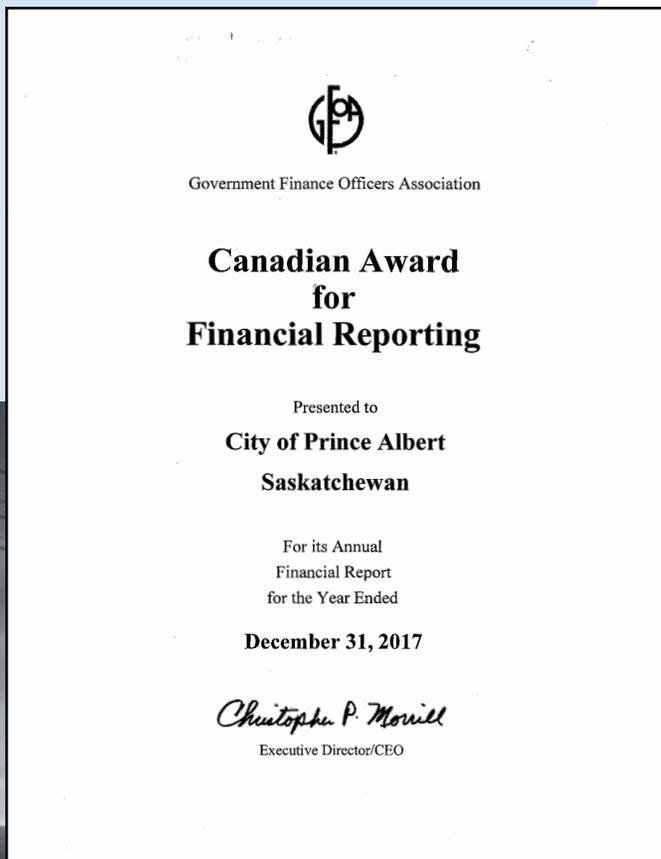
“The City of Prince Albert plays a critical role in supporting the community and providing leadership in strategic areas so that our residents, groups and organizations can thrive.”

Jim Toye, City Manager



GFOA Canadian Award for Financial Reporting

The City's annual financial report has been judged by impartial Canadian Review Committee members to meet the high standards of the program, including demonstrating a constructive "spirit of full disclosure" designed to clearly communicate the municipality's financial story and to motivate potential users and user groups to read the report.



Message from the Mayor

Prince Albert is an incredible community. For a city of 36,000 we enjoy a diverse offering of highly skilled and professional sports and recreation organizations, an engaged and growing arts and cultural community and committed and passionate non-profit organizations. We are Saskatchewan's 3rd largest City and a hub of health care, education, recreation and infrastructure servicing upwards of 195,000 people in Prince Albert and northern Saskatchewan.

The mandate at the City of Prince Albert the last several years has been to do business differently and as we come to the final years of the five year strategic plan adopted in 2015, it is impressive to see just how much that mandate has been embraced by City Council and Administration and how many projects have been completed. The success has been made possible in large part because of a strong and evolving relationship between Council and Administration. City Council has lively and engaged debates and at times, challenges Administration on their projects and recommendations. In the end, both show commitment to the people of Prince Albert. At the City of Prince Albert we are working every day to define stronger processes that serve the public, take on challenging and ambitious projects that make Prince Albert stronger and who work together in meaningful partnerships with each other and members of the community to build a better city. The challenge has been to do better and I think we have risen to that challenge and 2018 proved to be another successful year of development and growth.

This report outlines the many areas where the City has invested in rebuilding or replacing assets. Examples include the paving of a total of 367 blocks since 2014 through the paving program, the addition of one day of water storage through the new River Street Reservoir, the delivery of a new fleet of modern city buses to



Mayor
Greg Dionne

serve residents, a new junior sized Olympic swimming pool at Kinsmen Water Park, a new irrigation system at the Cooke Municipal Golf Course and the completion of the final phase of paving at the Art Hauser Centre Parking lot and along Terry Simpson Lane, making it more wheelchair accessible in the process, and just in time for the World Junior Men's Softball Championships at Prime Ministers' Park.

It has been another busy year and I am looking forward to continued progress in 2019.

Prince Albert City Council



Mayor
Greg Dionne



Ward 1
Charlene Miller



Ward 2
Terra Lennox-Zepp



Ward 3
Evert Botha



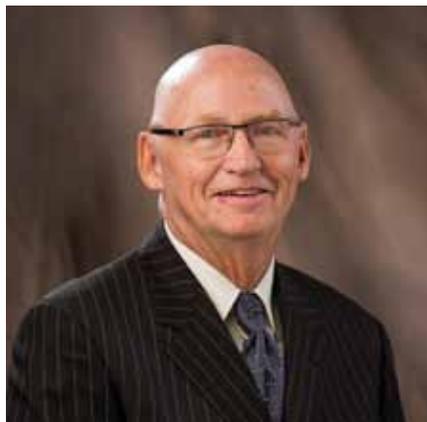
Ward 4
Don Cody



Ward 5
Dennis Ogrodnick



Ward 6
Blake Edwards



Ward 7
Dennis Nowoselsky



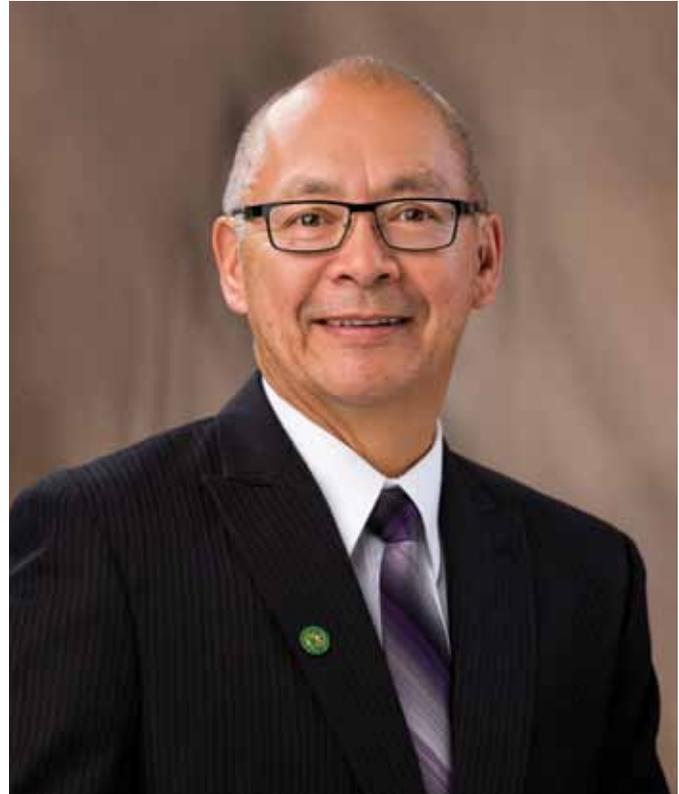
Ward 8
Ted Zurakowski

Message from the City Manager

The City of Prince Albert plays a critical role in supporting the community and providing leadership in strategic areas so that our residents, groups and organizations can thrive.

To date, the City has twelve master plans in areas like parks and recreation, arts and culture, transportation and transit. These plans reflect the input of our staff, the community and members of City Council. The City's Strategic Plan, along with these Master Plans, serve as guiding documents for change. They provide us with a better understanding of where we are and where we are going. Change often comes in increments and at the City Prince Albert it has been no different. As we develop these plans we chart a course for success and as we implement the priorities identified, we make progress in important areas that affect the lives of residents.

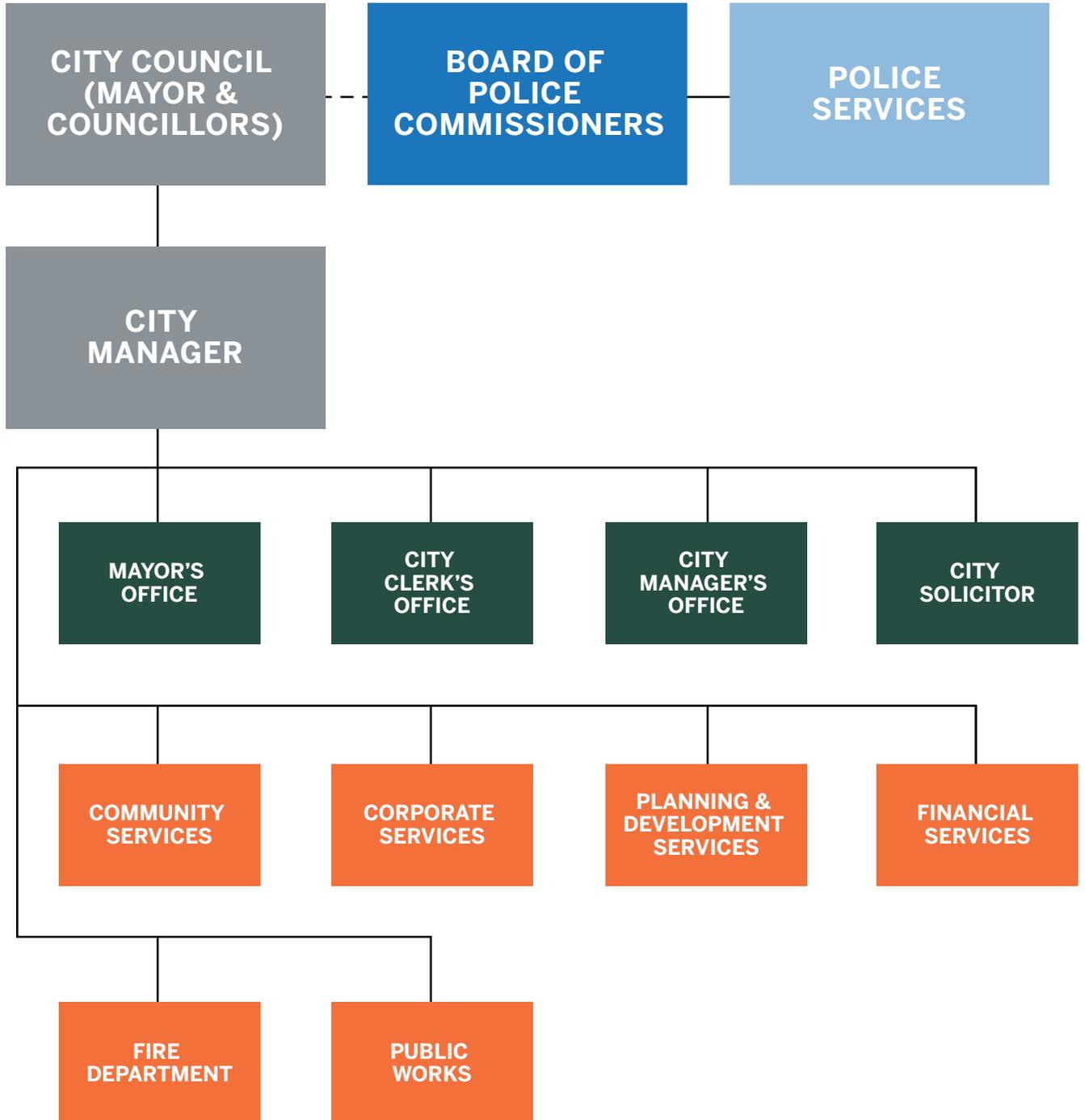
In particular I would like to draw attention to three plans: the Municipal Cultural Action Plan (2016), the Community Services Master Plan (2017), and the Social Master Plan (2018). These are ambitious plans that the City has taken a distinctive role in either providing leadership (Culture Plan), support (Social Master Plan) or full ownership (Community Services Master Plan). They are distinctive because they have such a strong relationship with the community. The plans are for the public but they are also about engaging and empowering the public. They aim to bring groups together, imagine what could be and work toward common goals. These plans, in the right hands, are powerful tools for change. I am proud of the work of our directors, managers, employees and committed residents who have participated in building these plans and who work to achieve the initiatives identified.



City Manager
Jim Toye

A handwritten signature in black ink that reads "Jim Toye". The signature is written in a cursive, flowing style.

Organizational Chart



Guiding Documents



The activities of the City of Prince Albert are guided by the City's Official Community Plan and the City of Prince Albert Strategic Plan. These plans, as well as the accompanying master planning documents noted

below, guide the City's social and built infrastructure. They provide important analysis of the needs of the City of Prince Albert and priority areas to plan for and take action on now and over the next several decades.

Official Community Plan

Long-term goals to guide the physical growth and development of Prince Albert.

Municipal Cultural Action Plan

A set of achievable actions to become a stronger cultural community.

City of Prince Albert Strategic Plan

A guiding document that identifies major City initiatives for a five-year period.

Fire and Emergency Services Strategic Plan

An assessment of the risks, resources and gaps in service faced by Fire Services.

Community Services Master Plan

A foundation for service delivery that considers changing demands and aging infrastructure.

Airport Master Plan

Guidance on airport infrastructure and service development.

Housing Plan and Action Strategy

A strategic response and detailed actions to address the housing needs of the community.

Downtown Strategic Plan

A guide for development and attraction of new investment to Downtown Prince Albert.

Transportation Master Plan

A review of traffic flow within the City and priorities for future projects.

West Hill Master Plan

A Guide for the growth and development of the South-Western Quadrant of the City.

Communications Master Plan

Communication priorities of the City.

Central Avenue Streetscape Development MasterPlan

A plan for the redevelopment of Central Avenue downtown Prince Albert.

For more details on these plans, please visit www.citypa.ca/strategicplans

Prince Albert at a Glance

\$19.4m VALUE OF COMMERCIAL AND INDUSTRIAL DEVELOPMENT

195,000km TRADING AREA

10.1% UNEMPLOYEMENT RATE

35,926 POPULATION OF PRINCE ALBERT

66km² CITY AREA

253 TOTAL BUILDING PERMITS ISSUED

85 SINGLE FAMILY HOUSING STARTS

35.1 MEDIAN AGE



HANGAR FIRE

At 11:22 pm on April 15, 2018, a call came in about a fire at the Transwest Air hangar at the Prince Albert Airport. Upon arrival, the fire was so far advanced fire fighters were unable to enter the building and instead, focused on a defensive attack to contain the fire and watch for spread. While crews fought the blaze, Air Traffic Control, which is located just under 50 meters from the hangar, was temporarily relocated to a designated emergency location on-site. As the Airport operates 24 hours a day, it was a priority to keep the runways open for landings. Throughout the incident, the Airport remained fully operational with air traffic control only being down for a total of



seven minutes. By 1:07 am the fire was considered under control. Fire investigators, police, the insurance agency, an independent investigator and Transwest Air participated in a 10 day investigation and compiled a full report on the cause of the fire which was ultimately found to be undetermined. In total, 15 fire fighters responded to the incident which resulted in \$20 million total damage. This landmark building was the last World War II era hangar at the Airport.



FIRE HIGHLIGHTS

1,573 fire code inspections.

1,248 calls for assistance.

33 fire investigations.

4,443 fire person training hours.

2018 ANNUAL REPORT

AIRPORT HIGHLIGHTS



17,330 passengers through the airport.

55 aircraft landings and takeoffs per day on average.

25 operational changes completed to achieve 100% Transport Canada compliance.



POLICE CHIEF

2018 was a year of transition for the Prince Albert Police Service (PAPS) with changes in leadership and service delivery. Under the leadership of the new Police Chief Jon Bergen, the PAPS continued to work in a uniformed direction towards the Services three priorities: a Visible Service, a Healthy Community and a Professional Service.

The Service responded to 37,936 calls for service in 2018. In addition to responsive calls, the PAPS recorded 1,477 proactive, self-generated community attendances in support of our priorities and community wellness. These self-generated calls for



service are referred to as Neighborhood Strengthening, which are strategically used during public events or to address crime trends and have a positive impact for the community.

Despite a slight increase in calls for service over the previous year, 2018 observed significant success with respect to property crime with a 18.77% decrease in reported incidents. Property crime includes incidents like break and enters, shoplifting and thefts.



POLICE SERVICES HIGHLIGHTS

3,764 Community Safety Officer calls for service.

18.77% decrease in property crime.

937 online service interactions.

“In addition to responsive calls, the PAPS recorded 1,477 proactive, self-generated community attendances in support of our priorities and community wellness.”

NEW TRANSIT FLEET

Seven new thirty-five foot fully accessible buses hit the road in Prince Albert in January 2018. The upgraded transit fleet was supported by the Federal Public Infrastructure Fund and provides several new features including low floor accessibility, wheel chair spaces, more passenger capacity, bike racks, a quiet ride and fuel efficiency. The new fleet is the largest capital investment the City has made in the transit system to-date. To promote public transportation and give all residents an opportunity to experience the



new buses, the City initiated Try Transit Day on June 6, 2018. Of the 3,410 residents who jumped on board, many shared their feedback of the new system. The new fleet received top grades for being reliable, clean and comfortable - addressing many of the outstanding areas of concern with the previous aging fleet.



TRANSIT AND ROADWAYS HIGHLIGHTS

31 blocks of back lanes rebuilt in the last three years.

64 city blocks paved through annual paving program.

2% increase in overall ridership on Prince Albert Transit to 399,506

1 set of traffic lights installed at 28th Street & 6th Ave West.

**MUNICIPAL
IMPOUND LOT**
1119 NORTH INDUSTRIAL DRIVE

MUNICIPAL IMPOUND LOT

2018 was the first full year since the City took on the unique venture of operating a municipally run impound lot, the first of its kind in the province. The City tows vehicles as a matter of enforcement for a variety of reasons as determined by SGI, the Highway Traffic Safety Act and the City's Traffic Bylaw. In the years leading up to the formation of the impound lot, the City had taken on the responsibilities of ticketing, towing and prosecuting for parking violations. With existing processes in place, staff took the operation one step further and created a new source of revenue. Taking



on the impound operation was a matter of finding land for storing vehicles, expanding existing processes and arranging for contractors to tow and auction off inventory when required. With the cooperation of SGI and City Police along with existing staff, the City has been able to establish a consistent approach to managing impounded vehicles in Prince Albert.



TICKETING HIGHLIGHTS

14,631 parking tickets issued.

\$223,000 in new revenue for the City.

800 vehicles impounded.

3,237 parking tickets processed online.

“Taking on the impound operation required us to find land to store vehicles, expand existing processes and arrange contractors to tow and auction inventory.”

LANDFILL, GARBAGE AND RECYCLING



Diverting waste from the landfill reduces the need to prepare more land to store waste. The Sanitation department's Waste Characterization study has revealed that while 24% of waste is currently diverted from the landfill through existing recycling efforts (including 1,800 tonnes of yard waste pick-up and 3,310 tonnes of multi-material blue bin recycling), there is considerable room for improvement. To increase awareness and promote the value of waste reduction, the City hosted the 2nd Annual Waste Reduction Conference in Prince Albert on

October 16, 2018 in partnership with the University of Saskatchewan Nursing program. Over 100 local students attended and Ecole Vickers School was the lucky recipient of \$500 to fund a waste reduction initiative in their school. The Sanitation department has set a target of 60% waste diversion by 2025 and is exploring options that will help the City achieve this goal.



WASTE MANAGEMENT HIGHLIGHTS

\$1 million compactor with specialized rollers for effective compaction.

1,000 bags of yard waste picked up daily on average.

87,000 tonnes of total waste collected.

8,000 kg of waste collected at Household Hazardous Waste day.

MAJOR SPORTING EVENTS

Many major sporting events were hosted in the City of Prince Albert in 2018 highlighted by the WBSC Junior Men's Softball World Championships which was named the 2018 Sask Tourism Marquee Event of the Year and was a finalist for the Canadian Sports Event of the Year as named by the Canadian Sports Tourism Alliance. Supported by a dedicated contingent of volunteers, the Worlds, along with Provincial championships in High School Track & Field, Basketball, Judo, Gymnastics and other events, brought millions of dollars into



the economy of the city. The events, some of which added new facilities and upgraded others, used city amenities to the fullest showing the country and world that Prince Albert has the infrastructure and ability to host world-class events. In 2018, \$341,100 in funding was approved for local events that generated overnight hotel stays through the Destination Marketing Fund.



PARKS AND RECREATION HIGHLIGHTS

121% increase in turf rentals at Alfred Jenkins Field House.

1,719 online registrations for City recreation programs.

\$241,226 in grants and sponsorships secured.

26,644 attendees at Kinsmen Water Park.

\$250,000 for a new spray park in Crescent Acres.

6 lane, junior Olympic pool built at Kinsmen Water Park.

LOVE FOR COUNTRY MUSIC

The EA Rawlinson Centre for the Arts celebrated its 15th year of operation in 2018 welcoming 30,169 patrons, hosting 70+ children in the full-scale musical production of Mary Poppins Jr. and holding 278 event days. 2018 also marked its first full year as a municipally owned and operated facility. The facility was host to a number of major Country music artists in 2018 including Brett Kissel, Kip Moore, Aaron Goodvin, Taw Connors, Nice Horse, Gord Bamford and the Washboard Union. The Country performances were well received by the community with sold-out (or nearly sold-out) shows, signalling the local love for Country acts. The great Country music line-up,

combined with the world-class treatment for visiting artists, incredible acoustics and intimate atmosphere of the facility, is starting to draw attention with the facility fielding more direct calls from Country artists to include Prince Albert on their tours. To top off a great year of Country music in Prince Albert, the Centre was recognized by the Saskatchewan Country Music Awards as Venue of the Year for 2018. A first of its kind achievement for Prince Albert.



MUNICIPAL CULTURAL ACTION PLAN HIGHLIGHTS

358 Municipal Cultural Action Plan activities completed.

1 Community Development award for the Locals Downtown Culture Video.

50 participants at t-shirt silkscreen workshop.

8 new and emerging cultural events supported.

19 wayfinding signs pointing to cultural facilities.

36,200 unique visitors to the www.paevents.ca calendar.

AGING PIPES

Tackling the underground infrastructure deficit continued in 2018. This included a major dig on 2nd Avenue West between 15th and 17th Street to replace the water mains. The City started budgeting annually by creating a Pipe Replacement Program in 2007 when it became apparent that the underground infrastructure had reached the limits of its lifespan. Weak, old pipes are much more susceptible to spontaneous breaks, which are costly to respond to and repair. Consistent funding over the years has



meant important progress has been made in replacing some of the pipes that are in the worst condition, but an estimated \$65 million deficit remains. 2018 was the largest annual expenditure to date at \$1.3 million. The Pipe Replacement Program is fully funded through water utility bills.

INFRASTRUCTURE HIGHLIGHTS

10 blocks of water main replaced.

3.5 blocks of sewer main replaced.

1.5 blocks of storm mains replaced.

“Consistent funding over the years has meant important progress has been made in replacing some of the pipes that are in the worst condition, but an estimated \$65 million deficit remains.”

WATER STORAGE CAPACITY

The 2nd Avenue water reservoir, built in 1962, and the Marquis Road water reservoir, built in 1981, were both completely renovated and upgraded with new pumphouses and modern control systems for \$6.2 million. A new River Street Water Reservoir was constructed in 2018/19 next to the Water Treatment Plant. The \$14.8 million project is an important investment for Prince Albert. The additional water capacity will aid residents in the event of potential emergency situations and also serve future growth



as demand for water increases. The project is funded under the Clean Water and Wastewater Fund (CWWF) with the Government of Canada contributing \$6 million, the Government of Saskatchewan contributing \$3 million, and the City of Prince Albert contributing all remaining costs of the project.



WATER UTILITY HIGHLIGHTS

572 water samples submitted for testing from random locations in the water distribution system.

11 capital project digs to replace storm, sewer and city water mains.

259 total maintenance digs.

38 water main breaks repaired, tested and returned to service.

6 lead service replacements.

CENTRAL AVENUE STREETSCAPE DESIGN

The City of Prince Albert engaged the community in a reimagining of Prince Albert's downtown in 2018 through a Streetscape design project. Knowing that the underground infrastructure is over 112 years old and in need of replacement, Prince Albert City Council approved the development of a Central Avenue Streetscape design that will act as a guiding document for the rebuild. After extensive consultation, respondents chose a Streetscape design option that would ultimately reduce traffic speeds and provide greater space for people, patios, and landscaping. This option, with one lane of traffic and angled parking on one side, will preserve a healthy amount



of parking while also allowing for the features that will make Central Avenue a destination rather than a thoroughfare through downtown. While this plan will serve as a master plan guiding document, it is meant to be flexible. Once budgets are approved, the plan will be revisited and City Council will be in a position to determine whether they would like to see any specific changes to the design prior to construction drawings being completed.



ENGAGEMENT HIGHLIGHTS

4 Neighbourhood planning meetings.

15% increase in Facebook followers.

348 respondents to the Social Master Plan survey.

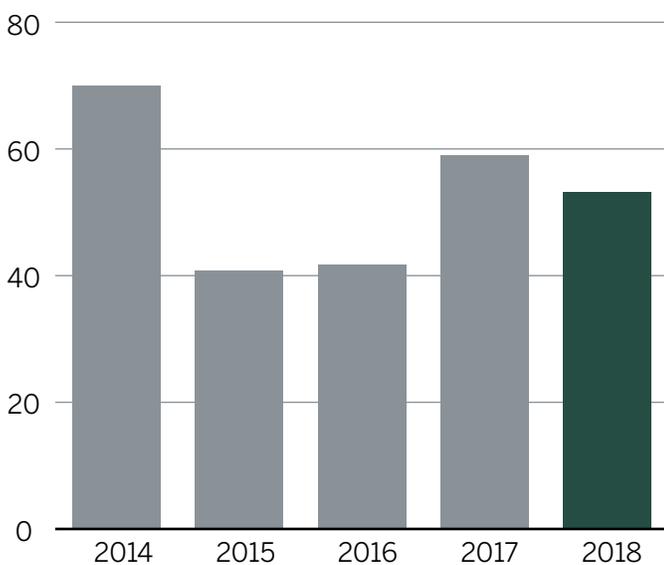
100+ attendees at the West Hill Master Plan presentation open house.

Economic Highlights Development

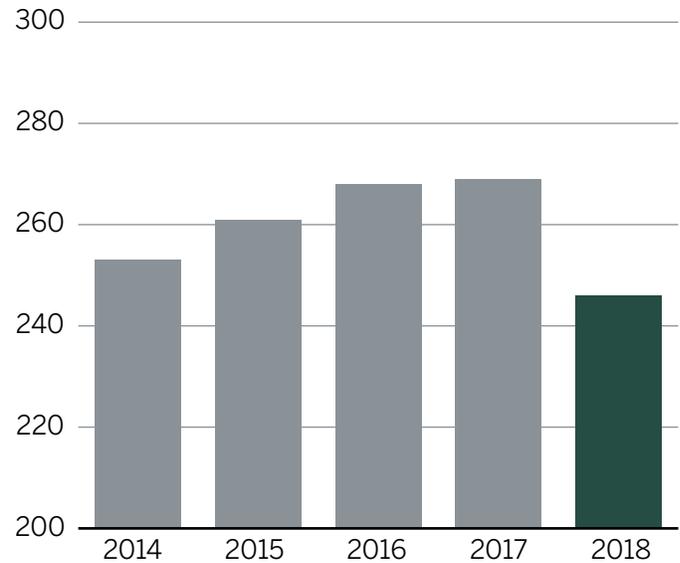
BUILDING PERMITS: TYPE AND CONSTRUCTION VALUE

	2014	2015	2016	2017	2018
Residential Single Family	\$ 16,848,000	\$ 11,828,165	\$ 11,952,000	\$ 8,756,500	\$ 7,960,000
Multi-Family	33,238,000	5,157,000	8,727,000	2,046,000	7,700,000
Commercial	17,133,000	10,540,408	7,469,000	26,705,000	17,782,000
Industrial	1,516,000	4,630,000	2,822,000	3,098,000	1,649,000
Institutional & Government	1,146,000	8,600,000	10,743,000	18,337,000	18,039,000
Total	\$ 69,881,000	\$ 40,755,573	\$ 41,713,000	\$ 58,942,500	\$ 53,130,000

CONSTRUCTION VALUE OF PERMITS (\$ MILLIONS)



TOTAL NUMBER OF PERMITS



BUILDING PERMITS: TYPE AND NUMBER OF PERMITS

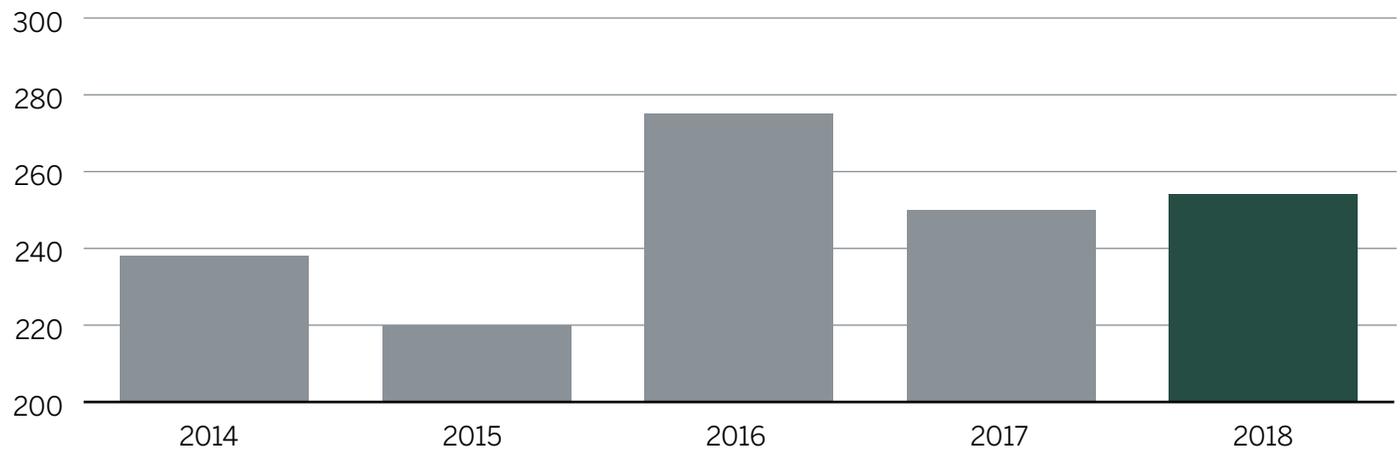
Type	2014	2015	2016	2017	2018
Residential Single Family	156	109	130	99	85
Multi-Family	13	29	27	11	15
Commercial	36	47	40	71	59
Industrial	15	17	14	32	26
Institutional & Government	8	23	22	27	22
Demolitions - Residential	8	14	13	17	13
Other Demolitions	17	22	22	12	26
Total	253	261	268	269	246

Economic Highlights Business

ISSUANCE OF NEW BUSINESS LICENCES

Type	2014	2015	2016	2017	2018
Home Based	65	78	61	80	61
Commercial	45	57	60	66	82
Transient Trader	59	60	76	81	59
Direct Seller	67	22	76	21	50
Mobile Food Vendor	1	1	0	2	2
Group Home / Day Care	1	2	2	0	0
Total	238	220	275	250	254

NEW BUSINESS LICENSE TRENDING



**\$17.8
MILLION**

IN NEW COMMERCIAL
DEVELOPMENT

“We are Saskatchewan’s 3rd largest City and a hub of health care, education, recreation and infrastructure servicing upwards of 195,000 people in Prince Albert and northern Saskatchewan.”

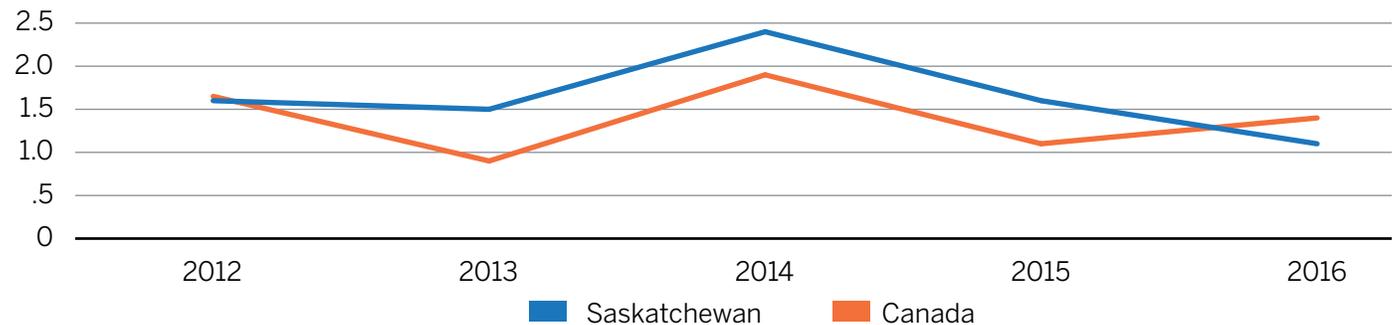
Greg Dionne, Mayor

Economic Highlights Census Data And Trends

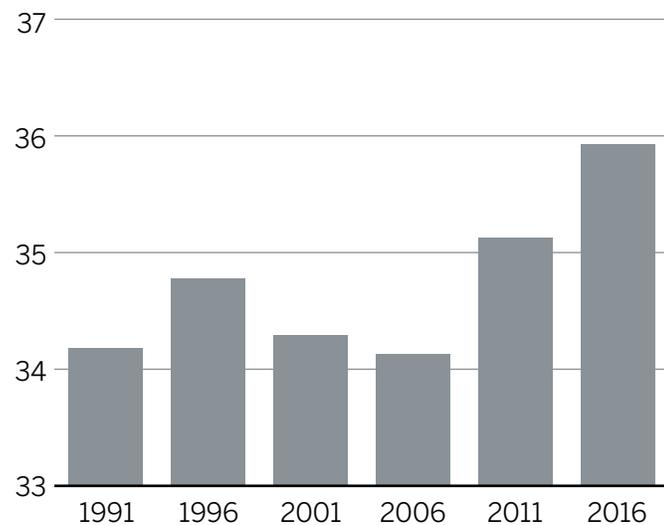
CITY OF PRINCE ALBERT PROFILE FROM STATISTICS CANADA 2011 AND 2016 CENSUS DATA

	2011 Census	2016 Census
Total Private Dwellings	14,779	15,173
Private Dwellings occupied by usual Residents	13,637	13,847
Population density per square kilometer	534.4	533.9
Land Area (square km)	65.74	67.29
Average Age of Population	36.9	37.7
% of the Population aged 15 and over	78.2	78.3
Total Number of occupied private dwellings	13,635	13,850

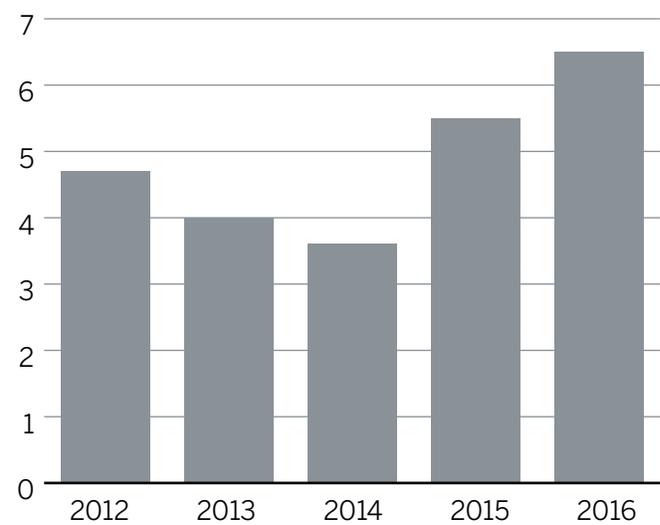
CONSUMER PRICE INDEX (%)



CENSUS POPULATION TRENDING (THOUSANDS)



SASKATCHEWAN UNEMPLOYMENT (%)



POPULATION TRENDING IN CENSUS STATISTICS

Type	1991	1996	2001	2006	2011	2016
Population	34,181	34,777	34,291	34,127	35,129	35,926

Financial Statement Discussion and Analysis



Introduction

The City of Prince Albert's 2018 annual financial report contains the audited consolidated financial statements prepared in accordance with the public sector accounting standards (PSAS), as required by The Cities Act.

OVERVIEW

The City's consolidated financial statements combine the financial results of six main funds and two consolidated entities as follows:

General Operating Fund – contains the majority of the City's operational areas such as corporate governance, human resources, roadways, transit, police, fire, community services, planning and development, and finance, including all property tax revenue.

Water Utility Operating Fund – contains the City's water, waste water, and water treatment operations, including all revenue generated from user charges and fees.

Sanitation Operating Fund – contains the City's garbage operations, including the landfill.

The discussion and analysis of the City's financial statements for 2018 provides a general overview of activities for the year ended December 31, 2018. The purpose of this discussion is to help users of the financial statements better understand the information.

Airport Operating Fund - contains the City's airport operations, including all revenue generated from passenger fees, airport improvement fees and existing leases at the airport.

Land Operating Fund – contains the City's operations to develop land in the City, which includes items such as lot sales and subdivision development costs.

Equipment Operating Fund – contains the City's costs for operating various pieces of equipment throughout the City.

Two consolidated entities incorporated into the City's 2018 consolidated financial statement are:

John M Cuelenaere Library – 100% Consolidation

North Central Waste Management Corporation – 84.22% Consolidation in 2018 (2017 - 84.22%)

KEY FINANCIAL INDICATORS 2018

The 2018 consolidated financial statements report net financial debt of \$13.2 million, which is an increase of \$6.8 million from 2017.

The 2018 statement of accumulated surplus shows the excess of revenue over expenses before capital transactions of \$3.5 million compared to \$4.3 million in 2017.

The total accumulated surplus at the end of 2018 was \$342.4 million, which increased \$12.5 million from 2017, which was \$329.9 million.

Revenue in 2018 was \$95.6 million, which was \$2.1 million lower than 2017 which was \$97.7 million. This decrease is as follows:

- Property taxation revenue – \$1.1 million increase
- User charges and fees – \$1.7 million decrease
- Operating grants and donations – \$0.2 million decrease
- Grants in lieu of taxes – \$0.3 million increase
- Interest and penalties – \$0.3 million increase
- Land sales – \$1.7 million decrease
- Sundry – \$0.3 million decrease

The City's 2018 reserve balance was \$15.2 million, which was an increase of \$1.2 million compared to the 2017 balance of \$14.0 million.

Statement of Operations

A summarized consolidated statement of operations for the past 5 (five) years is reflected in Table 1 below. A review of the operational revenue and expenses over 5 (five) years indicate that the City's revenue and expenses increased each year until 2016.

2018 is the second consecutive year where there was a decrease in both revenue and expenses.

Expenses decreased \$1.3 million and the revenue decreased \$2.1 million compared to prior year. The higher revenue in 2016 was largely due to the oil spill water crisis which resulted in \$9.6 million in additional revenue to offset the increase in oil spill related costs.

TABLE 1 FIVE YEAR STATEMENT OF OPERATIONS

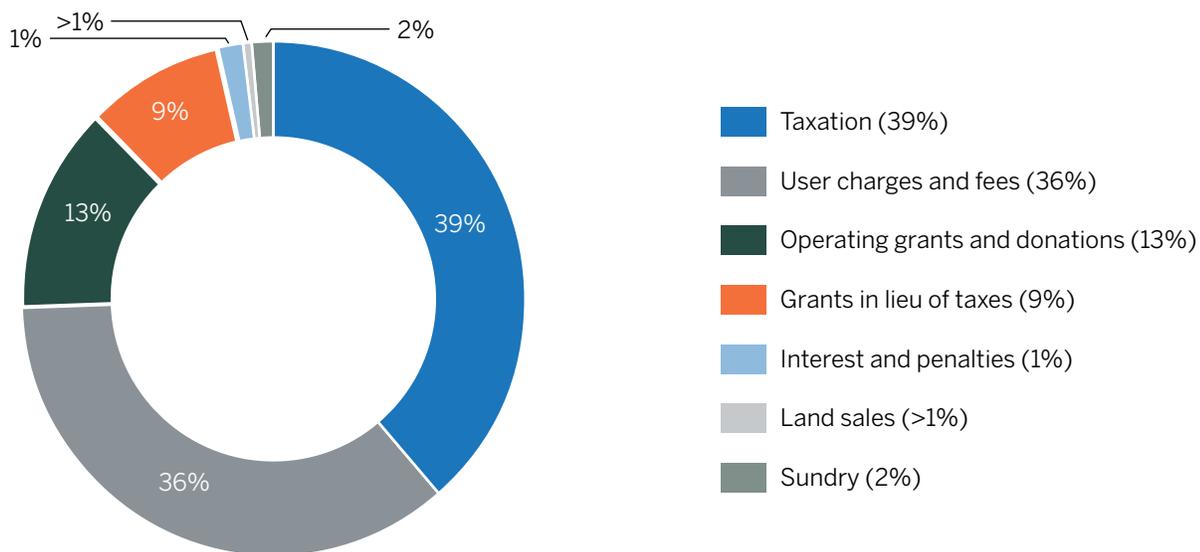
	2018	2017	2016	2015	2014
Total revenue	\$ 95,565,587	\$ 97,705,317	\$ 105,928,644	\$ 93,789,379	\$ 90,232,881
Total expenses	92,043,602	93,382,857	98,145,765	89,196,005	81,884,803
Excess of revenue over expenses before capital	\$ 3,521,985	\$ 4,322,460	\$ 7,782,879	\$ 4,593,374	\$ 8,348,078
Capital and interfund transactions	8,895,684	4,495,483	4,751,046	9,301,114	7,919,860
Excess of revenue over expenses	\$ 12,417,669	\$ 8,817,943	\$ 12,533,925	\$ 13,894,488	\$ 16,267,938

Revenue

Total consolidated revenue decreased by \$2.1 million from 2017. The decrease was from a lack of land sales due to a slowdown in the provincial economy.

The main sources of revenue were taxation, user charges and fees and operating grants and donations as reflected in Table 2.

TABLE 2 SUMMARY OF OPERATIONAL REVENUE



REVENUE IN COMPARISON TO BUDGET

In 2018, consolidated operating revenue exceeded the amount budgeted by \$1.4 million. Revenue totaled \$95.6 million compared to budget of \$94.2 million and can be summarized as:

- Property taxes – \$37.1 million
- User charges and fees – \$34.4 million (\$16.7 million Water Utility)
- Operating grants and donations – \$12.4 million
- Grants in lieu of taxes – \$8.6 million
- Interest and penalties – \$1.6 million
- Land sales – \$0.3 million (\$2.0 million in 2017)
- Sundry – \$1.2 million

REVENUE OBSERVATIONS

Property taxation revenue increased \$1.1 million but was \$0.96 million lower than budget.

User charges and fees revenue was \$1.47 million lower than budget affected primarily by Provincial Emergency Operations within Protective Services which was \$0.75 million lower than budgeted revenue, golf course fees were \$0.23 million lower than budget, water and sewer user charges were \$0.88 million lower than budget;

Operating grants and donations revenue was \$1.73 million greater than budget primarily due to new funding for the Police Combined Traffic Safety program of \$0.7 million, and \$2.18 million in the consolidated entities revenue;

Grants in lieu of taxes were \$1.2 million greater than budget, this category includes surcharge revenue and franchise fees revenue from other entities such as SaskPower and SaskEnergy;

Interest and penalties revenue was \$0.4 million greater than budget. This category includes parking ticket revenue, enforcement parking ticket revenue, interest earned on bank accounts, and other interest and penalties; and,

Land sales were \$1.7 million lower than 2017 but only \$0.1 million below budget as the decrease was anticipated by administration due to the economic slowdown,

Sundry income was \$0.6 million greater than budget. The increase in sundry income includes custom work reimbursements of \$0.2 million and \$0.3 million in sponsorships for the Prime Minister Park which were allocated to a reserve.

Table 3 below provides a summary of the total revenue over the last 5 (five) years.

TABLE 3 FIVE YEAR SUMMARY OF OPERATIONAL REVENUE

	2018	2017	2016	2015	2014
Taxation	\$ 37,062,477	\$ 35,957,196	\$ 35,982,078	\$ 35,183,415	\$ 33,959,318
User charges and fees	34,388,404	36,039,110	34,881,249	33,236,748	29,853,274
Operating grants and donations	12,403,154	12,624,075	21,909,033	11,571,914	11,392,735
Grants in lieu of taxes	8,581,934	8,284,942	9,477,868	10,228,433	10,056,664
Interest and penalties	1,601,357	1,261,973	1,067,496	2,239,766	704,669
Land sales	296,601	2,024,297	796,659	342,489	3,537,612
Sundry	1,231,660	1,513,724	1,814,261	986,614	728,578
Total revenue	\$ 95,565,587	\$ 97,705,317	\$ 105,928,644	\$ 93,789,379	\$ 90,232,850

TAXABLE ASSESSMENT AND PROPERTY TAXATION

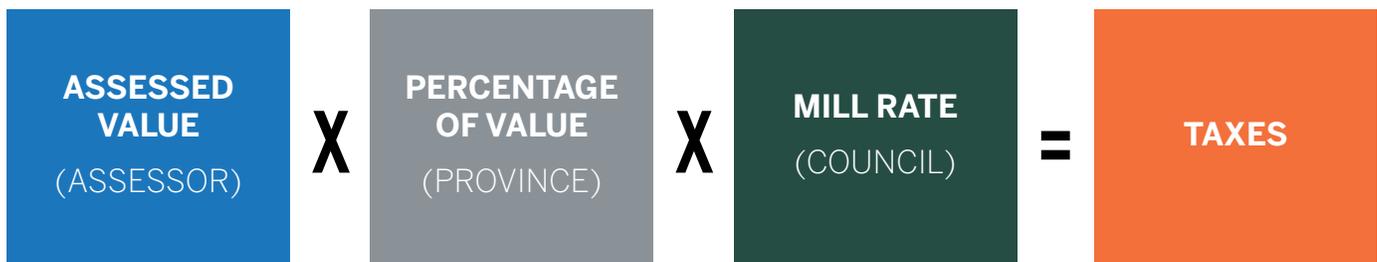
The City of Prince Albert receives revenue from a variety of sources with property taxes being the largest. The property tax levy is used to balance the City's current year operating budget based on services provided in the year.

The City of Prince Albert operations provide the following services:

- Police services
- Fire services
- Recreation and leisure services
- Snow plowing and removal
- Roadways maintenance and public transportation
- External agencies (library)
- Capital projects (roadways, facilities)
- Planning and development

Tax revenue generally increases with property development and tax rate increases.

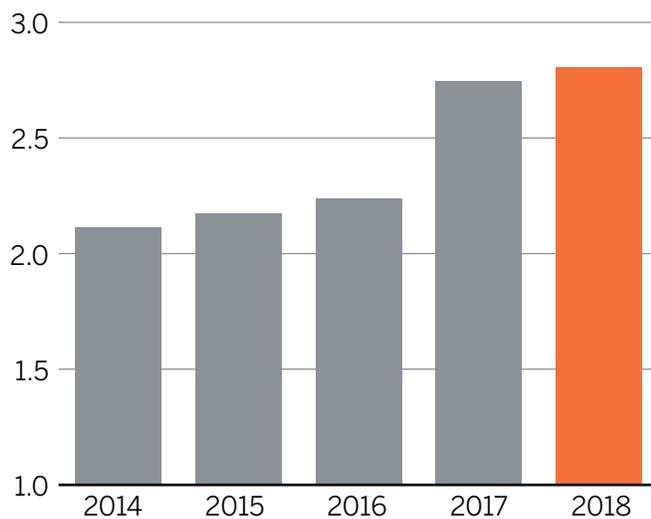
The city assessor determines assessed value for properties as per provincial legislation provided by the Saskatchewan Assessment Management Agency (SAMA). The provincial government establishes policy, such as property classes, percentage of value, and statutory exemptions. Annually, City Council determines the mill rate based on operating needs. The City then multiplies the taxable assessment values by the total mill rate to produce the property tax levies.



The City of Prince Albert's taxation revenue is from municipal, library, civic facilities, snow management and infrastructure, and roadway levies.

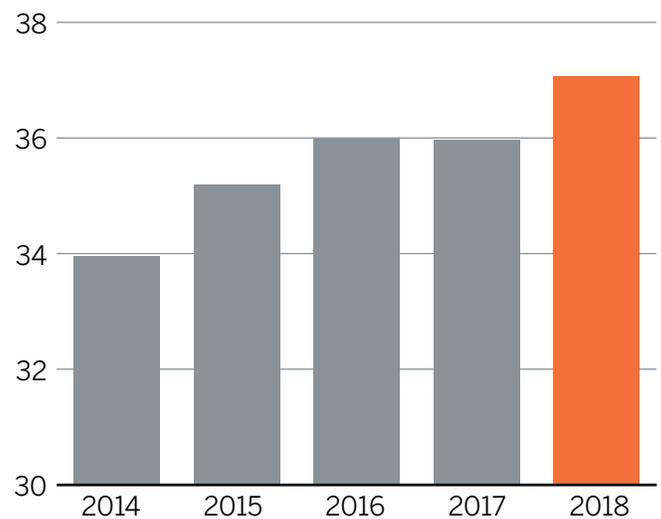
Table 4 below summarizes the total taxable assessed value for all properties within the City of Prince Albert over the last 5 (five) years:

TABLE 4 FIVE YEAR SUMMARY OF TAXABLE ASSESSMENT (BILLIONS)



Tax revenue is comprised of total taxes invoiced, including supplemental levies, surcharges, discounts and abatements for the year. The following graph outlines this revenue over the last five (5) years. Taxable assessment increased in 2018 resulting in increased taxation revenue of \$1.1 million; property tax rebates were \$203 thousand..

TABLE 5 FIVE YEAR SUMMARY OF PROPERTY TAX REVENUE (MILLIONS)



FIVE YEAR SUMMARY OF TAX REVENUE AND ARREARS

Table 6 reflects the taxation revenue, tax arrears and percentage of revenue for the past 5 (five) years.

TABLE 6 FIVE YEAR SUMMARY OF TAX REVENUE AND ARREARS

	2018	2017	2016	2015	2014
Taxation revenue	\$ 37,062,477	\$ 35,957,196	\$ 35,982,078	\$ 35,183,415	\$ 33,959,318
Capita per census*	35,926	35,926	35,926	35,129	35,129
Taxation revenue per capita	\$ 1,032	\$ 1,001	\$ 1,002	\$ 1,002	\$ 967
Tax arrears at end of year	\$ 3,022,503	\$ 2,848,906	\$ 3,447,790	\$ 3,092,722	\$ 2,629,064
Tax arrears as a % of taxation revenue	8%	8%	10%	9%	8%
Taxation as a % of general operating revenue	39%	37%	34%	38%	38%

Expenses

In 2018 the total consolidated operating expenses were \$92.0 million which included:

- Salaries, wages and benefits \$51.7 million
- Amortization \$12.9 million (amortization is not included in the budget)
- Maintenance, materials, and supplies \$10.4 million
- Contracted and general services \$5.7 million
- Utilities \$3.9 million
- City fleet costs \$2.8 million
- Grants and donations \$2.2 million
- Council remuneration \$0.4 million
- Other expenses including financial charges, interest on long term debt, insurance and bad debt expense \$2.1 million

EXPENSE OBSERVATIONS

Salaries wages and benefits were \$1.8 million greater than budget in 2018.

- Emergency control centre \$0.3 million less than budget
- Consolidated entities \$1.3 million not included in budget
- Community services \$0.5 million greater than budget
- Police services \$0.3 million greater than budget
- Fire services \$0.2 million greater than budget
- Transportation services \$0.2 million greater than budget
- General government \$0.3 million less than budget

Contracted services were \$0.3 million greater than budget.

Maintenance, materials and supplies were \$0.7 million over budget. The consolidated entities had \$0.6 million in maintenance and materials expenses which are not in the City budget numbers.

Community Services was \$0.3 million over budget, Police services were \$0.3 million over budget due to Community Traffic Service System (CTSS) funding received after budget, ECC was \$0.4 under budget.

Bad debt expense was \$0.5 million greater than budget.

Amortization expense is not budgeted. Total amortization expense was \$12.9 million so it must be taken into consideration that an amount equal to this is reflected as greater than budgeted.

TABLE 7 2018 CONSOLIDATED EXPENDITURES BY TYPE

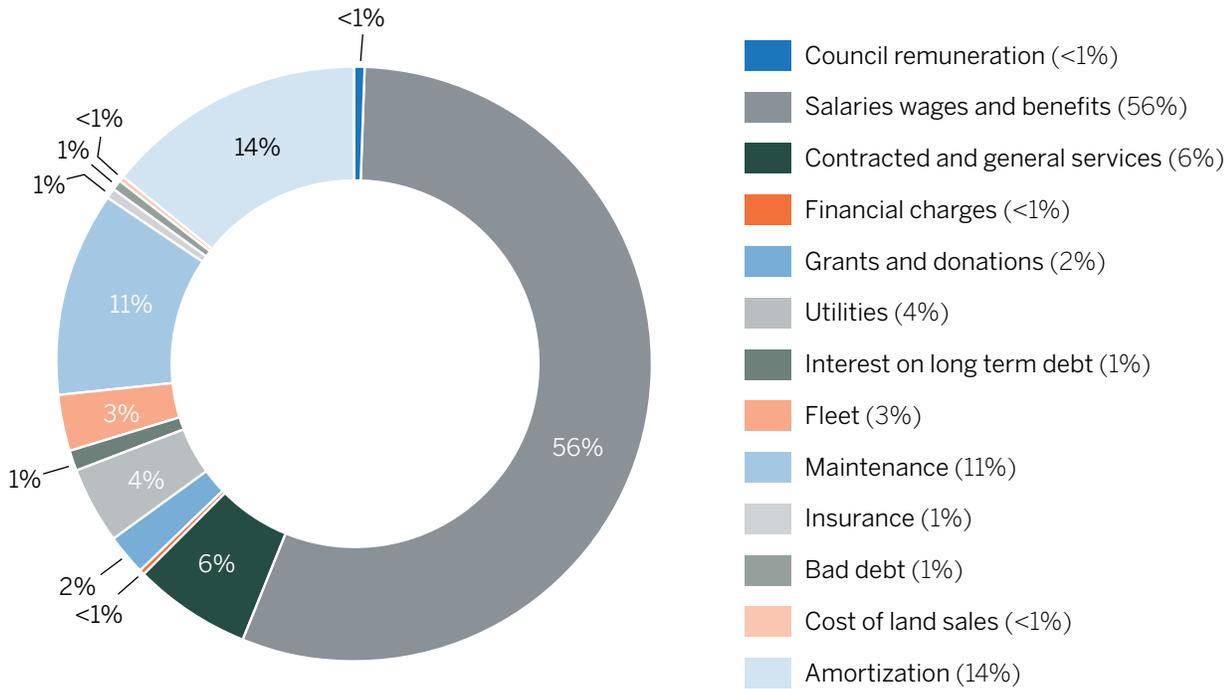
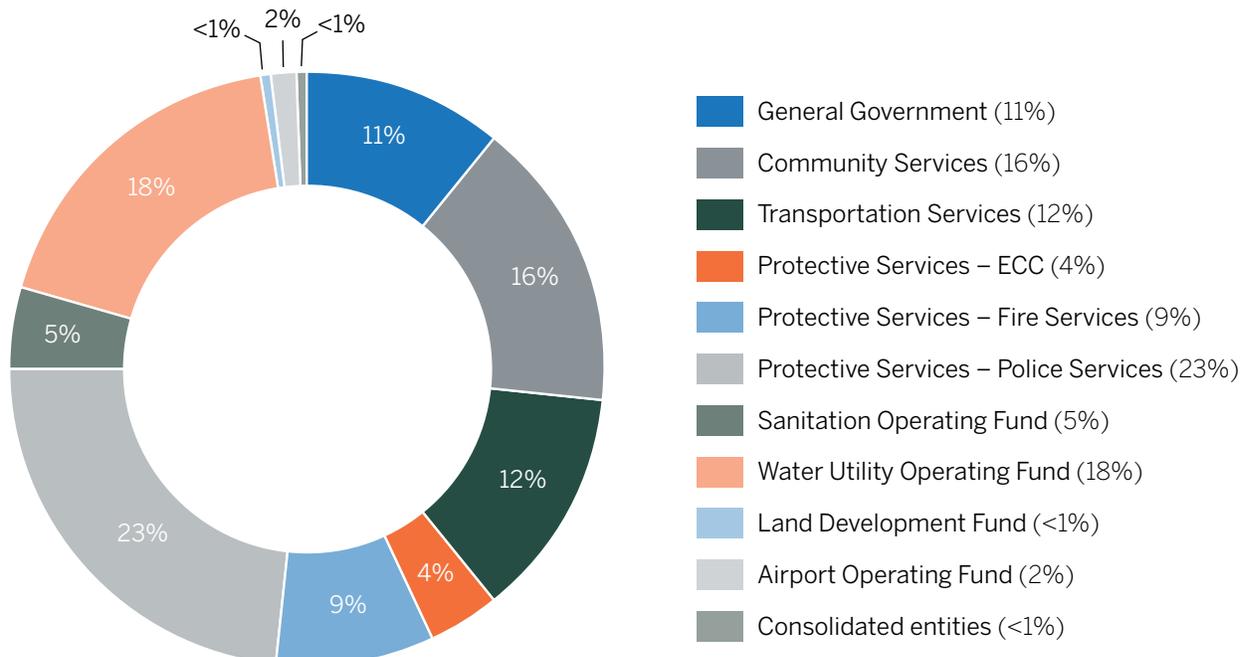


TABLE 8 2018 CONSOLIDATED EXPENDITURES BY FUNCTIONAL AREA



FIVE-YEAR SUMMARIES OF CONSOLIDATED EXPENDITURES

Table 9 and 10 provide summaries of the total expenditures over the last 5 (five) years.

TABLE 9 FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY TYPE

	2018	2017	2016	2015	2014
Council remuneration	\$ 376,397	\$ 359,001	\$ 340,583	\$ 355,779	\$ 366,502
Salaries wages and benefits	51,650,294	52,935,986	51,242,125	48,311,266	46,397,959
Contracted and general services	5,704,484	6,904,013	8,098,617	6,397,496	4,048,977
Financial charges	167,697	124,419	97,902	57,041	28,788
Grants and donations	2,193,829	1,281,134	781,392	2,280,414	2,210,892
Utilities	3,878,820	3,709,629	3,503,726	3,526,318	3,466,018
Interest on long term debt	901,193	340,100	486,858	542,632	598,203
Fleet	2,836,042	2,643,282	2,534,480	2,466,718	2,916,169
Maintenance materials and supplies	10,393,851	11,434,680	19,375,292	9,812,668	10,232,618
Insurance	528,064	479,718	517,065	548,567	585,504
Bad debt	521,049	1,099,598	(315,465)	3,861,198	451,116
Cost of land sales	17,114	122,333	85,975	19,353	376,451
Amortization	12,874,768	11,948,964	11,397,215	11,016,554	10,270,774
Total Expenses	\$ 92,043,602	\$ 93,382,857	\$ 98,145,765	\$ 89,196,004	\$ 81,949,971

TABLE 10 FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY FUNCTIONAL AREA

	2018	2017	2016	2015	2014
General Operating Fund					
General government	\$ 10,117,123	\$ 11,189,100	\$ 9,932,198	\$ 13,102,420	\$ 9,503,377
Community services	14,720,009	13,937,455	14,042,351	14,314,709	12,047,434
Transportation services	11,454,333	11,113,831	10,346,701	9,729,617	9,181,955
Protective services – ECC	3,645,697	5,737,641	5,783,065	4,614,626	4,104,635
Protective services – Fire services	7,823,717	7,595,153	7,099,205	7,196,084	6,981,760
Protective services – Police services	21,478,892	20,509,861	19,176,385	18,860,493	18,303,783
Sanitation Operating Fund	4,170,707	4,207,890	4,068,078	3,219,816	3,518,174
Water Utility Operating Fund	16,661,290	16,889,326	25,502,705	15,717,550	15,771,737
Land Development Fund	435,052	405,942	664,406	765,952	664,890
Airport Operating Fund	1,402,965	1,300,139	1,440,206	1,532,341	1,499,522
Consolidated entities	133,817	496,519	90,465	142,397	307,532
	\$ 92,043,602	\$ 93,382,857	\$ 98,145,765	\$ 89,196,005	\$ 81,884,799

Financial Position

TABLE 11 FIVE YEAR SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2018	2017	2016	2015	2014
Financial Assets	\$ 31,386,693	\$ 45,308,419	28,286,842	29,870,744	26,128,705
Financial Liabilities	(44,553,140)	(51,671,585)	(30,129,425)	(33,755,240)	(29,634,207)
Net Debt	(13,166,447)	(6,363,166)	(1,842,583)	(3,884,496)	(3,505,502)
Non-Financial Assets	355,520,032	336,299,082	322,960,556	314,140,732	299,873,570
Accumulated Surplus	\$ 342,353,585	\$ 329,935,916	\$ 321,117,973	\$ 310,256,236	\$ 296,368,068

Financial assets are comprised of \$16.2 million in cash, \$3.0 million in taxes receivable and \$11.9 million in accounts receivable.

Liabilities include \$9.2 million in accounts payable and accrued liabilities, wages and benefits payable of \$3.4 million, deposits and deferred revenue of \$4.3 million, \$23.5 million in long term debt, \$3.6 million in vested sick leave, and \$0.5 million due to local school divisions and amounts due to trusts.

Non-financial assets included tax title lands, prepaid expenses, supplies inventory, land available for sale, and capital assets. The City has \$322.9 million in tangible capital assets and \$24.9 in work in progress capital assets.

Total consolidated accumulated surplus increased \$12.4 million in 2018, a change in accumulated surplus results from changes in both financial (cash) assets and non-financial (non-cash) assets.

Capital Assets

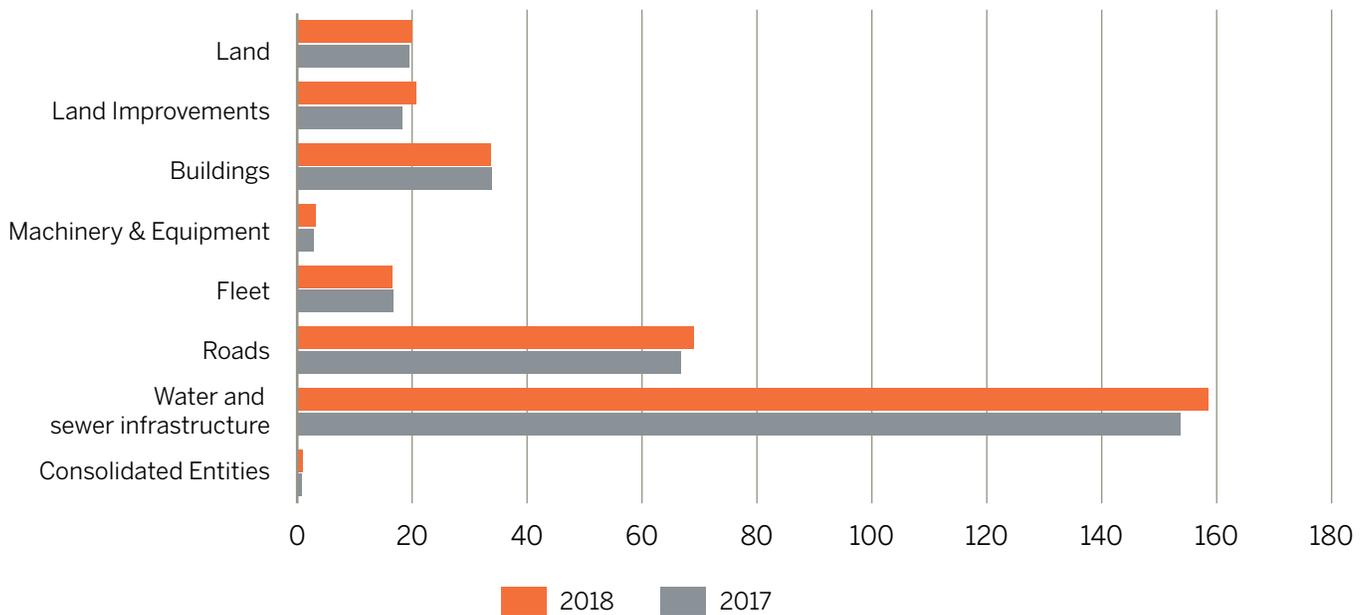
TANGIBLE CAPITAL ASSETS

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. The cost less residual value of the tangible capital assets is amortized on a straight-line basis over the assets estimated useful lives, ranging from five to 100 years.

The City's total net book value of tangible capital assets rose by \$10.3 million from \$312.6 million in 2017 to \$322.9 million in 2018.

The largest asset category is water, sanitary, and storm sewer infrastructure with a net book value of \$158.6 million followed by roadways with a net book value of \$69.1 million. Table 12 reflects the net book value of the tangible capital assets in 2018 in comparison to 2017.

TABLE 12 TANGIBLE CAPITAL ASSETS BY CATEGORY (\$ millions)



FIVE YEAR SUMMARY OF CAPITAL ADDITIONS

Table 13 reflects the capital additions over the past 5 (five) years in each fund. Included in the table are the work in progress balances. Work in progress is comprised of tangible capital assets that have not yet been put into service because they are still being

constructed or not ready for use. In the year that the asset is ready for service, the asset is reallocated to tangible capital assets.

Table 13 shows tangible capital assets additions and the change in work in progress.

TABLE 13 FIVE YEAR SUMMARY OF CAPITAL ADDITIONS AND WORK IN PROCESS

	2018	2017	2016	2015	2014
Tangible Capital Asset Additions					
General Fund	\$ 12,545,729	\$ 12,386,975	\$ 12,435,918	\$ 15,694,393	\$ 8,941,943
Water Fund	998,877	939,938	9,507,520	4,976,650	10,090,849
Sanitation Fund	9,813,888	6,322,254	2,241,166	57,623	461,599
Airport Fund	72,533	870,455	39,552	329,626	60,176
Consolidated Entities	269,719	86,477	124,468	158,353	44,035
	\$ 23,700,746	\$ 20,606,099	\$ 24,348,624	\$ 21,216,645	\$ 19,598,602
Work in Process					
Balance at start of year	\$ 16,053,987	\$ 11,594,084	\$ 14,442,101	\$ 10,380,310	\$ 7,906,304
Projects completed and transferred	(4,554,138)	(2,210,339)	(5,119,743)	(232,571)	(1,844,691)
Projects started and not completed	13,453,262	6,670,242	2,271,726	4,294,362	4,318,697
Balance at end of year	\$ 24,953,111	\$ 16,053,987	\$ 11,594,084	\$ 14,442,101	\$ 10,380,310

Long-Term Debt

The financing of capital projects comes from various sources including operating revenue, user fees and

charges, development levies, transfers from reserves, external funding, and long term debt.

TABLE 14

Lender	Loan Balance at December 31, 2018	Loan Rate	Annual Cash Payments	Purpose of Loan	Expiry
Royal Bank of Canada (RBC)	\$2,336,000	3.40%	\$308,000	Purchase of seven new fully accessible transit buses	Loan is scheduled to be repaid December 2027
Royal Bank of Canada (RBC)	\$2,152,000	3.40%	\$132,000	Irrigation at the Cooke Municipal Golf Course	Loan is scheduled to be repaid December 2042
Royal Bank of Canada (RBC)	\$2,063,000	3.40%	\$272,200	Development in the West Hill area and is paid by property taxes (10%) and land sales (90%)	Loan is scheduled to be repaid December 2027
Royal Bank of Canada (RBC)	\$6,820,000	3.40%	\$417,200	Construction of a 15 million litre water reservoir on River Street and is paid by water and sewer rates	Loan is scheduled to be repaid December 2042
Royal Bank of Canada (RBC)	\$6,381,000	3.40%	\$389,500	Upgrades to the zone 2 water reservoirs on 2nd Avenue West and Marquis Road and is paid for by water and sewer user charges and fees	Loan is scheduled to be repaid December 2042
Canadian Housing and Mortgage Corporation (CMHC)	\$3,769,049	3.98%	\$718,523	Upgrades at the Water Treatment Plant and is paid for by water and sewer user charges and fees	Loan is scheduled to be repaid September 2024
Total	\$28,472,568				

Table 15 lists the loan balances by fund over the last 5 (five) years.

TABLE 15 FIVE YEAR LONG-TERM DEBT BY FUND

	2018	2017	2016	2015	2014
General Operating Fund	\$ 4,694,300	\$ 5,616,566	\$ 692,023	\$ 662,177	\$ 878,915
Water Utility Operating Fund	16,970,049	18,691,299	6,440,065	8,854,708	9,973,930
Land Operating Fund	1,856,700	4,164,703	2,550,853	3,212,219	3,553,102
Total Long-Term Debt	\$ 23,521,049	\$ 28,472,568	\$ 9,682,941	\$ 12,729,104	\$ 14,405,947

The funding of capital projects varies from year to year. The City's current debt level is \$23.5 million or \$655 per capita, down from \$793 per capita in 2017 (based on census). The City's borrowing limit is \$55 million.

Funding can come from reserves, internal financing, or external borrowing. The majority of debt servicing is paid from an allocation of user charges and fees.

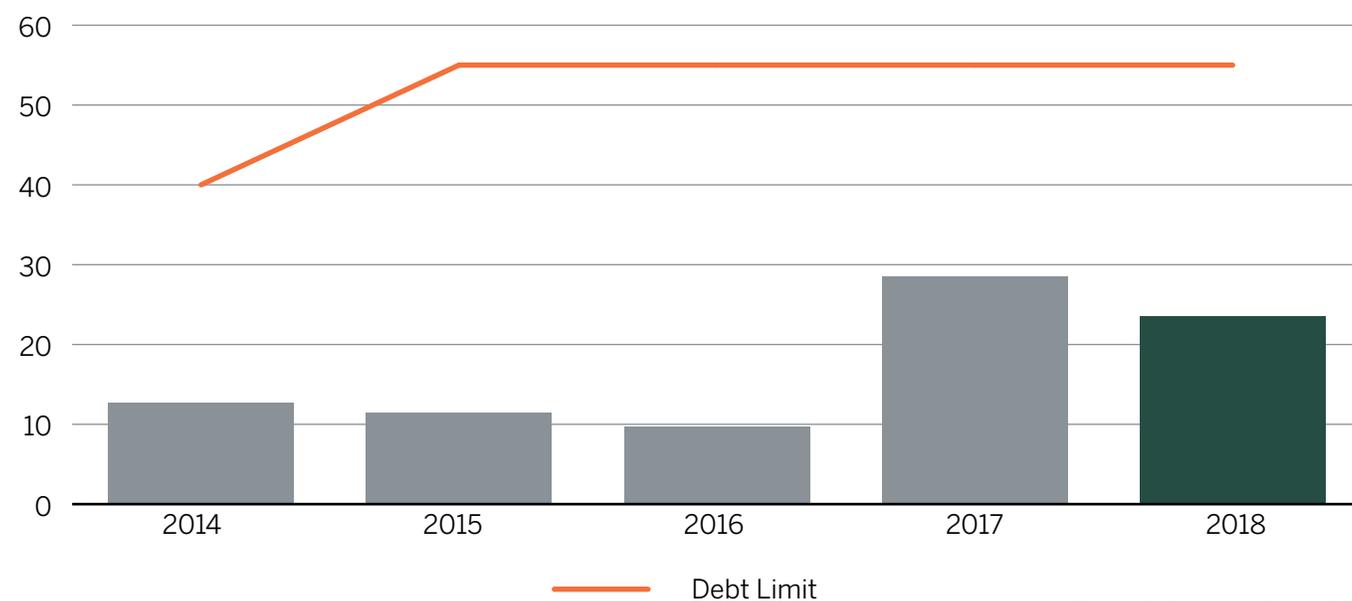
TABLE 16 FIVE YEAR PER CAPITA LONG TERM DEBT

	2018	2017	2016	2015	2014
Gross External Debt	\$ 23,521,049	\$ 28,472,568	\$ 9,632,941	\$ 11,442,838	\$ 12,729,104
Capita per Census *	35,926	35,926	35,926	35,129	35,129
Debt per Capita	655	793	268	326	362
Interest on Long Term Debt Expense	901,193	340,100	486,858	542,632	598,203
Interest per Capita	25	9	14	15	17

* data taken from Statistics Canada website

Table 17 below reflects the level of debt over the last 5 (five) years in comparison to the approved debt limit.

TABLE 17 GROSS EXTERNAL DEBT



Reserves

The City has several reserves which are utilized primarily to allocate equity into reserve accounts for future projects.

The City's reserves balance is \$15.2 million at the end of 2018, an increase of \$1.2 million over 2017.

FIVE YEAR SUMMARY OF RESERVES

TABLE 18 FIVE YEAR SUMMARY OF RESERVES

	2018	2017	2016	2015	2014
Reserves balance	\$ 15,226,152 \$	14,032,718 \$	14,583,431 \$	14,230,976 \$	11,164,380
Capita per census*	35,926	35,926	35,926	35,129	35,129
Reserve balance per capita	\$ 424 \$	391 \$	406 \$	405 \$	318

** data taken from Statistics Canada website*

The reserve balances by fund in 2018 were \$15.5 million in the General Operating Fund, \$0.4 million in the Water Utility Operating Fund, \$0.7 million in

the Sanitation Operating Fund, (\$3.4 million) in the Land Operating Fund and \$2.1 million in the Airport Operating Fund.

Financial Controls and Accountability

Fiscal Management and Accountability is one goal which was identified by City Council and senior administration in the 2015-2020 City of Prince Albert Strategic Plan. The City strives to align priorities and initiatives to the corporate strategies to deliver municipal services in an efficient and cost-effective manner.

Ensuring strong financial management and accountability policies and practices are in place is of utmost importance. Our goal is to ensure transparency to City residents and to the public. In 2018 the following highlights were identified:

Customer Service – Improved measures were put in place to monitor customer service:

- The installation of the new VOIP (Voice Over Internet Protocol) phone system has the ability to monitor call wait times dropped calls and the number of calls coming in. With this monitoring technology in place it is possible to measure and ultimately improve service levels.
- Statistical information such as customer interactions with City employees is being gathered and analyzed for areas of improvement.

Technology improvements

- WorkForce Management software (WFM) implementation. This is a scheduling / time sheet software that will electronically gather data for payroll purposes, reduce errors from manual processing and give employees up to date information. The project started early in 2018 and is planned for completion and rollout by the end of 2019. All City employees will be effected.
- Further technology will be used to reduce non-value added activities and manual processes.

Process Improvements - Continue with process improvements where we build improved value through continued expense discipline, movement toward monthly utility billing, increase vendor payments (increased to 75% of vendors in 2018) via Electronic Funds Transfer (EFT).

Improve revenue collection procedures.

Utilities – 2 (two) year project commenced in 2018 to replace all water meters with a system that can provide data for monthly billing and information regarding water usage. This will improve the customer experience and allow monitoring of water issues such as leaks.

Message from the Director of Finance

The City of Prince Albert's 2018 Annual report is a summary of information highlighting performance by individual departments. It provides an understanding of City operations, identifies activities happening in our community and communicates financial information in an accountable and transparent manner. The City's 2018 Annual Report contains three areas of information:

Individual departmental highlights

The individual departmental highlights contain performance indicators such as the number of various permits and construction value of building permits, transit ridership numbers, community services, capital projects for 2018 and more.

Financial statement discussion and analysis

The second component of the 2018 Annual Report is the 2018 Financial Statement Discussion and Analysis. This section is designed to help residents understand the financial information contained within the annual financial statements. Tables, graphs, and discussion are used to highlight trends, explain results, identify the details of the City's revenues, expenses and capital along with relevant economic data affecting the City of Prince Albert.

Audited consolidated financial statements

The third component of the 2018 Annual Report is the 2018 Consolidated Financial Statements, which have been audited by MNP LLP.

The City of Prince Albert is committed to improving the financial reporting to City residents through discussion with residents and benchmarking ourselves against other municipalities within and outside Saskatchewan.

The City of Prince Albert continued to face challenges in 2018 by having to do more with less. 2018 was the first full year after the Provincial Sales Tax (PST) 1% increase. The PST had considerable impact on municipalities not only because of the increase but because it applied to an expanded range of goods and



Director of Financial Services
Cheryl Tkachuk

services. The PST changes came into effect March 23, 2017 and is expected to increase the cost of asphalt and concrete alone to over \$400,000 each year.

Team effort is key to success. I am both grateful and proud of the hard work City employees provide as we go forward with continuous improvements. As we continue to work together as City Administration and staff, success is achievable under difficult conditions. The goal is to strengthen public perception and enhance accountability with our community.

A handwritten signature in black ink that reads "Cheryl Tkachuk". The signature is fluid and cursive.

Cheryl Tkachuk, CPA, CMA, CPHR
Director of Financial Services

Consolidated Financial Statements

For the Year Ended December 31, 2018



MANAGEMENT'S REPORT

For the Year Ended December 31, 2018

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and administration to discuss their audit findings.

May 21, 2019

Jim Toye
City Manager



Cheryl Tkachuk, CPA, CMA
Director of Financial Services



INDEPENDENT AUDITORS' REPORT

For the Year Ended December 31, 2018

To His Worship the Mayor and City Council of the City of Prince Albert:

Opinion

We have audited the consolidated financial statements of City of Prince Albert (the "City"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial debt, cash flows and the related 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 as at December 31, 2018, and the results of its operations and its cash flows 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 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 Mayor and Council 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'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 or to cease operations, or has no realistic alternative but to do so.

Mayor and Council are responsible for overseeing the City'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's internal control.

INDEPENDENT AUDITORS' REPORT *(CONTINUED)*

For the Year Ended December 31, 2018

- 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'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 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.

Prince Albert, Saskatchewan

May 21, 2019

MNP LLP

Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash	\$ 16,224,082	\$ 27,999,391
Temporary investments	163,128	120,350
Taxes receivable	3,022,503	2,848,906
Accounts receivable (Note 2)	11,926,980	14,339,772
Long-term investments	50,000	-
	<u>31,386,693</u>	<u>45,308,419</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	9,173,020	11,432,333
Wages and employee benefits payable	3,434,973	5,178,141
Deposits and deferred revenue (Note 4)	4,318,848	2,755,443
Due to local school divisions (Note 5)	484,375	378,092
Due to trusts	6,496	4,573
Long-term debt (Note 6)	23,521,049	28,472,568
Vested sick leave	3,614,379	3,450,435
	<u>44,553,140</u>	<u>51,671,585</u>
NET FINANCIAL DEBT	<u>(13,166,447)</u>	<u>(6,363,166)</u>
NON-FINANCIAL ASSETS		
Property acquired for taxes (Note 7)	865,480	778,084
Prepaid expenses	995,251	955,778
Supplies inventory	1,357,708	1,498,580
Land available for sale	4,429,042	4,418,665
Work in progress (Note 8)	24,953,111	16,053,987
Tangible capital assets (Note 9)	322,919,440	312,593,988
	<u>355,520,032</u>	<u>336,299,082</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 342,353,585</u>	<u>\$ 329,935,916</u>

Contingent liabilities and guarantees (Note 14)



Approved by Mayor and Council

May 21, 2019

See accompanying notes.

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2018

	Budget	2018	2017
REVENUE			
Taxation (Note 11)	\$ 38,023,770	\$ 37,062,477	\$ 35,957,196
User charges and fees	35,856,650	34,388,404	36,039,110
Operating grants and donations	10,670,010	12,403,154	12,624,075
Grants-in-lieu-of-taxes (Note 12)	7,383,990	8,581,934	8,284,942
Interest and penalties	1,220,400	1,601,357	1,261,973
Land sales	400,000	296,601	2,024,297
Sundry	663,640	1,231,660	1,513,724
	<u>94,218,460</u>	<u>95,565,587</u>	<u>97,705,317</u>
EXPENSES			
General Operating Fund			
General government	12,160,650	10,117,123	11,189,100
Community services	11,915,410	14,720,009	13,937,455
Transportation services	6,518,630	11,454,333	11,113,831
Protective services - Emergency call centre	4,393,910	3,645,697	5,737,641
Protective services - Fire services	7,383,680	7,823,717	7,595,153
Protective services - Police services	20,266,670	21,478,892	20,509,861
Sanitation Operating Fund	3,416,480	4,170,707	4,207,890
Water Utility Operating Fund	12,549,230	16,661,290	16,889,326
Land Operating Fund	248,120	435,052	405,942
Airport Operating Fund	985,190	1,402,965	1,300,139
Consolidated entities (Note 1)	-	133,817	496,519
	<u>79,837,970</u>	<u>92,043,602</u>	<u>93,382,857</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITAL TRANSACTIONS	<u>14,380,490</u>	<u>3,521,985</u>	<u>4,322,460</u>
Capital revenue	10,000	9,268,948	4,853,541
Loss on disposal of tangible capital assets	-	(373,264)	(358,058)
	<u>10,000</u>	<u>8,895,684</u>	<u>4,495,483</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 14,390,490</u>	<u>12,417,669</u>	<u>8,817,943</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>329,935,916</u>	<u>321,117,973</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 342,353,585</u>	<u>\$ 329,935,916</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT

For the Year Ended December 31, 2018

	Budget	2018	2017
Excess of revenues over expenses	\$ 14,390,490	\$ 12,417,669	\$ 8,817,943
Changes in Tangible Capital Assets			
Acquisition of tangible capital assets	-	(23,700,746)	(20,606,099)
Acquisition of work in progress	-	(8,899,124)	(4,459,903)
Amortization of tangible capital assets	-	12,874,769	11,948,964
Proceeds on disposal of tangible capital assets	-	127,261	199,016
Loss on disposal of tangible capital assets	-	373,265	358,058
	-	(19,224,575)	(12,559,964)
Change in Non-Financial Assets			
Change in property acquired for taxes	-	(87,396)	(179,529)
Change in prepaid expenses	-	(39,473)	(753,450)
Change in supplies inventory	-	140,872	42,297
Land for sale - developed during the year	-	(27,492)	(22,063)
Land for sale - sold during the year	-	17,114	134,183
	-	3,625	(778,562)
DECREASE (INCREASE) NET FINANCIAL DEBT	\$ 14,390,490	(6,803,281)	(4,520,583)
NET FINANCIAL DEBT, BEGINNING OF YEAR		(6,363,166)	(1,842,583)
NET FINANCIAL DEBT, END OF YEAR		\$ (13,166,447)	\$ (6,363,166)

See accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 12,417,669	\$ 8,817,943
Adjusted for non-cash items		
Amortization of tangible capital assets	12,874,769	11,948,964
Loss on disposal of tangible capital assets	373,265	358,058
	<u>25,665,703</u>	<u>21,124,965</u>
Net changes in non-cash working capital		
Taxes receivable	(173,597)	598,884
Accounts receivable	2,412,792	(393,694)
Due to trusts	1,923	(5,744)
Accounts payable and accrued liabilities	(2,259,313)	988,506
Wages and employee benefits payable	(1,743,168)	1,087,759
Deposits and deferred revenue	1,563,405	654,763
Due to local school divisions	106,283	(282,014)
Vested sick leave	163,944	259,263
Property acquired for taxes	(87,396)	(179,529)
Prepaid expenses	(39,473)	(753,450)
Supplies inventory	140,872	42,297
Land available for sale - developments during the year	(27,492)	(22,063)
Land available for sale - sold during the year	17,114	134,183
	<u>25,741,597</u>	<u>23,254,126</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(23,700,746)	(20,606,099)
Proceeds from the disposal of tangible capital assets	127,261	199,016
Development of work in progress (net of transfers)	(8,899,124)	(4,459,903)
	<u>(32,472,609)</u>	<u>(24,866,986)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt issued	-	20,585,000
Long-term debt repaid	(4,951,519)	(1,745,373)
	<u>(4,951,519)</u>	<u>18,839,627</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Long-term investments	(50,000)	-
Temporary investments	(42,778)	(869)
	<u>(92,778)</u>	<u>(869)</u>
NET INCREASE (DECREASE) IN CASH	(11,775,309)	17,225,898
CASH, BEGINNING OF YEAR	<u>27,999,391</u>	<u>10,773,493</u>
CASH, END OF YEAR	\$ 16,224,082	\$ 27,999,391

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The City of Prince Albert (the City) have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the City are as follows:

a) Fund Accounting and Segmented Information: The City's consolidated financial statements are prepared in accordance with PSAS 2700, Segment Disclosures. The City's segments are divided into different funds and a description of each is provided below. For Management reporting purposes, the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The two consolidated entities are also segmented. The activities of the City reported by Fund and the Consolidated Entities are included in Schedule 3.

General Operating Fund

The General Operating Fund accounts for the City's general operations and is funded by a variety of sources and is balanced by property tax revenue.

The General Fund accounts for the widest variety of City activities. The costs of policing, fire, emergency services, streets and roads, transit operations, parks, recreation, building maintenance as well as the majority of the administrative costs of the City are shown in the General Fund. Although most areas of service within the General Fund have some revenue that is used to offset the cost of service provided, the majority of the costs in this fund are funded by property tax levy. Within the General Fund, functional areas have been separately disclosed in the segmented information and are reflected in Schedule 5. Those functions are as follows:

General Government including External Agencies

Includes corporate services, administration, taxation, planning and development, financial services, and funding to external agencies.

Protective Services - Emergency Communications Centre (ECC)

ECC is the 911 call centre that is facilitated by the City with an agreement with the Province of Saskatchewan. The ECC is fully funded through user fees and grant revenue.

Protective Services - Police Service

Delivers policing services within the municipality including prevention and protection, criminal investigation, bylaw, patrol, and community policing. The allocation of the Police Services budget is determined by the Board of Police Commissioners.

Protective Services - Fire Services

Provides fire prevention, public fire and safety education and emergency response.

Transportation Services - Public Works

Includes streets and roadways, street lighting, backlanes maintenance, snow management, street sweeping, parking lots, traffic signs, and transit services.

Community Services

Provides sport, recreation, culture and park activities.

Sanitation Operating Fund

The Sanitation Operating Fund accounts for the City's sanitation utility (landfill and recycling) operations and is funded by user fees and sanitation surcharges. The fund is self-sustaining.

Water Utility Operating Fund

The Water Utility Operating Fund accounts for the City's water utility (water and waste water) operations and is funded by user fees. The fund is self-sustaining.

Land Operating Fund

The Land Operating Fund accounts for the development of residential, commercial and industrial properties and is funded by land sales. The Land Fund is self-sustaining.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Airport Operating Fund

The Airport Operating Fund accounts for the operations at the Airport and is funded by user fees and a transfer from general operations.

Equipment Fund

The Equipment Fund accounts for the operations of the City's equipment and fleet. The fund earns revenue by charging the City's operational areas for the use of equipment and fleet units. The fund is also responsible for the operational costs and maintenance of the equipment and fleet. The net surplus in this fund is transferred to the equipment reserve at year end.

Consolidated Entities

The John M. Cuelenaere Public Library Board ("JMC") is 100% consolidated and the North Central Saskatchewan Waste Management Corporation is proportionately consolidated. All interfund assets, liabilities, revenues and expenses have been eliminated through consolidation.

b) Reporting Entities and Basis of Consolidation: These financial statements consolidate the financial position, operations, changes in net debt and cash flows of the General, Sanitation, Water Utility, Land, and Airport, and Equipment Operating Funds of the City.

The following organization is 100% consolidated based on the City's control of the organization:

John M. Cuelenaere Public Library Board ("JMC")

The following organization is a government partnership and is proportionately consolidated:

North Central Saskatchewan Waste Management Corporation (2018 - 84.2%: 2017 - 84.2%)

All interfund assets, liabilities, revenues and expenses have been eliminated through consolidation.

c) Use of Estimates: The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Significant estimates made by management include revenue recognition, the valuation of allowances for doubtful accounts, amortization of tangible capital assets, employee benefits, closure and post closure costs of the landfill, contaminated sites and vested sick leave, property acquired for taxes, land available for sale.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

d) Cash: Cash consists of cash on hand and balances with banks.

e) Temporary Investments: Temporary investments are recorded at cost which approximates their fair value due to their short-term maturity. Temporary investments are in a money market fund, holdings of which may include short-term (one year or less) debt securities, including treasury bills and promissory notes issued or guaranteed by Canadian governments or their agencies, bankers acceptances, asset-backed commercial paper and commercial paper issued by Canadian chartered banks, loan companies, trust companies and corporations.

f) Deposits and Deferred Revenue: Deposits and deferred revenue includes monies received in advance for facilities revenue, property taxation, and external funding for capital projects to be completed in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

g) Employee Benefit Plans

Vested Sick Leave

Previously sick leave was earned by employees through a bi-weekly allotment. Unused sick leave was accumulated and vested with the employee and was paid out upon termination of employment. The benefit vested with the employee after five years continuous service for permanent unionized employees and after ten years continuous service for management and non-permanent unionized employees. Payment calculations were limited by 194 days (148 for the Fire Department) of accumulated sick time and a maximum of 30 years of employment. Effective March 2015 the policy for vested sick leave was amended to reflect that new employees who are members of CUPE 160, CUPE 882 and Out of Scope staff will not accumulate vested sick leave. Any employees employed prior to March 2015 will continue under the previous policy. Fire Services employees hired after August 29th, 2016 will not accumulate vested sick leave.

The value of the vested sick leave reflects the present value of the liability of future employees' earnings.

Defined Benefit Pension Plan

Employees of the City participate in the Municipal Employees Pension Plan ("MEPP"). Contributions to the defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

h) Property Acquired for Taxes: Property acquired for taxes is recorded at the lower of carrying amount or net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

i) Inventories: Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

j) Land Available for Sale: Land available for sale is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and SaskPower and SaskEnergy service connections and is considered available for sale when all the land preparation is completed.

Land available for sale is not reported as financial assets as the properties are typically held as inventory for more than one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

k) Tangible Capital Assets and Work in Progress: Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	9 to 100 years
Buildings	20 to 100 years
Machinery and equipment	5 to 15 years
Fleet	5 to 15 years
Roads	10 to 100 years
Water, sanitary and storm sewer infrastructure	20 to 100 years

One-half of the annual amortization is charged in the year that the asset is put into service and in the year of disposal. Assets under construction are recorded as Work in Progress and are not amortized until the asset is available for productive use.

Contributed tangible capital assets are recorded at fair market value.

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art and Other Unrecognized Assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made. Instead the costs are expensed when the purchase is made.

Capitalization of Interest: The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

The City has recorded \$nil contributed tangible capital assets in the current year. (2017 - \$nil).

l) Revenue and Expenses Recognition: Revenues are recorded using the accrual basis of accounting whereby revenues are recognized as they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

Property tax revenue is based on assessments determined in accordance with Provincial legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded net of a provision for potential losses on outstanding assessment appeals and uncollected taxes. By their nature, these provisions are subject to measurement uncertainty and the impact on the financial statements of future periods could be material. Penalties on overdue taxes are recorded in the period levied.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates can be made.

Land sales are recognized in the consolidated financial statements as revenues in the period in which the contract is signed and deposit is received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

m) Trust Funds: Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Schedule 11.

n) Budget Information: Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on December 18, 2017

o) New Accounting Standards: Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

- i) PS 2200 Related Party Disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements. The adoption of this standard has not resulted in any disclosure change
- ii) PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed. The adoption of this standard has no impact on the consolidated financial statements.
- iii) PS 3320 Contingent Assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely. The municipality does not have any reportable contingent assets.
- iv) PS 3380 Contractual Rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. The municipality does not have any reportable contingent rights.
- v) PS 3420 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This standard has no impact on the consolidated financial statements.

2. ACCOUNTS RECEIVABLE

	2018	2017
Federal Government	\$ 454,781	\$ 614,685
Provincial Government	749,186	2,499,611
General Operating Fund	2,757,614	3,754,568
Water Utility Operating Fund	7,372,755	5,410,880
Land Operating Fund	73,646	698,827
Sanitation Operating Fund	346,433	448,281
Airport Operating Fund	147,354	859,551
Consolidated entities	25,211	53,369
	<u>\$ 11,926,980</u>	<u>\$ 14,339,772</u>

Accounts receivable have been reported net of an allowance for doubtful accounts of \$2,256,946 (2017 - \$1,894,007). The allowance has been determined through an annual review of outstanding amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
General Operating Fund	\$ 8,605,830	\$ 10,843,811
Water Utility Operating Fund	63,593	114,371
Land Operating Fund	25,826	25,000
Sanitation Operating Fund - Landfill closure and post closure (Note 3a)	368,174	350,791
Consolidated entities	<u>109,597</u>	<u>98,360</u>
	<u>\$ 9,173,020</u>	<u>\$ 11,432,333</u>

a) Landfill Closure and Post Closure

Environmental law requires closure and post-closure care of solid waste landfill sites. Closure care includes 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. The landfill is broken into eight cells. Each cell will be decommissioned individually as the cell reaches capacity. Once the landfill is closed, it is estimated that the total cost of post closure and remaining closure expenditures will be \$2,713,417 on an undiscounted basis.

The calculation of the liability in the amount of \$368,174 (2017 - \$350,791) is based on the cumulative capacity used at December 31, 2018, compared to the total estimated landfill capacity at the same date. The estimated total capacity of the site is 3,902,893 cubic metres (2017 - 3,860,700 m³), of which 765,349 cubic metres (2017 - 758,813 m³) or 20% (2017 - 20%) has been used as of December 31, 2018. The existing landfill site is expected to reach capacity in approximately 2046.

4. DEPOSITS AND DEFERRED REVENUE

Deposits and deferred revenue include funds that are externally restricted as follows:

	<u>2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>2018</u>
Gas tax funding	\$ -	\$ 1,847,636	\$ -	\$ 1,847,636
Prepaid property tax	795,824	919,662	795,824	919,662
Emergency Communication Centre	633,828	-	633,828	-
Water utility deposits	363,400	150,250	145,560	368,090
Facilities	352,245	367,436	352,245	367,436
Prepaid business licenses	160,600	201,950	160,600	201,950
Saskatchewan Lotteries	127,322	100,209	127,322	100,209
Urban Connector O&M	93,130	93,130	93,130	93,130
Other	70,586	10,243	26,933	53,896
Police	-	53,520	-	53,520
EA Rawlinson Centre for the Arts	55,774	58,843	55,774	58,843
Custom work	52,587	65,000	52,587	65,000
Victim Services	29,847	29,542	29,847	29,542
Landfill	20,300	1,400	300	21,400
Land Fund	-	29,000	-	29,000
Capital	-	109,534	-	109,534
	<u>\$ 2,755,443</u>	<u>\$ 4,037,355</u>	<u>\$ 2,473,950</u>	<u>\$ 4,318,848</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

5. DUE TO LOCAL SCHOOL DIVISIONS

Amounts owing to each school division are shown net of an allowance for doubtful accounts. The net amounts owing are as follows:

	Public School	Separate School	2018	2017
Taxes payable	\$ 704,894	\$ 114,603	\$ 819,497	\$ 688,727
Allowance for doubtful accounts	(328,332)	(6,790)	(335,122)	(310,635)
	<u>\$ 376,562</u>	<u>\$ 107,813</u>	<u>\$ 484,375</u>	<u>\$ 378,092</u>

6. LONG-TERM DEBT

General Operating Fund

	2018	2017
Royal Bank of Canada Ltd., quarterly payments of approximately \$75,700 including interest at 3.40% through an interest rate swap contract, due December 1, 2027, secured by tax levies. (Transit buses)	\$ 2,336,000	\$ 2,562,000
Royal Bank of Canada Ltd., quarterly payments of approximately \$33,000 including interest at 3.40% through an interest rate swap contract, due December 1, 2042, secured by tax levies. (Cooke Municipal Golf Course irrigation system)	2,152,000	2,209,000
Royal Bank of Canada Ltd., quarterly payments of approximately \$66,800 including interest at 3.40% through an interest rate swap contract, due December 1, 2027, secured by tax levies. (West Hill Redevelopment Project)	206,300	226,100
Bank of Montreal	-	236,645
Conexus Credit Union	-	382,821
	<u>4,694,300</u>	<u>5,616,566</u>

Water Utility Operating Fund

Royal Bank of Canada Ltd., quarterly payments of approximately \$104,300 including interest at 3.40% through an interest rate swap contract, due December 1, 2042, secured by tax levies. (New water reservoir)	6,820,000	7,000,000
Royal Bank of Canada Ltd., quarterly payments of approximately \$97,600 including interest at 3.40% through an interest rate swap contract, due December 1, 2042, secured by tax levies. (Reservoir upgrades)	6,381,000	6,553,000
Canada Mortgage and Housing Corporation, annual payments of \$718,523 including interest at 3.98%, due September 1, 2024, secured by water and sewer levies. (Water treatment plant)	3,769,049	4,315,803
Saskatchewan Municipal Financing Corporation	-	822,496
	<u>16,970,049</u>	<u>18,691,299</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

6. LONG-TERM DEBT (continued from previous page)

Land Operating Fund

Royal Bank of Canada Ltd., quarterly payments of approximately \$66,800 including interest at 3.40% through an interest rate swap contract, due December 1, 2027, secured by tax levies. (West Hill Redevelopment Project)

Bank of Montreal

Total Long-Term Debt

1,856,700	2,034,900
<u>-</u>	<u>2,129,803</u>
1,856,700	4,164,703
<u>\$ 23,521,049</u>	<u>\$ 28,472,568</u>

Future principal and interest payments are as follows:

	Principal	Interest	Total
2019	\$ 1,445,318	\$ 830,145	\$ 2,275,463
2020	1,497,790	779,119	2,276,909
2021	1,548,191	724,386	2,272,577
2022	1,604,560	667,753	2,272,313
2023	1,660,934	609,104	2,270,038
Thereafter	<u>16,382,679</u>	<u>5,061,138</u>	<u>21,443,817</u>
	<u>\$ 24,139,472</u>	<u>\$ 8,671,645</u>	<u>\$ 32,811,117</u>

The regulation under The Cities Act requires that individual long term borrowing bylaws be submitted, reviewed and approved by the Saskatchewan Municipal Board. There is an expectation of those cities that apply to the Saskatchewan Municipal Board for a pre-approved debt limit. The approved debt limit includes all amounts available to the City as a line of credit.

The general bank account is covered by a \$12,000,000 revolving credit line. The interest on the credit line is prime less .75% per year. The credit line is secured by all taxes by the City to the extent of the indebtedness. The balance at December 31, 2018 is \$nil (2017 - \$nil). The Royal Bank of Canada loans are secured by all taxes levied by the City, subordinated to Affintiy indebtedness on the line of credit.

As of December 31, 2018 the City has a Saskatchewan Municipal Board approved debt limit of \$55,000,000 (2017 - \$55,000,000)

7. PROPERTY ACQUIRED FOR TAXES

	2018	2017
Tax titled properties	<u>\$ 1,532,806</u>	<u>\$ 1,439,278</u>
Allowance for doubtful recovery	<u>(667,326)</u>	<u>(661,194)</u>
Net recoverable	<u>\$ 865,480</u>	<u>\$ 778,084</u>

Property acquired through tax enforcement is recorded at the amount of outstanding taxes and penalties owing to the City at the date of acquisition, plus any costs to maintain the property until disposal. An allowance for doubtful recovery is calculated annually and is based on the estimated market value of the property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

8. WORK IN PROGRESS

Work in progress is comprised of tangible capital assets that have not yet been put into service because they are still being constructed or not ready for use. Work in progress is recorded at cost, which includes all amounts directly attributable to the asset. The City does not capitalize interest costs.

In the year that the asset is ready for service, the asset is reallocated to the tangible capital assets and amortized based on the City's capital asset policies. Work in progress is as follows:

	Opening Balance	Capitalized	Additions	Ending Balance
General Operating Fund				
Roads	\$ 1,127,939	\$ (48,917)	\$ -	\$ 1,079,022
Buildings	3,899,902	(2,253,364)	1,168,029	2,814,567
Fire sub-station	123,043	(15,540)	-	107,503
	<u>5,150,884</u>	<u>(2,317,821)</u>	<u>1,168,029</u>	<u>4,001,092</u>
Airport Operating Fund	<u>33,194</u>	<u>-</u>	<u>2,311</u>	<u>35,505</u>
Sanitation Operating Fund	<u>86,441</u>	<u>(86,441)</u>	<u>85,375</u>	<u>85,375</u>
Water utility operating fund				
Water treatment plant	2,549,547	(2,149,876)	12,057,423	12,457,094
Waste water treatment plant	36,901	-	140,124	177,025
Water infrastructure	8,197,020	-	-	8,197,020
	<u>10,783,468</u>	<u>(2,149,876)</u>	<u>12,197,547</u>	<u>20,831,139</u>
	<u>\$ 16,053,987</u>	<u>\$ (4,554,138)</u>	<u>\$ 13,453,262</u>	<u>\$ 24,953,111</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

9. TANGIBLE CAPITAL ASSETS

For segmented detail, please refer to Schedule 7:

	Opening Balance	Additions	Disposals	Ending Balance
Land	\$ 19,565,781	\$ 490,764	\$ -	20,056,545
Land improvements	32,168,263	3,663,386	(27,464)	35,804,185
Buildings	53,947,890	826,596	(16,324)	54,758,162
Machinery and equipment	7,063,838	848,519	(75,226)	7,837,131
Fleet	26,817,655	2,075,493	(875,698)	28,017,450
Roads	114,873,497	6,204,150	(2,039,974)	119,037,673
Water, sanitary and storm sewer Infrastructure	263,200,568	9,322,119	(796,630)	271,726,057
Consolidated entities	1,361,866	269,719	-	1,631,585
	<u>\$ 518,999,358</u>	<u>\$ 23,700,746</u>	<u>\$ (3,831,316)</u>	<u>\$538,868,788</u>

	Opening Accumulated Amortization	Amortization	Disposals	Closing Accumulated Amortization
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	(13,955,571)	(1,147,325)	27,464	(15,075,432)
Buildings	(20,072,370)	(1,107,179)	16,324	(21,163,225)
Machinery and equipment	(4,087,043)	(571,336)	72,990	(4,585,389)
Fleet	(10,139,290)	(1,901,923)	695,594	(11,345,619)
Roads	(48,172,602)	(3,844,553)	2,033,301	(49,983,854)
Water, sanitary and storm sewer Infrastructure	(109,447,562)	(4,172,890)	485,124	(113,135,328)
Consolidated entities	(530,932)	(129,560)	-	(660,501)
	<u>\$ (206,405,370)</u>	<u>\$ (12,874,766)</u>	<u>\$ 3,330,797</u>	<u>\$ (215,949,348)</u>

	2018 Net Book Value	2017 Net Book Value
Land	\$20,056,545	\$19,565,781
Land improvements	20,728,753	18,212,692
Buildings	33,594,937	33,875,520
Machinery and equipment	3,251,742	2,976,795
Fleet	16,671,831	16,678,365
Roads	69,053,819	66,700,895
Water, sanitary and storm sewer Infrastructure	158,590,729	153,753,006
Consolidated entities	971,084	830,934
	<u>\$ 322,919,440</u>	<u>\$ 312,593,988</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

10. ACCUMULATED SURPLUS

	<u>2018</u>	<u>2017</u>
General Operating Fund		
Fund balance (Schedule 8)	\$ 148,996,191	\$ 144,923,075
Reserves (Schedule 9)	<u>15,453,117</u>	<u>15,086,023</u>
	164,449,308	160,009,098
Sanitation Operating Fund		
Fund balance (Schedule 8)	9,168,742	9,430,160
Reserves (Schedule 9)	<u>664,625</u>	-
	9,833,367	9,430,160
Water Utility Operating Fund		
Fund balance (Schedule 8)	160,343,652	152,872,048
Reserves (Schedule 9)	<u>385,879</u>	<u>470,291</u>
	160,729,531	153,342,339
Land Operating Fund		
Fund balance (Schedule 8)	(8,362,969)	(8,216,493)
Reserves (Schedule 9)	<u>(3,423,921)</u>	<u>(3,564,958)</u>
	(11,786,890)	(11,781,451)
Airport Operating Fund		
Fund balance (Schedule 8)	15,133,455	15,301,685
Reserves (Schedule 9)	<u>2,146,455</u>	<u>2,041,362</u>
	17,279,910	17,343,047
Consolidated entities		
John M. Cuelenaere Public Library Board (Schedule 8)	737,382	450,953
North Central Sask Waste Management (Schedule 8)	<u>1,110,977</u>	<u>1,141,770</u>
	\$ 342,353,585	\$ 329,935,916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

11. TAXATION REVENUE

	Budget	2018	2017
General municipal tax - levy	\$ 28,293,510	\$ 27,412,255	\$ 26,588,785
General municipal tax - supplemental	150,000	42,409	257,083
General municipal tax - surcharges	250,000	294,156	266,097
Abatements and adjustments	(100,000)	(203,185)	(681,549)
Discounts on current year taxes	(90,000)	(113,169)	(92,568)
Net Municipal Tax	28,503,510	27,432,466	26,337,848
Penalties on tax arrears	225,000	375,170	339,341
Snow management and infrastructure base tax	1,330,500	1,346,026	1,339,714
Roadway base tax	4,100,800	4,211,833	4,204,191
Library levy	1,988,860	1,829,002	1,949,594
Civic facilities levy	1,456,600	1,475,914	1,467,219
Levy - Destination marketing	305,500	299,500	303,600
Levy - Prince Albert business improvement district	78,000	76,627	-
Levy - Street oiling	35,000	59,320	58,191
Special Levies	9,295,260	9,298,222	9,322,509
Less consolidation eliminations	-	(43,381)	(42,502)
	\$ 38,023,770	\$ 37,062,477	\$ 35,957,196

12. GRANTS-IN-LIEU OF TAXES

	Budget	2018	2017
Grants-in-lieu of taxes			
Federal	\$ 212,780	\$ 177,801	\$ 165,102
Provincial	2,235,060	2,477,894	2,665,059
First Nations reserve lands	507,500	521,103	509,938
Prince Albert Pulp Inc	475,000	481,833	475,281
	3,430,340	3,658,631	3,815,380
Franchise fees			
Sask Power	3,953,650	4,185,003	4,118,538
Sask Energy	-	733,128	346,395
TransGas	-	5,172	4,629
	7,383,990	8,581,934	8,284,942

13. PENSION FUND

Employees of the City participate in MEPP and contributions are a percentage of salary. Police and Firefighters contributed 11.35% of their salary from January to June 2018 and 12% from July to December 2018 (2017 - 11.35%). All other members contributed 8.15% from January to June 2018 and 9% from July to December 2018 (2017 - 8.15%). The City matches all the employees' contributions to the plan. Pension expense for the year included in the Salaries, Wages and Benefits expenses is \$4,142,239 (2017 - \$3,838,140).

Based on the latest information available, MEPP had a surplus in the net assets available for benefits of \$2,457,521,000 (2017 - 2,451,959,000). The City's portion of this is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

14. CONTINGENT LIABILITIES AND GUARANTEES

a) The City is a third party (by way of being a member of MEPP) in a legal proceeding between the Canadian Union of Public Employees (CUPE) and the Municipal Employees Pension Commission (the "Commission"). CUPE alleges that the Commission has inappropriately funded administration fees from the pension plan. The outcome and economic impact of the losses, if any, are currently not determinable and no provision has been made in these consolidated financial statements.

b) Various other lawsuits and claims are pending by and against the City, however no provisions have been recorded in the consolidated financial statements. It is not expected that the final determination of any pending claims will materially affect the consolidated financial position of the City.

c) The City is responsible for the remediation of contaminated sites that are no longer in productive use where the City is responsible or has accepted responsibility for remediation. The following contaminated sites have been identified through the process. However, the City has no ownership, accepts no responsibility for the contamination, or the potential remediation costs are not material to the City's overall financial position. Those sites are:

- i) BioReactor site - the City is currently in dispute with the Province of Saskatchewan surrounding the responsibility for remediating the contamination found at that site. A resolution to the ongoing costs to monitor the site and responsibility for the cleanup is ongoing.
- ii) City snow dump - the City's snow dump does present some contamination due to the chlorides present in the snow as a result of the salt put down during the winter months. Should any contamination be found at the snow dump, it can be managed with very little remediation needed.

15. CONTRACTUAL OBLIGATIONS

As of December 2018, the City entered into an agreement with Corix Water Products for the installation of replacement meters. Total costs of the Water Meter Replacement Program are estimated to be \$4,741,500, of which \$nil has been incurred as of December 31, 2018. The anticipated completion date is June 2020.

During 2018, the City contracted out water reservoir upgrades on River Street. Construction began in 2018 and the total project is estimated to cost \$14,127,200, of which \$12,456,000 has been incurred as of December 31, 2018. The anticipated completion date is July 2019.

16. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION SEGMENTED BY FUND

Schedule 1 As at December 31, 2018

	GENERAL OPERATING FUND	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
FINANCIAL ASSETS					
Cash	\$ 15,107,748	\$ -	\$ -	\$ -	\$ 386,232
Temporary investments	-	-	-	-	-
Taxes receivable	3,022,503	-	-	-	-
Accounts receivable	3,961,585	346,432	7,372,756	73,646	147,354
	<u>22,091,836</u>	<u>346,432</u>	<u>7,372,756</u>	<u>73,646</u>	<u>533,586</u>
	8,605,831	368,178	63,592	25,826	
	3,130,245	46,917	236,958	20,853	
	3,825,382	21,400	443,066	29,000	
	484,375	-	-	-	
	6,496	-	-	-	
	4,694,300	-	16,970,049	1,856,700	
	<u>3,207,317</u>	<u>73,571</u>	<u>295,023</u>	<u>-</u>	<u>38,468</u>
	<u>23,953,946</u>	<u>510,066</u>	<u>18,008,688</u>	<u>1,911,526</u>	<u>59,321</u>
	<u>(1,862,110)</u>	<u>(163,634)</u>	<u>(10,635,932)</u>	<u>(1,837,880)</u>	<u>474,265</u>
NET FINANCIAL ASSETS					
	865,480	-	-	-	-
	907,941	-	60,383	8,493	-
	1,229,991	-	127,717	-	-
	-	-	-	4,429,042	-
	4,001,092	85,375	20,831,139	-	35,505
	135,585,149	9,582,864	162,915,990	-	13,864,353
	<u>23,721,765</u>	<u>328,762</u>	<u>(12,569,766)</u>	<u>(14,386,545)</u>	<u>2,905,784</u>
	<u>166,311,418</u>	<u>9,997,001</u>	<u>171,365,463</u>	<u>(9,949,010)</u>	<u>16,805,642</u>
	<u>\$ 164,449,308</u>	<u>\$ 9,833,367</u>	<u>\$ 160,729,531</u>	<u>\$ (11,786,890)</u>	<u>\$ 17,279,910</u>
ACCUMULATED SURPLUS (DEFICIT)					

CONSOLIDATED STATEMENT OF FINANCIAL POSITION SEGMENTED BY FUND

Schedule 1 (continued) As at December 31, 2018

	<u>JMC PUBLIC LIBRARY BOARD</u>	<u>NORTH CENTRAL SASK WASTE MGMT CORP</u>	<u>CONSOLIDATION ADJUSTMENTS</u>	<u>TOTAL CONSOLIDATED</u>
FINANCIAL ASSETS				
Cash	\$ 351,370	\$ 378,732	-	\$ 16,224,082
Temporary investments	163,128	-	-	163,128
Taxes receivable	-	-	-	3,022,503
Accounts receivable	23,605	1,602	-	11,926,980
Long-term investments	<u>50,000</u>	-	-	<u>50,000</u>
	<u>588,103</u>	<u>380,334</u>	-	<u>31,386,693</u>
LIABILITIES				
Accounts payable and accrued liabilities	104,713	4,884	-	9,173,020
Wages and employee benefits payable	-	-	-	3,434,973
Deposits and deferred revenue	-	-	-	4,318,848
Due to local school divisions	-	-	-	484,375
Due to Trusts	-	-	-	6,496
Long-term debt	-	-	-	23,521,049
Vested sick leave	-	-	-	<u>3,614,379</u>
	<u>104,713</u>	<u>4,884</u>	-	<u>44,553,140</u>
	<u>483,390</u>	<u>375,450</u>	-	<u>(13,166,447)</u>
NET FINANCIAL ASSETS (DEBT)				
NON-FINANCIAL ASSETS				
Property acquired for taxes	-	-	-	865,480
Prepaid expenses	18,434	-	-	995,251
Supplies inventory	-	-	-	1,357,708
Land available for sale	-	-	-	4,429,042
Work in progress	-	-	-	24,953,111
Tangible capital assets	235,558	735,526	-	322,919,440
Due from (to) other funds	-	-	-	-
	<u>253,992</u>	<u>735,526</u>	-	<u>355,520,032</u>
ACCUMULATED SURPLUS	<u>\$ 737,382</u>	<u>\$ 1,110,977</u>	<u>\$ -</u>	<u>\$ 342,353,585</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR SEGMENTED BY FUND

Schedule 2 As at December 31, 2017

	GENERAL OPERATING FUND	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
FINANCIAL ASSETS					
Cash	\$ 26,941,237	\$ -	\$ -	\$ -	\$ 376,505
Temporary investments	-	-	-	-	-
Taxes receivable	2,848,906	-	-	-	-
Accounts receivable	6,868,864	448,281	5,410,880	698,827	859,551
	<u>36,659,007</u>	<u>448,281</u>	<u>5,410,880</u>	<u>698,827</u>	<u>1,236,056</u>
LIABILITIES					
Accounts payable and accrued liabilities	10,843,811	350,791	114,371	25,000	-
Wages and employee benefits payable	4,826,185	58,797	267,869	-	25,290
Deposits and deferred revenue	2,298,786	20,300	426,357	10,000	-
Due to local school divisions	378,092	-	-	-	-
Due to trusts	4,573	-	-	-	-
Long-term debt	5,616,566	-	18,691,299	4,164,703	-
Vested sick leave	3,065,221	60,065	288,188	-	36,961
	<u>27,033,234</u>	<u>489,953</u>	<u>19,788,084</u>	<u>4,199,703</u>	<u>62,251</u>
	<u>9,625,773</u>	<u>(41,672)</u>	<u>(14,377,204)</u>	<u>(3,500,876)</u>	<u>1,173,805</u>
NET FINANCIAL ASSETS (DEBT)					
NON-FINANCIAL ASSETS					
Property acquired for taxes	778,084	-	-	-	-
Prepaid expenses	918,870	-	27,933	4,194	-
Supplies inventory	1,376,003	-	122,577	-	-
Land available for sale	-	-	-	4,418,665	-
Work in progress	5,150,883	86,441	10,783,468	-	33,195
Tangible capital assets	130,259,184	9,330,638	157,895,155	-	14,278,077
Due to (from) other funds	11,900,301	54,753	(1,109,590)	(12,703,434)	1,857,970
	<u>150,383,325</u>	<u>9,471,832</u>	<u>167,719,543</u>	<u>(8,280,575)</u>	<u>16,169,242</u>
	<u>\$ 160,009,098</u>	<u>\$ 9,430,160</u>	<u>\$ 153,342,339</u>	<u>\$ (11,781,451)</u>	<u>\$ 17,343,047</u>
ACCUMULATED SURPLUS (DEFICIT)					

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR SEGMENTED BY FUND

Schedule 2 (continued) As at December 31, 2017

	JMC PUBLIC LIBRARY BOARD	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
FINANCIAL ASSETS				
Cash	\$ 325,002	\$ 356,647	\$ -	\$ 27,999,391
Temporary investments	120,350	-	-	120,350
Taxes receivable	-	-	-	2,848,906
Accounts receivable	50,464	2,905	-	14,339,772
	<u>495,816</u>	<u>359,552</u>	<u>-</u>	<u>45,308,419</u>
LIABILITIES				
Accounts payable and accrued liabilities	93,475	4,885	-	11,432,333
Wages and employee benefits payable	-	-	-	5,178,141
Deposits and deferred revenue	-	-	-	2,755,443
Due to local school divisions	-	-	-	378,092
Due to Trusts	-	-	-	4,573
Long-term debt	-	-	-	28,472,568
Vested sick leave	-	-	-	3,450,435
	<u>93,475</u>	<u>4,885</u>	<u>-</u>	<u>51,671,585</u>
	<u>402,341</u>	<u>354,667</u>	<u>-</u>	<u>(6,363,166)</u>
NET FINANCIAL ASSETS (DEBT)				
NON-FINANCIAL ASSETS				
Property acquired for taxes	-	-	-	778,084
Prepaid expenses	4,781	-	-	955,778
Supplies inventory	-	-	-	1,498,580
Land available for sale	-	-	-	4,418,665
Work in progress	-	-	-	16,063,987
Tangible Capital Assets	43,831	787,103	-	312,593,988
Due to (from) other funds	-	-	-	-
	<u>48,612</u>	<u>787,103</u>	<u>-</u>	<u>336,299,082</u>
ACCUMULATED SURPLUS				
	<u>\$ 450,953</u>	<u>\$ 1,141,770</u>	<u>\$ -</u>	<u>\$ 329,935,916</u>

CONSOLIDATED STATEMENT OF OPERATIONS SEGMENTED BY FUND

Schedule 3 For the Year Ended December 31, 2018

	GENERAL OPERATING FUND (SCHEDULE 5)	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
REVENUE					
Taxation	\$ 37,105,858	\$ -	\$ -	\$ -	\$ -
User charges and fees	11,650,582	4,706,102	16,735,190	34,244	1,027,758
Operating grants and donations	11,660,840	171,371	382,809	-	-
Grants-in-lieu of taxes	8,581,934	-	-	-	-
Interest and penalties	1,205,499	4,387	381,070	-	401
Land sales	-	-	-	296,601	-
Sundry	1,053,119	1,059	168,121	837	8,524
	<u>71,257,832</u>	<u>4,882,919</u>	<u>17,667,190</u>	<u>331,682</u>	<u>1,036,683</u>
EXPENSES					
Council remuneration	\$ 376,397	\$ -	\$ -	\$ -	\$ -
Salaries, wages and benefits	42,644,076	1,199,734	6,053,431	108,786	375,112
Contracted and general services	4,738,830	216,093	497,039	41,939	160,899
Financial charges	160,069	6,061	(353)	-	782
Grants and donations	4,040,589	142,100	-	-	-
Utilities	2,600,457	24,282	1,086,151	-	106,941
Interest on long term debt	169,081	-	651,568	80,544	-
Fleet expenses	3,216,696	1,525,989	809,661	1,724	99,412
Maintenance, material and supplies	6,170,689	327,055	2,961,190	184,945	140,475
Insurance	468,884	3,837	32,204	-	20,487
Bad debt expense	370,405	21,065	116,979	-	12,600
Cost of land sales	-	-	-	17,114	-
Amortization	7,101,037	704,492	4,453,420	-	486,257
	<u>72,057,210</u>	<u>4,170,708</u>	<u>16,661,290</u>	<u>435,052</u>	<u>1,402,965</u>
	<u>(799,378)</u>	<u>712,211</u>	<u>1,005,900</u>	<u>(103,370)</u>	<u>(366,282)</u>
SURPLUS OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS					
Capital revenue	1,472,460	-	7,538,691	257,797	-
Gain (Loss) on disposal of tangible capital assets	(8,751)	(33,353)	(331,160)	-	-
Interfund transactions	3,704,057	(266,845)	(882,146)	(40,766)	303,140
	<u>5,167,766</u>	<u>(300,198)</u>	<u>6,325,385</u>	<u>217,031</u>	<u>303,140</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$ 4,368,388	\$ 412,013	\$ 7,331,285	\$ 113,661	\$ (63,142)

CONSOLIDATED STATEMENT OF OPERATIONS SEGMENTED BY FUND

Schedule 3 (continued) For the Year Ended December 31, 2018

	EQUIPMENT FUND	JMC PUBLIC LIBRARY BOARD	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
REVENUE					
Taxation	\$ -	\$ -	\$ -	\$ (43,381)	\$ 37,062,477
User charges and fees	-	92,432	142,096	-	34,388,404
Operating grants and donations	-	1,988,860	188,134	(1,988,860)	12,403,154
Grants-in-lieu of taxes	-	-	-	-	8,581,934
Interest and penalties	-	-	10,000	-	1,601,357
Land sales	-	-	-	-	296,601
Sundry	-	-	-	-	1,231,660
	-	2,081,292	340,230	(2,032,241)	95,565,587
EXPENSES					
Council remuneration	\$ -	\$ -	\$ -	\$ -	\$ 376,397
Salaries, wages and benefits	-	1,269,155	-	-	51,650,294
Contracted and general services	-	-	49,684	-	5,704,484
Financial charges	-	1,138	-	-	167,697
Grants and donations	-	-	-	(1,988,860)	2,193,829
Utilities	-	60,989	-	-	3,878,820
Interest on long term debt	-	-	-	-	901,193
Fleet expenses	(2,817,440)	-	-	-	2,836,042
Maintenance, material and supplies	-	385,724	267,154	(43,381)	10,393,851
Insurance	-	-	2,652	-	528,064
Bad debt expense	-	-	-	-	521,049
Cost of land sales	-	-	-	-	17,114
Amortization	-	77,857	51,705	-	12,874,768
	(2,817,440)	1,794,863	371,195	(2,032,241)	92,043,602
SURPLUS OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	2,817,440	286,429	(30,965)	-	3,521,985
Capital revenue	-	-	-	-	9,268,948
Gain (loss) on disposal of tangible capital assets	-	-	-	-	(373,264)
Interfund transactions	(2,817,440)	-	-	-	-
	(2,817,440)	-	-	-	8,895,684
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	\$ -	\$ 286,429	\$ (30,965)	\$ -	\$ 12,417,669

CONSOLIDATED STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY FUND

Schedule 4 For the Year Ended December 31, 2017

	GENERAL OPERATING FUND (SCHEDULE 6)	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
REVENUE					
Taxation	\$ 35,999,698	\$ -	\$ -	\$ -	\$ -
User charges and fees	13,365,942	4,296,059	17,008,457	31,750	1,135,171
Operating grants and donations	11,423,806	171,371	669,415	-	-
Grants-in-lieu of taxes	8,284,942	-	-	-	-
Interest and penalties	889,497	9,225	359,607	-	143
Land sales	-	-	-	2,024,297	-
Sundry	1,193,300	5,140	243,613	62,537	9,134
	<u>71,157,185</u>	<u>4,481,795</u>	<u>18,281,092</u>	<u>2,118,584</u>	<u>1,144,448</u>
EXPENSES					
Council remuneration	\$ 359,001	\$ -	\$ -	\$ -	\$ -
Salaries, wages and benefits	44,215,018	1,233,890	5,866,595	86,901	349,560
Contracted and general services	5,270,752	393,825	912,611	119,897	156,992
Financial charges	116,602	5,606	-	-	972
Grants and donations	2,995,962	142,020	-	-	-
Utilities	2,430,879	31,852	1,085,817	-	103,218
Interest on long term debt	27,347	-	240,899	71,854	-
Fleet expenses	2,757,122	1,399,706	725,775	-	86,210
Maintenance, material and supplies	6,286,054	382,070	3,657,133	4,957	140,963
Insurance	425,876	2,520	29,361	-	19,555
Bad debt expense	971,239	(14,331)	161,444	-	(18,753)
Cost of land sales	-	-	-	122,333	-
Amortization	6,552,720	630,732	4,209,691	-	461,422
	<u>72,408,572</u>	<u>4,207,890</u>	<u>16,889,326</u>	<u>405,942</u>	<u>1,300,139</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>(1,251,387)</u>	<u>273,905</u>	<u>1,391,766</u>	<u>1,712,642</u>	<u>(155,691)</u>
Capital revenue	1,243,570	-	2,435,596	412,634	761,741
Gain (loss) on disposal of tangible capital assets	(78,992)	(101,037)	(178,030)	-	-
Interfund transactions	3,446,573	(262,798)	(962,576)	(177,667)	282,000
	<u>4,611,151</u>	<u>(363,835)</u>	<u>1,294,990</u>	<u>234,967</u>	<u>1,043,741</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 3,359,764</u>	<u>\$ (89,930)</u>	<u>\$ 2,686,756</u>	<u>\$ 1,947,609</u>	<u>\$ 888,050</u>

CONSOLIDATED STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY FUND

Schedule 4 (continued) For the Year Ended December 31, 2017

	<u>EQUIPMENT FUND</u>	<u>JMC PUBLIC LIBRARY BOARD</u>	<u>NORTH CENTRAL SASK WASTE MGMT CORP</u>	<u>CONSOLIDATION ADJUSTMENTS</u>	<u>TOTAL CONSOLIDATED</u>
REVENUE					
Taxation	\$ -	\$ -	\$ -	\$ (42,502)	\$ 35,957,196
User charges and fees	-	59,719	142,013	-	36,039,110
Operating grants and donations	-	2,028,219	188,112	(1,856,848)	12,624,075
Grants-in-lieu of taxes	-	-	-	-	8,284,942
Interest and penalties	-	-	3,500	-	1,261,973
Land sales	-	-	-	-	2,024,297
Sundry	-	-	-	-	1,513,724
	<u>-</u>	<u>2,087,938</u>	<u>333,625</u>	<u>(1,899,350)</u>	<u>97,705,317</u>
EXPENSES					
Council remuneration	\$ -	\$ -	\$ -	\$ -	\$ 359,001
Salaries, wages and benefits	-	1,184,022	-	-	52,935,986
Contracted and general services	-	-	49,935	-	6,904,013
Financial charges	-	1,239	-	-	124,419
Grants and donations	-	-	-	(1,856,848)	1,281,134
Utilities	-	57,863	-	-	3,709,629
Interest on long term debt	-	-	-	-	340,100
Fleet expenses	(2,325,531)	-	-	-	2,643,282
Maintenance, material and supplies	-	709,008	296,997	(42,502)	11,434,680
Insurance	-	-	2,406	-	479,718
Bad debt expense	-	-	-	-	1,099,598
Cost of land sales	-	-	-	-	122,333
Amortization	-	43,620	50,779	-	11,948,964
	<u>(2,325,531)</u>	<u>1,995,752</u>	<u>400,117</u>	<u>(1,899,350)</u>	<u>93,382,857</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>2,325,531</u>	<u>92,186</u>	<u>(66,492)</u>	<u>-</u>	<u>4,322,460</u>
Capital revenue	-	-	-	-	4,853,541
Gain (loss) on disposal of tangible capital assets	-	-	-	-	(358,058)
Interfund transactions	(2,325,531)	-	-	-	-
	<u>(2,325,531)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,495,483</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 92,186</u>	<u>\$ (66,492)</u>	<u>\$ -</u>	<u>\$ 8,817,943</u>

GENERAL FUND STATEMENT OF OPERATIONS SEGMENTED BY DEPARTMENT

Schedule 5 For the Year Ended December 31, 2018

	GENERAL GOVERNMENT INCLUDING EXTERNAL AGENCIES	PROTECTIVE SERVICES (EMERGENCY COMM.CENTRE)	PROTECTIVE SERVICES (POLICE SERVICE)	PROTECTIVE SERVICES (FIRE SERVICES)	TRANSPORTATION SERVICES (PUBLIC WORKS)	COMMUNITY SERVICES	TOTAL GENERAL FUND
REVENUE							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,105,858
User charges and fees	1,583,761	3,645,697	1,338,989	293,031	737,038	4,052,066	11,650,582
Operating grants and donations	6,381,012	-	3,786,951	-	652,456	840,421	11,660,840
Grants-in-lieu of taxes	8,581,934	-	-	-	-	-	8,581,934
Interest and penalties	1,205,499	-	-	-	-	-	1,205,499
Sundry	350,416	-	-	32,090	193,395	477,218	1,053,119
	<u>18,102,622</u>	<u>3,645,697</u>	<u>5,125,940</u>	<u>325,121</u>	<u>1,582,889</u>	<u>5,369,705</u>	<u>71,257,832</u>
EXPENSES							
Council remuneration	\$ 376,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,397
Salaries, wages and benefits	5,816,686	3,304,171	18,046,246	6,733,629	2,464,415	6,278,929	42,644,076
Contracted and general services	1,303,516	23,659	268,644	44,009	1,803,391	1,295,611	4,738,830
Financial charges	78,658	-	623	-	-	80,788	160,069
Grants and donations	3,598,897	-	3,872	-	-	437,821	4,040,589
Utilities	8,799	-	114,178	35,284	1,091,349	1,350,847	2,600,457
Interest on long term debt	8,949	-	2,665	-	83,411	74,056	169,081
Fleet expenses	17,712	-	753,360	469,336	1,120,642	855,647	3,216,696
Maintenance, material and supplies	941,411	317,867	1,757,473	342,554	359,918	2,451,464	6,170,689
Insurance	220,428	-	15,664	2,942	17,312	212,538	468,884
Bad debt expense	370,405	-	-	-	-	-	370,405
Amortization	192,705	-	516,167	195,963	4,513,895	1,682,308	7,101,037
	<u>12,934,563</u>	<u>3,645,697</u>	<u>21,478,892</u>	<u>7,823,717</u>	<u>11,454,333</u>	<u>14,720,009</u>	<u>72,057,210</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>5,168,059</u>	<u>-</u>	<u>(16,352,952)</u>	<u>(7,498,596)</u>	<u>(9,871,444)</u>	<u>(9,350,304)</u>	<u>(799,378)</u>
Capital revenue	-	-	289,650	-	688,247	494,563	1,472,460
Gain (Loss) on disposal of tangible capital assets	(2,098)	-	6,674	362	(24,981)	11,293	(8,751)
Interfund transactions	3,704,057	-	-	-	-	-	3,704,057
	<u>3,701,959</u>	<u>-</u>	<u>296,324</u>	<u>362</u>	<u>663,266</u>	<u>505,856</u>	<u>5,167,766</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ 8,870,018</u>	<u>\$ -</u>	<u>\$ (16,056,628)</u>	<u>\$ (7,498,234)</u>	<u>\$ (9,208,178)</u>	<u>\$ (8,844,448)</u>	<u>\$ 4,368,388</u>

GENERAL FUND STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY DEPARTMENT

Schedule 6 For the Year Ended December 31, 2017

	GENERAL GOVERNMENT INCLUDING EXTERNAL AGENCIES	PROTECTIVE SERVICES (EMERGENCY COMM. CENTRE)	PROTECTIVE SERVICES (POLICE SERVICE)	PROTECTIVE SERVICES (FIRE SERVICES)	TRANSPORTATION SERVICES (PUBLIC WORKS)	COMMUNITY SERVICES	TOTAL GENERAL FUND
REVENUE							
Taxation	\$ 35,999,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,999,698
User charges and fees	1,332,661	5,741,002	1,282,136	274,142	717,918	4,018,083	13,365,942
Operating grants and donations	6,902,397	-	2,960,186	-	880,523	680,700	11,423,806
Grants-in-lieu of taxes	8,284,942	-	-	-	-	-	8,284,942
Interest and penalties	889,497	-	-	-	-	-	889,497
Sundry	537,044	-	-	23,503	148,999	483,754	1,193,300
	<u>53,946,239</u>	<u>5,741,002</u>	<u>4,242,322</u>	<u>297,645</u>	<u>1,747,440</u>	<u>5,182,537</u>	<u>71,157,185</u>
EXPENSES							
Council remuneration	\$ 359,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,001
Salaries, wages and benefits	6,673,645	5,174,267	17,687,136	6,500,593	2,348,278	5,831,099	44,215,018
Contracted and general services	1,380,424	14,142	184,852	47,733	1,998,133	1,645,468	5,270,752
Financial charges	46,192	-	55	-	-	70,355	116,602
Grants and donations	2,667,440	-	2,111	-	-	326,411	2,995,962
Utilities	1,354	-	105,399	35,878	1,067,718	1,220,530	2,430,879
Interest on long term debt	7,984	-	5,605	-	7,388	6,370	27,347
Fleet expenses	59,095	-	639,214	453,569	766,456	838,788	2,757,122
Maintenance, material and supplies	963,731	549,232	1,418,638	355,935	743,339	2,255,179	6,286,054
Insurance	206,581	-	16,368	2,752	16,103	184,072	425,876
Bad debt expense	971,233	-	-	-	-	6	971,239
Amortization	177,951	-	450,483	198,693	4,166,416	1,559,177	6,552,720
	<u>13,514,631</u>	<u>5,737,641</u>	<u>20,509,861</u>	<u>7,595,153</u>	<u>11,113,831</u>	<u>13,937,455</u>	<u>72,408,572</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>40,431,607</u>	<u>3,361</u>	<u>(16,267,539)</u>	<u>(7,297,508)</u>	<u>(9,366,391)</u>	<u>(8,754,918)</u>	<u>(1,251,387)</u>
Capital revenue	-	-	127,378	-	614,617	501,575	1,243,570
Gain (Loss) on disposal of tangible capital assets	(1,081)	-	2,945	(20,959)	(43,108)	(16,788)	(78,992)
Interfund transactions	3,446,573	-	-	-	-	-	3,446,573
	<u>3,445,492</u>	<u>-</u>	<u>130,323</u>	<u>(20,959)</u>	<u>571,509</u>	<u>484,787</u>	<u>4,611,151</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ 43,877,099</u>	<u>\$ 3,361</u>	<u>\$ (16,137,216)</u>	<u>\$ (7,318,467)</u>	<u>\$ (8,794,882)</u>	<u>\$ (8,270,131)</u>	<u>\$ 3,359,764</u>

TANGIBLE CAPITAL ASSETS – COST SEGMENTED BY FUND

Schedule 7 For the Year Ended December 31, 2018

	Opening Cost	Additions	Disposals	Ending Balance
General Operating Fund				
Land	\$ 11,824,671	\$ 490,764	\$ -	\$ 12,315,435
Land improvements	11,641,323	3,658,040	(27,464)	15,271,899
Buildings	51,425,873	798,970	(16,324)	52,208,519
Machinery and equipment	5,865,283	810,560	(75,226)	6,600,617
Fleet	17,615,670	583,245	(468,262)	17,730,653
Roads	114,873,497	6,204,150	(2,039,974)	119,037,673
	<u>213,246,317</u>	<u>12,545,729</u>	<u>(2,627,250)</u>	<u>223,164,796</u>
Sanitation Operating Fund				
Land improvements	7,767,431	-	-	7,767,431
Buildings	922,335	11,006	-	933,341
Machinery and equipment	349,446	-	-	349,446
Fleet	4,173,412	987,871	(210,790)	4,950,493
	<u>13,212,624</u>	<u>998,877</u>	<u>(210,790)</u>	<u>14,000,711</u>
Water Utility Operating Fund				
Land	1,492,147	-	-	1,492,147
Land improvements	260,261	-	-	260,261
Buildings	295,237	-	-	295,237
Machinery and equipment	116,405	-	-	116,405
Fleet	3,609,920	491,769	(196,646)	3,905,043
Water, sanitary and storm sewer infrastructure	263,200,568	9,322,119	(796,630)	271,726,057
	<u>268,974,538</u>	<u>9,813,888</u>	<u>(993,276)</u>	<u>277,795,150</u>
Airport Operating Fund				
Land	6,248,963	-	-	6,248,963
Land improvements	12,499,248	5,346	-	12,504,594
Buildings	1,304,445	16,620	-	1,321,065
Machinery and equipment	732,704	37,959	-	770,663
Fleet	1,418,653	12,608	-	1,431,261
	<u>22,204,013</u>	<u>72,533</u>	<u>-</u>	<u>22,276,546</u>
Consolidated Entities				
JMC Public Library Board	216,829	269,584	-	486,413
NCSWMC	1,145,037	135	-	1,145,172
	<u>1,361,866</u>	<u>269,719</u>	<u>-</u>	<u>1,631,585</u>
	<u>\$ 518,999,358</u>	<u>\$ 23,700,746</u>	<u>\$ (3,831,316)</u>	<u>\$ 538,868,788</u>

The City has recorded \$nil contributed tangible capital assets in the current year (2017- \$nil).

TANGIBLE CAPITAL ASSETS – ACCUMULATED AMORTIZATION SEGMENTED BY FUND

Schedule 7 (continued) For the Year Ended December 31, 2018

	Opening Accumulated Amortization	Amortization	Disposals	Closing Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
General Operating Fund						
Land	\$ -	\$ -	\$ -	\$ -	\$ 12,315,435	\$ 11,824,671
Land improvements	(5,014,421)	(440,362)	27,464	(5,427,319)	9,844,580	6,626,902
Buildings	(19,411,929)	(1,050,443)	16,324	(20,446,048)	31,762,471	32,013,944
Machinery and equipment	(3,476,190)	(510,783)	72,990	(3,913,983)	2,686,634	2,389,093
Fleet	(6,911,991)	(1,254,895)	358,443	(7,808,443)	9,922,210	10,703,679
Roads	(48,172,602)	(3,844,553)	2,033,301	(49,983,854)	69,053,819	66,700,895
	(82,987,133)	(7,101,036)	2,508,522	(87,579,647)	135,585,149	130,259,184
Sanitation Operating Fund						
Land improvements	(1,912,225)	(340,328)	-	(2,252,553)	5,514,878	5,855,206
Buildings	(304,735)	(20,352)	-	(325,087)	608,254	617,600
Machinery and equipment	(313,764)	(12,870)	-	(326,634)	22,812	35,682
Fleet	(1,351,262)	(330,943)	168,632	(1,513,573)	3,436,920	2,822,150
	(3,881,986)	(704,493)	168,632	(4,417,847)	9,582,864	9,330,638
Water Utility Operating Fund						
Land	-	-	-	-	1,492,147	1,492,147
Land improvements	(151,206)	(9,385)	-	(160,591)	99,670	109,055
Buildings	(133,243)	(7,403)	-	(140,646)	154,591	161,994
Machinery and equipment	(96,175)	(8,092)	-	(104,267)	12,138	20,230
Fleet	(1,251,197)	(255,650)	168,519	(1,338,328)	2,566,715	2,358,723
Infrastructure	(109,447,562)	(4,172,890)	485,124	(113,135,328)	158,590,729	153,753,006
	(111,079,383)	(4,453,420)	653,643	(114,879,160)	162,915,990	157,895,155
Airport Operating Fund						
Land	-	-	-	-	6,248,963	6,248,963
Land improvements	(6,877,719)	(357,250)	-	(7,234,969)	5,269,625	5,621,529
Buildings	(222,463)	(28,981)	-	(251,444)	1,069,621	1,081,982
Machinery and equipment	(200,914)	(39,591)	-	(240,505)	530,158	531,790
Fleet	(624,840)	(60,435)	-	(685,275)	745,986	793,813
	(7,925,936)	(486,257)	-	(8,412,193)	13,864,353	14,278,077
Consolidated Entities						
JMC Public Library Board	(172,998)	(77,857)	-	(250,855)	235,558	43,831
NCSWMC	(357,934)	(51,703)	-	(409,646)	735,526	787,103
	(530,932)	(129,560)	-	(660,501)	971,084	830,934
	\$ (206,405,370)	\$ (12,874,766)	\$ 3,330,797	\$ (215,949,348)	\$ 322,919,440	\$ 312,593,988

SCHEDULE OF FUND BALANCES

Schedule 8 For the Year Ended December 31, 2018

	<u>2017</u>	<u>Surplus (Deficit)</u>	<u>Net Allocations</u>	<u>2018</u>
General Operating Fund				
Accumulated surplus	\$ 13,356,290	\$ 4,368,388	\$ (5,117,697)	\$ 12,606,981
Police surplus	1,522,973	-	-	1,522,973
Police building reserve	(100,795)	-	75,091	(25,704)
Tangible capital assets (Schedule 7)	130,259,184	-	5,325,965	135,585,149
Work in progress	5,150,884	-	(1,149,792)	4,001,092
Amounts recovered from future revenue				
RBC loan - West Hill redevelopment	(462,744)	-	256,444	(206,300)
Equipment loan	(18,939)	-	18,939	-
Parking meter loan	(12,778)	-	12,778	-
RBC loan - Golf course irrigation	(2,209,000)	-	57,000	(2,152,000)
RBC loan - Transit buses	(2,562,000)	-	226,000	(2,336,000)
	<u>144,923,075</u>	<u>4,368,388</u>	<u>(295,272)</u>	<u>148,996,191</u>
Sanitation Operating Fund				
Tangible capital assets (Schedule 7)	9,330,638	-	252,226	9,582,864
Work in progress	86,441	-	(1,066)	85,375
Sanitation improvement	13,081	412,013	(924,591)	(499,497)
	<u>9,430,160</u>	<u>412,013</u>	<u>(673,431)</u>	<u>9,168,742</u>
Water Utility Operating Fund				
Tangible capital assets (Schedule 7)	157,895,155	-	5,020,835	162,915,990
Work in progress	10,783,468	-	10,047,671	20,831,139
Water utility improvement	2,884,726	7,331,285	(16,649,439)	(6,433,428)
Amounts recovered from future revenue				
SMFC loan	(822,497)	-	822,497	-
CMHC loan - Water treatment plant	(4,315,804)	-	546,755	(3,769,049)
RBC loan - New reservoir	(7,000,000)	-	180,000	(6,820,000)
RBC loan - Reservoir upgrades	(6,553,000)	-	172,000	(6,381,000)
	<u>152,872,048</u>	<u>-</u>	<u>140,319</u>	<u>160,343,652</u>
Land Operating Fund				
Land development	(4,051,790)	113,661	(2,568,140)	(6,506,269)
Amount recovered from future revenue				
RBC - West Hill redevelopment	(4,164,703)	-	2,308,003	(1,856,700)
	<u>(8,216,493)</u>	<u>113,661</u>	<u>(260,137)</u>	<u>(8,362,969)</u>
Airport Operating Fund				
Tangible capital assets (Schedule 7)	14,278,076	-	(413,724)	13,864,352
Work in progress	33,195	-	2,311	35,506
Airport improvement	990,414	(63,142)	306,325	1,233,597
	<u>15,301,685</u>	<u>(63,142)</u>	<u>(105,088)</u>	<u>15,133,455</u>
Consolidated Entities				
John M. Cuelenaere Public Library Board	450,953	286,429	-	737,382
North Central Sask Waste Management	1,141,770	(30,965)	172	1,110,977
	<u>1,592,723</u>	<u>255,464</u>	<u>172</u>	<u>1,848,359</u>
	<u>\$ 315,903,198</u>	<u>\$ 5,086,384</u>	<u>\$ (1,193,437)</u>	<u>\$ 327,127,430</u>

SCHEDULE OF RESERVES SEGMENTED BY FUND

Schedule 9 For the Year Ended December 31, 2018

	<u>2017</u>	<u>Allocations</u>	<u>2018</u>
General Operating Fund			
Affordable Housing	\$ 714,610	\$ 9,854	\$ 724,464
AJFH Improvements Reserve	83,266	72,072	155,338
Arenas Improvement Reserve	7,181	29,807	36,988
Capital Works Committed	2,301,387	(885,555)	1,415,832
Civic Facilities Reserve	3,952,644	(17,794)	3,934,850
Community Mobilization Reserve	-	81,852	81,852
Community Services Building	26,938	(10,691)	16,247
Community Services Land Fund	244,042	11,990	256,032
Community Services - Special Events Marketing	59,782	-	59,782
Dedicated Lands	18,401	-	18,401
Destination Marketing Levy Reserve	552,143	(58,954)	493,189
Downtown Improvement Reserve	120,000	40,000	160,000
E A Rawlinson Mechanical Equipment	(85,349)	10,000	(75,349)
E A Rawlinson Centre Facility Fee Reserve	125,226	(90,170)	35,056
Equipment and Fleet Reserve	912,158	551,084	1,463,242
Fire Equipment	1,313,018	299,038	1,612,056
Future Infrastructure	1,326,539	590,122	1,916,661
Golf Course Improvements	533,465	(446,404)	87,061
Golf Course Equip and Golf Carts	97,773	-	97,773
Group Insurance Reserve	623,504	-	623,504
In Lieu of Public Reserve	9,834	-	9,834
Information Technology Reserve	61,816	(76,477)	(14,661)
Kinsmen Water Park Surcharge Reserve	6,425	(4,407)	2,018
Land Development	100,020	-	100,020
Minor Softball	34,034	(21,908)	12,126
Northern Housing Development	99,043	-	99,043
PA Slo Pitch Reserve	(9,559)	27,678	18,119
PADBID Operating Reserve	31,063	6,034	37,097
PAGCC Mechanical Equipment	(32,998)	10,000	(22,998)
Park Development	56,050	-	56,050
Pehonan Parkway	371,520	2,806	374,326
Police Capital Reserve	176,489	67,229	243,718
Police Equipment Reserve	120,804	151,174	271,978
Police Operating Reserve	500,000	-	500,000
Project Beach Volleyball Courts	27,403	3,000	30,403
Project Triple Play Reserve	(348,784)	203,791	(144,993)
Public Art Capital Reserve	27,000	18,000	45,000
Public Transit Reserve	(1,084)	117,233	116,149
Safety Reserve	250,000	(50,089)	199,911
Savings - Emergency	314,990	-	314,990
Snow Management Reserve	364,220	(273,221)	90,999
Tourism	1,009	-	1,009
	<u>15,086,023</u>	<u>367,094</u>	<u>15,453,117</u>

SCHEDULE OF RESERVES SEGMENTED BY FUND

Schedule 9 (continued) For the Year Ended December 31, 2018

	<u>2017</u>	<u>Allocations</u>	<u>2018</u>
Sanitation Operating Fund			
Sanitation capital works	-	664,625	664,625
Water Utility Operating Fund			
Waterworks capital works	470,291	(84,412)	385,879
Land Operating Fund			
Development levies	(4,554,766)	128,224	(4,426,542)
Future land purchases	598,557	3,221	601,778
Planning and marketing	391,251	9,592	400,843
	<u>(3,564,958)</u>	<u>141,037</u>	<u>(3,423,921)</u>
Airport Operating Fund			
Airport capital works	38,343	(18,152)	20,191
Airport maintenance	20,000	10,000	30,000
Airport - passenger facilities fees	1,983,019	113,245	2,096,264
	<u>2,041,362</u>	<u>105,093</u>	<u>2,146,455</u>
	<u>\$ 14,032,718</u>	<u>\$ 1,193,437</u>	<u>\$ 15,226,155</u>

SCHEDULE OF FUNDS HELD IN TRUST

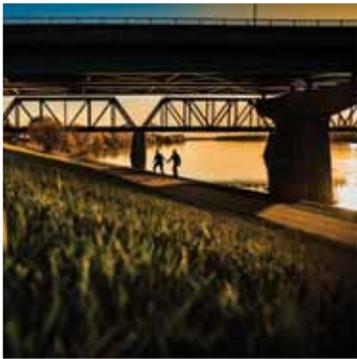
Schedule 10 *As at December 31, 2018*

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash	\$ 149,933	\$ 138,970
Due from City of Prince Albert	6,496	4,573
NET ASSETS	<u>\$ 156,429</u>	<u>\$ 143,543</u>
LIABILITIES		
Trust funds held for others	\$ 156,429	\$ 143,543
NET LIABILITIES	<u>\$ 156,429</u>	<u>\$ 143,543</u>

SCHEDULE OF TRUST FUND TRANSACTIONS

Schedule 11 For the Year Ended December 31, 2018

	<u>2017</u>	<u>Additions</u>	<u>Expenses</u>	<u>2018</u>
J. Vandale	\$ 2,520	\$ 60	\$ 346	\$ 2,235
Prince Albert Golf and Curling Club	29,734	10,870	-	40,604
Uniting to Heal	455	-	455	-
Veteran's Graves	76,461	1,975	-	78,436
Herschel Davidner Trust Fund	30,256	782	-	31,037
Winterburn Estate	4,117	-	-	4,117
	<u>\$ 143,543</u>	<u>\$ 13,687</u>	<u>\$ 801</u>	<u>\$ 156,429</u>





“At the City we are working every day to define stronger processes that serve the public, take on challenging and ambitious projects that make Prince Albert stronger and who work together in meaningful partnerships with each other and members of the community to build a better City.”

Mayor Greg Dionne



1084 Central Avenue, Prince Albert, Sk S6V 7P3

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