



City of
Prince Albert

Prince Albert, Saskatchewan, Canada
Year Ended December 31, 2016

2016 ANNUAL REPORT

PURPOSE

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, 2016.

Annual Report Online

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.



PROUD HERITAGE

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
Exceptional



E BOLD DESTINY

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INTRODUCT

TION



Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**City of Prince Albert
Saskatchewan**

For its Annual
Financial Report
for the Year Ended

December 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emery".

Executive Director/CEO



MESSAGE FROM THE MAYOR

2016 was the fourth year of my first term as the Mayor of Prince Albert. Similar to other years, 2016 was a year of investment in Prince Albert's infrastructure. This includes \$3.2 million for concrete restoration on the Diefenbaker Bridge, another 54 city blocks paved through the paving program, \$2.1 million for another three sewage pumping stations, another 10.5 city blocks of new watermain installed in the West Hill and \$1.8 million for a new landfill cell for contaminated soil.

When I was elected to Council it was my belief that the status quo operations at the City were no longer acceptable. We needed renewal and a senior management team that could lead the City in a new direction. In 2014 we welcomed fourteen new senior managers to our ranks and in 2016 we started to see the performance of the new team ready to take on the new mandate. In addition to the sustained progress on infrastructure investments noted above, there continues to be improvements in how we do business at the City. Examples include securing new revenue streams such as the successful grant application for improvements to Kinsmen Park, improving customer service through new online services, demolishing redundant and expensive buildings, dealing with boarded-up and abandoned buildings through a new process and moving through the backlog of forestry complaints.

While we keep building, we are doing it by still being fiscally responsible to the taxpayer by keeping the property tax increase in 2016 to 1 percent. This has been made possible by an Administrative team that is committed to excellence and to the process of renewal. I applaud the employees of the City for their work in 2016 and look forward to continued progress in 2017.

A handwritten signature in black ink, appearing to read 'GD', followed by a long horizontal line extending to the right.

Greg Dionne, Mayor

PRINCE ALBERT CITY COUNCIL



Ward 1 – Charlene Miller



Ward 2 – Terra Lennox-Zepp



Ward 3 – Evert Botha



Ward 4 – Don Cody



Ward 5 – Dennis Ogradnick



Ward 6 – Blake Edwards



Ward 7 – Dennis Nowoselsky



Ward 8 – Ted Zurakowski



MESSAGE FROM THE CITY MANAGER

The City of Prince Albert had a fiscally successful year in 2016 resulting in an increase in net financial assets of over \$3.8 million. The increase in net financial assets can be attributed to a number of factors including main drivers like increases to revenue sharing, savings through Fire Negotiations and a Worker's Compensation Board refund. The increase in net financial assets is also the result of the ongoing efforts of the management team at the City of Prince Albert to review operations with an eye on ways to increase revenues, decrease expenses and find efficiencies in our operations.

The City of Prince Albert faced a considerable challenge in 2016 when 250,000 litres of oil spilled into the North Saskatchewan River, threatening the City's only water source. The senior leaders of the City of Prince Albert acted quickly to bring together the Emergency Operations Centre. With a team approach, the employees of the entire corporation were engaged to identify and implement the solutions we needed to ensure clean, safe water continued to flow to the residents of Prince Albert. It was not a small endeavor and the employees of the City responded with resolve and commitment. I also need to acknowledge the efforts and contribution of Husky oil during this time. The company immediately took responsibility for the spill and worked with the City to ensure that the expenses of the response were not borne by the taxpayers of Prince Albert. The City of Prince Albert has recovered \$9.1 million from Husky Oil in 2016 for costs associated with the response.

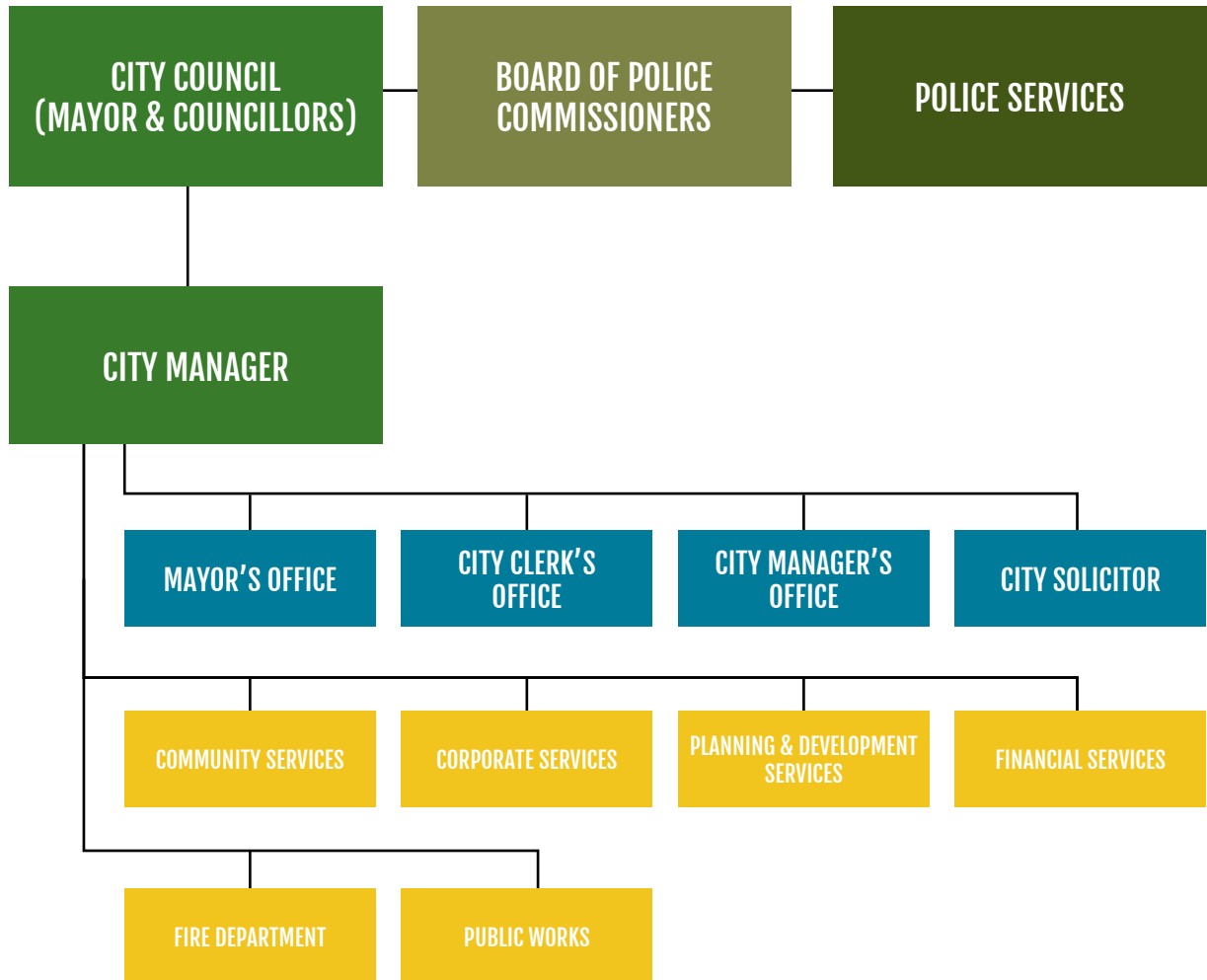
The employees of the City continue to implement the vision outlined in the City's Official Community Plan and Strategic Plan. To achieve these goals, each employee of the City builds an annual work plan to ensure our activities align to create meaningful progress in the priorities that are important to City Council and the community. One of the key priorities identified by City Council in recent years has been a commitment to providing excellent customer service. This commitment has been embraced by the City's senior management team and continues to have a cascading effect through the organization with each employee, from management to front line staff, responding to the need to provide good service to the residents and businesses of Prince Albert.

2016 was a challenging year for the City of Prince Albert and there are considerable challenges ahead as we work hard to continue to build upon and improve the City we call home. I trust in the abilities of our experienced senior management team and rely up on the good work of our in-scope and out-of-scope employees as we take on the challenges ahead.

Jim Toye, City Manager



ORGANIZATIONAL CHART



31
KM OF PIPE INSTALLED
FROM THE SOUTH
SASKATCHEWAN
RIVER IN **10**
DAYS

6
KM OF PIPE INSTALLED
FROM LITTLE RED
RIVER PARK IN **5**
DAYS

1st
PLACE IN THE SASKATCHEWAN
MUNICIPAL AWARDS
FOR THE OIL SPILL AND
WATER CRISIS

55 DAY WATER SOURCE SHUT
DOWN FROM THE NORTH
SASKATCHEWAN RIVER

250,000L
OF OIL SPILLED INTO NORTH SASKATCHEWAN RIVER

35,000+
RESIDENT'S WATER SUPPLY THREATENED

16,000 PAGE
VIEWS
ON THE CITY'S OIL SPILL WEBSITE

\$9.1M AND COUNTING IN
EXPENSES COVERED
BY HUSKY OIL

OIL SPILL WATER CRISIS

The City's emergency response team was put into action in 2016 after 250,000 litres of oil spilled into the North Saskatchewan River threatening the City's only water source. City personnel acted swiftly in enacting the City's Emergency Operations Centre and with a significant effort by all City staff, were able to successfully ensure a potable water source was supplied to Prince Albert residents during the 55 day ordeal. In recognition of its efforts, the City was awarded first place in the Saskatchewan Municipal Awards for Innovation and Excellence during the Oil Spill.



▲ Sandbagging at Little Red River Park to allow for water to be pumped to the Water Treatment Plant
▼



Assembling the temporary pipeline from the South Saskatchewan River



Pipes bringing water from the West Hill storm retention pond



1005
EMERGENCY CALLS

4500
TOTAL PERSON TRAINING HOURS

794
NON-FIRE RELATED INCIDENTS

2041
INSPECTION ACTIVITIES INCLUDING FIRE
CODE VIOLATIONS AND ORDERS TO COMPLY

21
BOARDED UP BUILDINGS RESOLVED

218
FIRE LANE TICKETS ISSUED

245
VEHICLES TOWED

768
PARKING COMPLAINTS

FIRE SAFETY AND POLICE

FIRE DEPARTMENT

In 2016 Prince Albert Fire and Emergency Services spearheaded the gathering of the Nisbet Forest Protective Strategies Work Group. The group is a collaboration between communities and groups with seats at the table reserved for neighbouring communities and RMs, the City of Prince Albert, Ministry of Environment, Wildfire Management and the insurance industry. The objective is to coordinate efforts and resources to protect the assets in and around the Nisbet Forest against the threat of wildfire. This includes the promotion of Fire Smart Principles, which are strategies property owners can implement to protect their properties against loss from wildfire.

BYLAW ENFORCEMENT

Legislative changes in 2015 empowered the City's Bylaw Enforcement Team to take a targeted approach to boarded-up and vacant buildings in 2016. The bylaw changes expanded the definition of what was considered a nuisance and set out a series of progressive steps that property owners need to follow to get to a state of compliance.

The objective of the changes is to give owners an opportunity to self-remedy the nuisance in a reasonable period so they do not linger in neighbourhoods long-term. Empowered by the new legislation, the Bylaw Enforcement Team was able to resolve 21 of 26 reported boarded up buildings in 2016.

Boarded up building in Prince Albert



River rescue support for First Nations Regional Canoe Race qualifications



Birthday visit from Emergency Services



High angle rope rescue training



32 of 62

CROSSWALKS PAINTED WITH
LONGER LASTING COLD PLASTIC

14

SNOW CLEARING CREW MEMBERS

1

DUAL LEFT TURNING LANE
INSTALLED AT 6TH AVENUE
EAST AND 15TH STREET

2

TRAFFIC CALMING MEASURES
IMPLEMENTED (RIVERSIDE
DRIVE AND MCARTHUR DRIVE)

22,253

AIRCRAFT MOVEMENTS AT
THE PRINCE ALBERT AIRPORT

378,098

TRANSIT RIDES (4% INCREASE)

54 CITY
BLOCKS
PAVED

13.7%

OR 39.2 KM OF ROADS REPAVED SINCE 2013

TRANSPORTATION AND AIRPORT

28TH STREET RESTRUCTURING

Through the Paving Program the City was able to not only resurface 28th Street West (between 1st Avenue West and 6th Avenue East) but restructure the entire thoroughfare to improve traffic flow west of Central Avenue. The sidewalks on the section of road at 28th Street and Central Avenue were moved so that the street could be widened. There are now four full lanes for traffic travelling east and west on 28th Street easing bottlenecks and reducing line-ups at the intersection.

Eagle Crescent paving



15th Street West paving



28th Street roadwork restructuring



\$1.8M TO BUILD A NEW
LANDFILL CELL FOR
CONTAMINATED SOIL

1992MT

OF CONTAMINATED SOIL DEPOSITED
INTO NEW LANDFILL CELL

48,017 CUSTOMERS
THROUGH THE
LANDFILL

8000kg

OF HOUSEHOLD HAZARDOUS MATERIAL
DIVERTED FROM THE LANDFILL

\$168,000

IN ANNUAL FUNDING SECURED THROUGH THE
SASKATCHEWAN MULTI-MATERIAL RECYCLING
PROGRAM BASED ON RECYCLING VOLUMES COLLECTED

5695 FREE RESIDENT
LANDFILL PASSES
REDEEMED

1748.59T

(3.8 M LBS) OF MATERIAL DIVERTED FROM
THE LANDFILL THROUGH CURBSIDE RECYCLING

28960kg

OF OIL COLLECTED FOR RECYCLING

487kg OF BATTERIES
COLLECTED FOR
RECYCLING

\$100,000

IN REVENUE COLLECTED THROUGH NEW
LANDFILL CELL FOR CONTAMINATED SOIL

LANDFILL, GARBAGE AND RECYCLING

The City of Prince Albert was informed in 2016 that its permit to accept contaminated soil from the Ministry of Environment would be withdrawn due to a change in operation procedures. Accepting contaminated soil is an important service provided to the Prince Albert region, but it is also a substantial revenue source for the landfill. To maintain the permit, the City proposed a plan to build a new cell that met regulatory standards. The project was completed on time in less than eight months (before snow and freeze up) and under budget using a new process to keep costs down.

Roll-out recycling bins



Material Recover Facility for recycling



New Landfill Cell



5,944 FACEBOOK FOLLOWERS (46% INCREASE)

723

UTILITY CUSTOMERS SET UP ON MONTHLY INSTALLMENT PAYMENT PROGRAM (28% INCREASE)

392 PROPERTIES INSPECTED BY CITY ASSESSORS

133,800

PAGE VIEWS ON WWW.CITYPA.CA

3774

PARKING TICKETS PROCESSED ONLINE

17 ELECTRONIC VOTING MACHINES USED IN 2016 ELECTION

\$95,000

IN FINES COLLECTED AND 68 VEHICLES TOWED FOR UNPAID PARKING VIOLATIONS

104 JOBS PROCESSED ONLINE

467(17%)

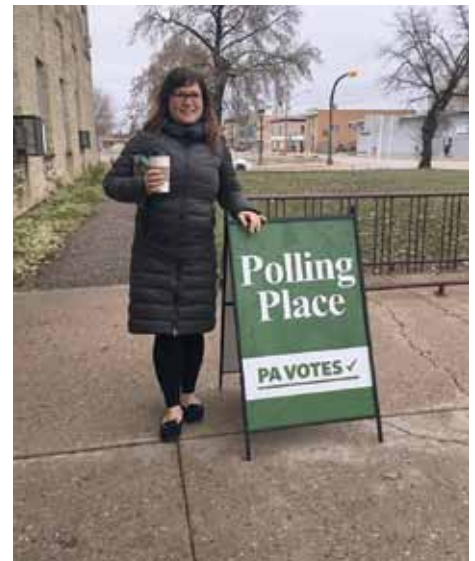
ONLINE REGISTRATIONS FOR CITY RECREATION PROGRAMS

GOVERNMENT ADMINISTRATION

PARKING TICKET ENFORCEMENT

Parking ticket enforcement was a top priority in 2016 for the City's Financial Services Department. Recent bylaw amendments provided the City with more enforcement options for those that failed to pay their tickets. The five worst offenders amassed \$28,590 in unpaid fines. The City started working to collect unpaid fines by seizing and selling vehicles of offenders. The City continues to collect unpaid fines with many offenders voluntarily clearing up their unpaid fines since enforcement actions have started.

Resident voting in the Civic Election on October 26, 2016



Parking Meter Attendant issuing a ticket



2 REDUNDANT BUILDINGS
DEMOLISHED

582m

OF CONNECTOR PATHWAYS
INSTALLED FOR THE ROTARY TRAIL

1 WASHROOM INSTALLED AT
ALFRED JENKINS FIELDHOUSE

8,250

PEOPLE PARTICIPATED IN THE
ROGERS HOMETOWN HOCKEY TOUR

158

NEW TREES PLANTED (FIRST TREE
PLANTINGS IN THE CITY SINCE 2013)

1 PUBLIC ART POLICY
APPROVED

\$156,000

COLLECTED THROUGH SPONSORSHIP TO RENAME THE
DOWNTOWN LION'S PARK TO LAKELAND FORD PARK

709

FORESTRY REQUESTS COMPLETED RANGING FROM TREE STUMP
REMOVAL TO PRUNING (90% COMPLETION RATIO)

4 BEACH VOLLEYBALL COURTS INSTALLED
AT ALFRED JENKINS FIELDHOUSE

\$25,000

FROM CAMECO TO EXPAND AFTER SCHOOL PROGRAM

1 SPRAY PARK OPENED
IN THE WEST HILL

\$1.1M

RAISED FOR PROJECT TRIPLE PLAY BALL
DIAMONDS AT PRIME MINISTERS PARK

PARKS, RECREATION AND CULTURE

KINSMEN PARK UPGRADES

The first phase of a \$500,000 upgrade to Kinsmen Park was completed in 2016 with an upgraded playground with play features for all ages, renovations of existing washrooms, installation of new washrooms, renovations to the Central Garden and pathway improvements. The second phase of upgrades will begin in the Spring of 2017 including pathway improvements, drainage improvements, new animal proof garbage and recycle bins and several new picnic tables and benches. Kinsmen Park is Prince Albert's foremost destination and non-sport related outdoor special event park within the City and includes 9.8 hectares of significant park space.

PRINCE ALBERT MUNICIPAL CULTURAL ACTION PLAN

The City's Municipal Cultural Action Plan was adopted in 2016 and was the culmination of numerous engagements with the Prince Albert community. The plan identifies a vision and action plan to harmonize cultural initiatives in the city, strengthen cultural and community development, support the arts, preserve heritage and enhance economic development and tourism in the community.

New washrooms at Kinsmen Park



New playground equipment at Kinsmen Park



New paved pathways at Kinsmen Park



2nd PLACE

IN WATER TASTE TEST CHALLENGE
FOR WESTERN CANADA THROUGH THE
AMERICAN WATER WORKS ASSOCIATION

6.7

CITY BLOCKS OF WATERMAINS REPLACED

4.9

CITY BLOCKS OF SEWER MAINS REPLACED

84

CATCH BASINS REPLACED

126

 MANHOLES CHECKED,
REPAIRED AND/OR
REPLACED

81

WATERMAIN BREAKS REPAIRED,
TESTED AND RETURNED TO SERVICE

\$579,000

TO UPGRADE FILTERS AT THE
WATER TREATMENT PLANT

WATER UTILITY

2ND PLACE WATER TASTE TEST CHALLENGE

The City of Prince Albert was awarded 2nd Place for the best tasting water in the Western Canada Section of American Water Works Association's Water Taste Test Challenge. The City went up against some stiff competition to prove who had the highest, best quality drinking tap water for residents, with municipalities from Saskatchewan, Manitoba and Alberta competing. The City's achievement was especially noteworthy given the challenges faced by the Water Treatment Plant this past summer. The oil spill in the North Saskatchewan River caused the plant to close its main water intake to the river. The City had to quickly secure alternative water sources through the construction of new temporary water lines and using innovative treatment methods to treat the water sources for safe public consumption.

Water Taste Test Challenge



New filters at the Water Treatment Plant



\$3.2M

FOR DIEFENBAKER BRIDGE REPAIRS

\$2.1M

UPGRADE TO THREE SEWAGE PUMPING STATIONS

4.1km

OF DRAINAGE CHANNEL EXCAVATED

155 DAYS OF CONSTRUCTION
ON THE DIEFENBAKER
BRIDGE

2 ZIPPER MERGES
IMPLEMENTED DURING
BRIDGE RESTORATIONS

21.7 OF SEWER FORCE
MAIN INSTALLED
FROM RCMP STATION
TO THE PRINCE
ALBERT LANDFILL
BLOCKS

10.5
BLOCKS

OF TRUNK WATER MAIN INSTALLED IN THE
WEST HILL FOR FUTURE DEVELOPMENT FROM
CENTRAL AVENUE AND MARQUIS ROAD TO THE
END OF JASPER PLACE ON MARQUIS ROAD WEST

CAPITAL PROJECTS

DIEFENBAKER BRIDGE RESTORATIONS

The Diefenbaker Bridge was under construction in 2016 with concrete restoration of sidewalks, fascia, resetting pedestrian rails, pedestrian rail replacement and concrete barrier restoration. The project cost was \$3.2 million and was covered by the Provincial Government through the Urban Highway Connector Program. The project was one of several restoration projects aimed at ensuring the safety and longevity of the Diefenbaker Bridge. All four lanes of the Bridge were reopened on October 5 after 155 days of construction.

Diefenbaker Bridge restorations



Drainage channel excavation



Diefenbaker Bridge completed concrete work



275
NEW BUSINESS LICENSES

14
RESIDENTIAL LOTS SOLD

153
PORTABLE SIGN PERMITS ISSUED

268 BUILDING
PERMITS
ISSUED

\$796,659
REVENUES FROM LAND SOLD

46 DEVELOPMENT
PERMITS
ISSUED

\$41,713,000
CONSTRUCTION VALUE OF
BUILDING PERMITS ISSUED

338
PEOPLE ATTENDED NEIGHBOURHOOD
PLANNING MEETINGS

PLANNING AND GROWTH MANAGEMENT

NEIGHBOURHOOD PLANS

Looking to the future and connecting with residents are at the heart of planning and growth management. A large part of this task is the vision through proper master plans that guide the City's social and built infrastructure over the next several decades. In 2016 the City and residents continued to implement long term planning documents through community engagement and several master planning initiatives. This included several neighbourhood planning meetings to gather feedback from residents on neighborhood concerns. The ultimate goal of this initiative is to develop neighbourhood specific plans with long-range goals for each Ward in the City.

Public consultation meetings



Watermain installation in the West Hill



West Hill residential development





FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The City of Prince Albert's (the City) 2016 Annual Financial Report contains the audited Consolidated Financial Statements prepared in accordance with the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada, as required by The Cities Act.

The discussion and analysis of the City's financial performance for 2016 provides a general overview of the financial activities for the year ended December 31, 2016. The purpose of this discussion is to help users of the financial statements better understand the information contained within and what was realized in 2016.

OVERVIEW

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

- **General Fund** – contains the property tax revenue generated along with operational areas such as Finance, Human Resources, Roadways, Transit Service, Police, Fire, Community Services, Planning & Development and overall Corporate Governance of the City.
- **Utility Fund** – contains the City's water, waste water, and water treatment operations, including all revenue generated from water charges in the City.
- **Sanitation Fund** – contains the City's garbage operations, including the landfill.
- **Airport Fund** – contains the City's airport operations, including all revenue generated from passenger fees, airport improvement fees and existing leases at the airport.
- **Land Fund** – contains the City's operations to develop land for development in the City, which includes items such as lot sales and subdivision development costs.
- **Equipment Fund** – contains the City's operational costs for operating various pieces of equipment throughout the City.

Two consolidated entities incorporated into the City's 2016 Consolidated Financial Statement are:

- **John M Cuelenaere Library**
 - 100% Consolidation
- **North Central Waste Management Corporation**
 - 84.23% Consolidation in 2016 (2015 – 84.23%)

KEY FINANCIAL HIGHLIGHTS FOR 2016

- The 2016 Consolidated Financial Statements report net financial assets of (\$0.2 million), which is an increase of \$3.7 million from the 2015 Consolidated Financial Statements. Net financial asset position is an indicator of the municipality's overall position to finance future operations. This increase resulted from no new debt and overall liabilities being reduced.
- The 2016 Statement of Operations shows a Surplus of Revenues over Expenses of \$12.5 million compared to \$13.9 million in 2015.
- The accumulated Surplus at the end of 2016 was \$322.8 million, which increased \$12.5 million from 2015, which was \$310.3 million.
- Overall revenues in 2016 were \$105.9 million, which was \$12.1 higher than 2015 which was \$93.8 million. This increase is as follows:
 - Operating Grants and Donations (\$10.3M increase)
 - Higher property taxation revenue (\$0.8M increase)
 - User Charges and Fees (\$1.6M increase)
 - Land Sales (\$0.5M increase)
 - Sundry Income (\$0.8M increase)
 - Interest & Penalties (\$1.2M decrease)
 - Grants in Lieu of Taxes (\$0.8M decrease)
- The City's 2016 reserve balance was \$14.6 million, which was an increase of \$0.4 million compared to the 2015 balance of \$14.2 million.

STATEMENT OF OPERATIONS

A summarized Statement of Operations for the past 5 years is reflected in Table 1.0 below. A review of the operational revenues and expenses over 5 years indicate that while the City of Prince Albert's expenses have increased by \$15.6 million, the increase in revenues of \$25.3 million indicates that there was sufficient funding to support the current level of services.

TABLE 1.0: FIVE YEAR STATEMENT OF OPERATIONS

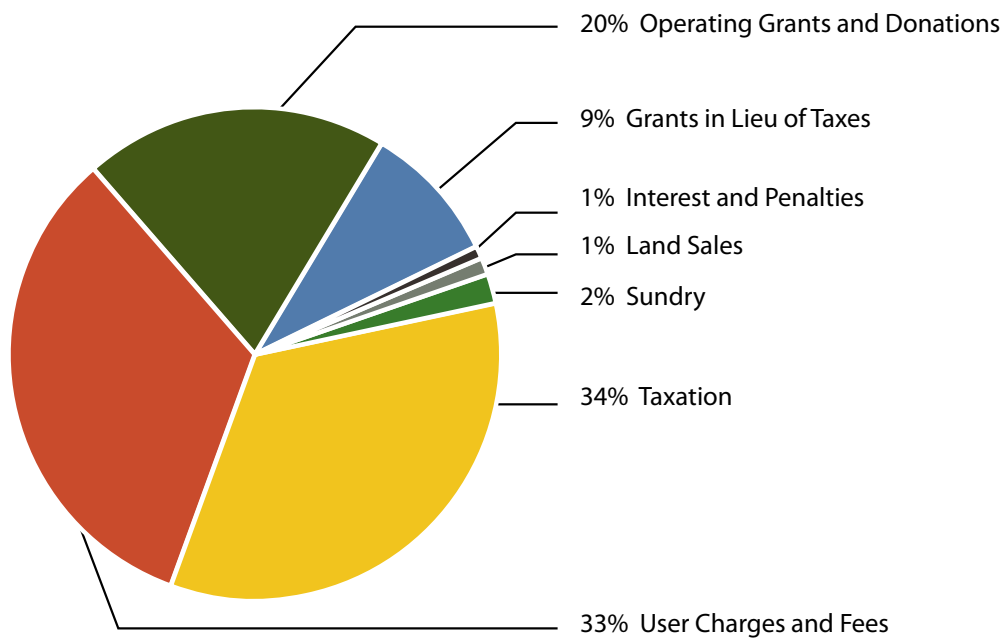
	2016	2015	2014	2013	2012
Total Revenues	\$105,928,644	\$93,789,379	\$90,232,881	\$83,865,687	\$80,661,861
Total Expenses	98,145,765	89,196,005	81,884,803	78,560,132	82,516,857
Operating Surplus (Deficit)	7,782,879	4,593,374	8,348,078	5,305,555	(1,854,996)
Capital and Interfund Transactions	4,751,046	9,301,114	7,919,860	2,438,134	11,919,347
Total Surplus (Deficit)	\$12,533,925	\$13,894,488	\$16,267,938	\$7,743,689	\$10,064,351

REVENUES

Total consolidated revenues increased by \$12.1 million over 2015. The increases were notably in Operating Grants and Donations, User charges and Fees and Interest and Penalties revenue.

The main sources of revenues are Taxation, User Charges and Fees and Operating Grants and Donations as reflected in Table 2.0.

TABLE 2.0: 2016 SUMMARY OF OPERATIONAL REVENUES



REVENUES IN COMPARISON TO BUDGET

In 2016, consolidated operating revenues exceeded the amount budgeted by \$14.1 million. Revenues totaled \$105.9 million compared to budget of \$91.8 million and can be summarized as:

- Property Taxes \$36.0 million
- User charges and fees \$34.9 million (\$15.6 million from the Water Utility)
- Operating grants and donations \$21.9 million
- Grants in Lieu of Taxes (other levels of government) \$9.5 million
- Other \$3.6 million

REVENUE OBSERVATIONS

- Property Taxation was \$1.13 million higher than budget due to increased assessment;
- User Charges and Fees were \$1.58 million higher than budget affected primarily by the following; Protective Services was \$1.83 million higher than budget with overages of \$1.39 million within Provincial Emergency Operations which offset by corresponding expenses and \$0.43 million in Police Services. Utility User Charges and Fees revenues were \$0.23 million below budget;
- Operating Grants and Donations were \$11.0 million higher largely due to the oil spill water crisis which began in the summer of 2016 resulting in \$9.6 million in additional revenue to offset the incurred costs. The Saskatchewan Urban Revenue sharing funds were \$0.6 million more than budget, and Community Services was \$0.6 million more than budgeted primarily due to donations for the Prime Ministers Park ball diamonds, the Alfred Jenkins Fieldhouse beach volleyball courts and donations to the EA Rawlinson Centre;
- Grants in Lieu of Taxes were \$1.2 million lower than budget;
- Interest and Penalties revenues were \$0.3 million higher than budgeted which includes parking tickets, enforcement parking ticket revenue, and other interest and penalty revenue; and,
- Sundry Income was \$1.39 million higher than budget. The increase in Sundry income for 2016 was driven by rebates of \$0.58 million from WCB Saskatchewan premiums which were allocated to a safety reserve, \$0.24 million from Sask Housing sales contributions also allocated to a reserve, \$0.28 million received for remediation of a contaminated property and the remainder from various sundry items.

Table 3.0 below provides a summary of the total revenues over the last five years.

TABLE 3.0: FIVE YEAR SUMMARY OF OPERATIONAL REVENUES

	2016	2015	2014	2013	2012
Taxation	\$35,982,078	\$35,183,415	\$33,959,318	\$32,573,998	\$28,621,409
User Charges and Fees	34,881,249	33,236,748	29,884,966	27,522,106	26,129,855
Operating Grants and Donations	21,909,033	11,571,914	11,361,044	11,431,772	11,303,901
Grants in Lieu of Taxes	9,477,868	10,288,433	10,056,664	9,517,472	8,901,853
Interest and Penalties	1,067,496	2,239,766	704,699	740,641	802,994
Land Sales	796,659	342,489	3,537,612	1,029,847	1,379,636
Sundry	1,814,261	986,614	728,578	1,049,851	3,522,213
Total Revenues	\$105,928,644	\$93,789,379	\$90,232,881	\$83,865,687	\$80,661,861

TAXABLE ASSESSMENT AND PROPERTY TAXATION

The City of Prince Albert receives its total revenues from a variety of sources with property taxes being the largest. The property tax levy is what is used to balance the City's current year operations based on services budgeted in the year.

The City of Prince Albert operations provides the following services:

- Police Services
- Fire Services
- Recreation and Leisure Services
- Snow plowing and removal
- Roadways and Transportation
- Planning and Development
- External Agencies (SPCA, Library etc.)
- Capital Projects (Roadways, Facilities)

Taxation revenue generally increases with growth (additional assessed properties) and tax rate increases.

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



The City of Prince Albert's taxation revenues result from Municipal, Library and Capital Projects Levies.

TABLE 4.0: FIVE YEAR SUMMARY OF TAXABLE ASSESSMET AND TAXATION

	2016	2015	2014	2013	2012
Taxable Assessment	\$2,237,870,180	\$2,171,850,160	\$2,112,817,500	\$2,090,696,300	\$1,183,727,710
Mill Rates					
General Municipal	12.07	11.95	11.65	11.15	19.20
Library Levy	0.79	0.75	0.75	0.73	1.36
Capital Projects Levy (formerly Fieldhouse Levy)	0.58	0.58	0.53	0.58	1.00
Base Taxes					
Improved Property Base Tax (Residential)	\$60	\$60	\$60	\$60	\$60
Improved Property Base Tax (Condominium)	\$60	\$60	\$60	\$60	\$60
Improved Property Base Tax (Multi-family/Suite)	\$20	\$20	\$20	\$20	\$20
Improved Property Base Tax (Commercial)	\$200 - \$4,400	\$200 - \$2,420	\$240 - \$2,420	\$240 - \$2,420	\$300 - \$3,000
Pineview Terrace Lodge Tax (Residential)	\$0	\$0	\$27	\$27	\$27
Pineview Terrace Lodge Tax (Condominium)	\$0	\$0	\$27	\$27	\$27
Pineview Terrace Lodge Tax (Multi-family/Suite)	\$0	\$0	\$27	\$27	\$27
Pineview Terrace Lodge Tax (Commercial)	\$0	\$0	\$120 - \$1,200	\$120 - \$1,200	\$50 - \$1,500
Municipal roadways Base Tax (Residential)	\$189	\$189	\$189	\$189	N/A
Municipal roadways Base Tax (Condominium)	\$189	\$189	\$189	\$189	N/A
Municipal roadways Base Tax (Multi-family/Suite)	\$63	\$63	\$63	\$63	N/A
Municipal roadways Base Tax (Commercial)	\$600 - \$13,200	\$600 - \$13,200	\$710 - \$7,080	\$710 - \$7,080	N/A
Taxation Revenue (Note 1)	\$35,982,078	\$35,183,415	\$33,959,318	\$32,573,998	\$28,621,409

Note 1 – the above taxation amount is the total taxes invoiced, including supplementals, surcharges, discounts and abatements for the year

FIVE YEAR SUMMARY OF TAX REVENUE AND ARREARS

Table 5.0 reflects the taxation revenue, tax arrears and percentage of revenues for the past five years.

TABLE 5.0: FIVE YEAR SUMMARY OF TAX REVENUE AND ARREARS

	2016	2015	2014	2013	2012
Taxation revenue	\$35,982,079	\$35,183,415	\$33,959,318	\$32,573,998	\$28,621,409
Capita per census*	35,926	35,129	35,129	35,129	35,129
Taxation revenue per capita	\$1,002	\$1,002	\$967	\$927	\$815
Tax arrears at end of year	\$3,447,790	\$3,092,722	\$2,629,064	\$2,539,693	\$2,403,458
Tax arrears as a % of taxation revenue	10%	9%	8%	8%	8%
Taxation as a % of general operating revenue	34%	38%	38%	39%	35%

EXPENSES

In 2016 the total consolidated operating expenses were \$98.1 million which included:

- Salaries, Wages and Benefits \$51.5 million
- Maintenance, Materials, and Supplies \$19.7 million
- Amortization \$11.4 million
- Contracted and General services \$8.4 million
- Utilities \$3.5 million
- City Fleet costs \$2.5 million
- Council Remuneration \$0.3 million
- Other expenses including Grants and Donations, Interest on Long Term Debt, Insurance and Bad Debts \$1.1 million

EXPENSE OBSERVATIONS

Overall Salaries Wages and Benefits were \$3.12 million over budget in 2016, which was due to the consolidation of JMPL salaries \$1.16 million, the Emergency Control Centre salaries \$1.43 million which is offset by revenues from the Province, and the Utility Fund salaries \$0.8 million. The Utility Fund salaries excess is primarily due to the Water Crisis and offset by additional revenues received. Other areas such as Fire Services and Public Works were under budget in Salaries, Wages and Benefits.

Contracted Services were higher by \$2.05 million than budget, which resulted primarily from the legal costs of \$0.27 million, the John M Cuelenaere Public Library of \$0.32 million (consolidated entity) and Water Crisis expenditures of \$1.09 million which were offset by revenue received.

Grants and Donation expenses were under budget due to consolidation entry of \$2.0 million for JMPCL; and the General Fund was under budget by \$0.2 million.

Maintenance, materials and supplies were \$9.4 million over budget. The Utility Fund was \$8.3 million over budget primarily due to the Water Crisis which is offset by revenue received. Consolidated entities' expenses were \$0.7 million, Community Services was \$0.3 million over budget and Public Works \$0.2 million.

Bad Debt Expense was budgeted as \$297,200 in 2016 but the actual expense resulted in a credit of \$315,465. This resulted primarily from a reduction of the conditional liability due to Domtar established in 2015 and subsequently reduced in 2016 as the settlement was near completion and an accurate liability was determinable.

TABLE 6.0: 2016 CONSOLIDATED EXPENDITURES BY TYPE

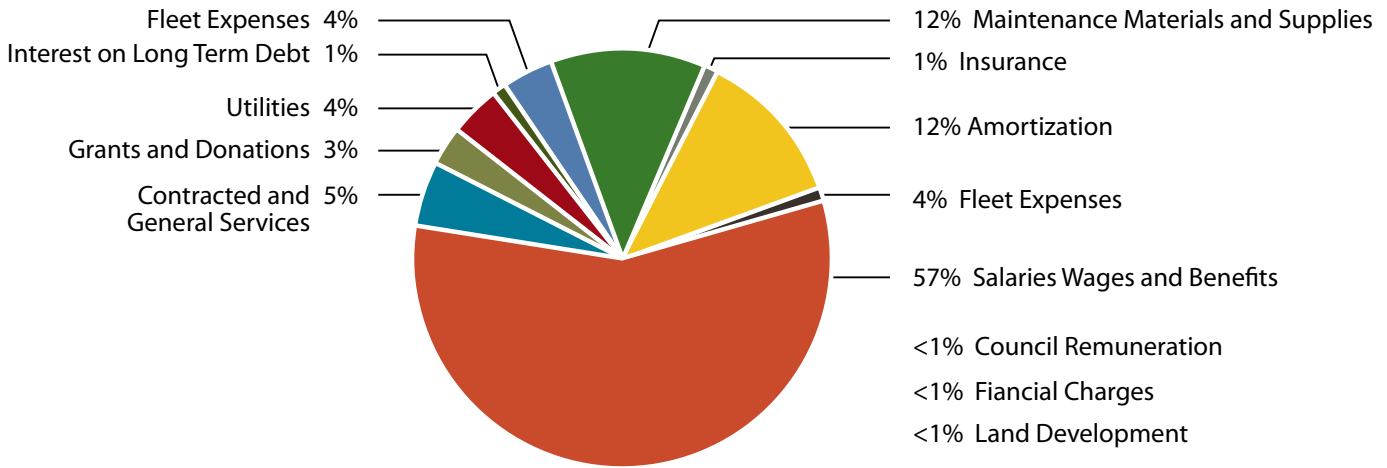


TABLE 7.0: 2016 CONSOLIDATED EXPENDITURES BY FUNCTIONAL AREA

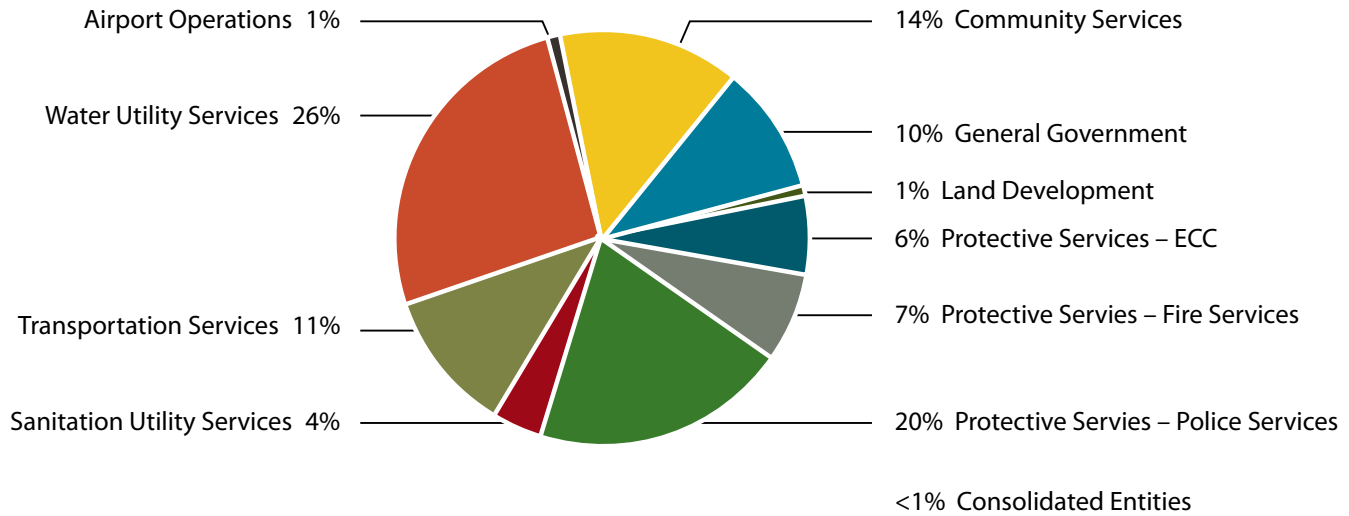


TABLE 8.0: FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY TYPE

	2016	2015	2014	2013	2012
Council Remuneration	\$340,583	\$355,779	\$366,502	\$366,101	\$313,503
Salaries Wages and Benefits	51,242,125	48,311,266	46,397,959	44,128,915	43,380,617
Contracted and General Services	8,459,110	5,281,104	4,048,977	3,614,690	3,920,395
Financial Charges	97,902	57,041	28,789	28,492	35,765
Grants and Donations	781,392	2,280,414	2,146,472	2,102,842	5,436,658
Utilities	3,503,726	3,526,318	3,466,018	3,507,472	3,402,205
Interest on Long Term Debt	486,858	542,632	598,203	682,505	739,502
Fleet Expenses	2,534,480	2,466,718	2,916,169	3,200,978	2,736,206
Land Development	19,014,799	74,595	376,451	255,116	353,133
Maintenance Materials and Supplies	517,065	10,873,819	10,231,869	9,394,351	11,658,691
Insurance	(315,465)	548,567	585,504	606,615	709,305
Amortization	85,975	11,016,554	10,270,774	10,039,130	9,284,702
Bad Debt Expense	11,397,215	3,861,198	451,116	678,922	546,175
Total Expenses	\$98,145,765	\$89,196,005	\$81,884,803	\$78,606,129	\$82,516,856

TABLE 9.0: FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY FUNCTIONAL AREA

	2016	2015	2014	2013	2012
Airport Operations	\$1,440,206	\$1,532,341	\$1,499,522	\$1,526,926	\$1,246,924
Community Services	14,042,351	14,314,709	12,047,434	11,993,786	11,232,126
General Government	9,932,198	13,102,420	9,503,377	10,260,700	16,450,776
Land Development	664,406	765,952	664,890	546,173	637,066
Protective Services - ECC	5,783,065	4,614,626	4,104,635	3,576,400	3,202,172
Protective Services - Fire Services	7,099,205	7,196,084	6,981,760	6,667,002	6,424,957
Protective Services - Police Services	19,176,385	18,860,493	18,303,783	17,230,474	17,062,981
Sanitation Utility Services	4,068,078	3,219,816	3,518,174	3,162,978	2,889,642
Transportation Services	10,346,701	9,729,617	9,181,955	9,115,097	8,127,446
Water Utility Services	25,502,705	15,717,550	15,771,737	14,348,503	13,984,217
Consolidated entities	90,465	142,397	307,532	132,096	1,258,549
	\$98,145,765	\$89,196,005	\$81,884,799	\$78,560,135	\$82,516,857

FINANCIAL POSITION

TABLE 10.0: FIVE YEAR SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2016	2015	2014	2013	2012
Financial Assets	\$28,286,842	\$29,870,744	\$26,128,705	\$25,149,535	\$26,020,285
Financial Liabilities	(28,457,237)	(33,755,240)	(29,634,207)	(33,273,555)	(38,397,267)
Net Debt	(170,395)	(3,884,496)	(3,505,502)	(8,124,020)	(12,376,982)
Non-Financial Assets	322,960,556	314,140,732	299,873,570	288,230,532	286,227,752
Accumulated Surplus	\$322,790,161	\$310,256,236	\$296,368,068	\$280,106,512	\$273,850,770

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.

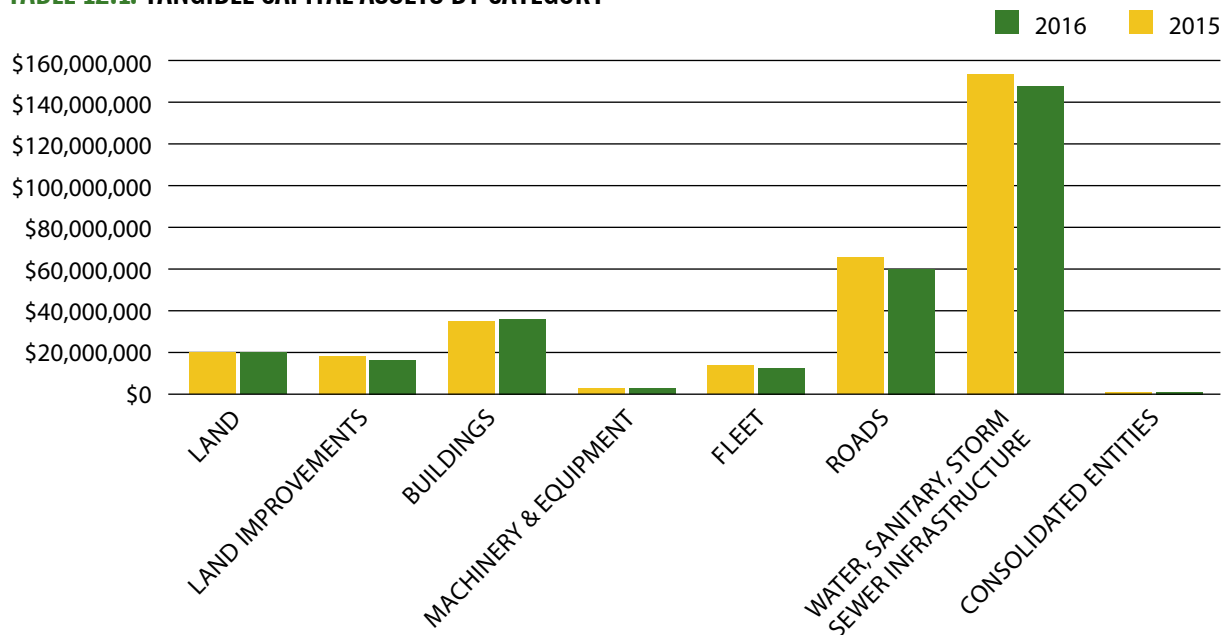
The City's total net book value of tangible capital assets rose by \$12.1 million from \$292.4 million in 2015 to \$304.5 million in 2016.

The largest asset category is Water, sanitary, and storm sewer infrastructure with a net book value of \$151.9 million followed by roadways with a net book value of \$65.2 million. Table 12.0 reflects the net book value of the tangible capital assets in 2016 in comparison to 2015.

TABLE 12.0: TANGIBLE CAPITAL ASSETS BY CATEGORY

	2016	2015
Land	\$19,565,781	\$19,565,780
Land improvements	\$17,182,937	\$15,654,738
Buildings	\$34,268,453	\$34,599,042
Machinery and equipment	\$2,519,824	\$2,904,326
Fleet	\$12,945,003	\$11,727,690
Roads	\$65,242,321	\$59,772,833
Water, sanitary, storm sewer infrastructure	\$151,930,751	\$147,419,269
Consolidated entities	\$838,856	\$800,682
	\$304,493,926	\$292,444,360

TABLE 12.1: TANGIBLE CAPITAL ASSETS BY CATEGORY



FIVE YEAR SUMMARY OF CAPITAL ADDITIONS

Table 13.0 below reflects the capital additions over the past five years in each of the General Fund, Water Fund, Sanitation Fund, Airport Fund and Consolidated Entities. Included in the table are the Work in Process balances. The Work in Process 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. Therefore the Tangible Capital Assets in Table 13.0 are Tangible Capital Assets that are in use only and do not include those in progress as outlined below.

TABLE 13.0: FIVE YEAR SUMMARY OF CAPITAL ADDITIONS AND WORK IN PROCESS

	2016	2015	2014	2013	2012
Tangible Capital Asset Additions					
General Fund	\$12,435,918	\$15,694,393	\$8,941,943	\$7,477,086	\$6,162,213
Water Fund	9,507,520	4,976,650	10,090,849	18,196,665	490,005
Sanitation Fund	2,241,166	57,623	461,599	-	1,861,104
Airport Fund	39,552	329,626	60,176	204,629	5,826,263
Consolidated Entities	124,468	158,353	44,035	155,841	350,462
	<u>\$24,348,624</u>	<u>\$21,216,645</u>	<u>\$19,598,602</u>	<u>\$26,034,221</u>	<u>\$14,690,047</u>
Work in Process					
Balance at start of year	\$14,442,101	\$10,380,310	\$7,906,304	\$19,825,844	\$12,820,559
Projects completed and transferred	(5,119,743)	(232,571)	(1,844,691)	(16,120,456)	(204,009)
Projects started and not completed	2,271,726	4,294,362	4,318,697	4,200,916	7,209,294
Balance at end of year	<u>\$11,594,084</u>	<u>\$14,442,101</u>	<u>\$10,380,310</u>	<u>\$7,906,304</u>	<u>\$19,825,844</u>

DEBT

The financing of capital projects comes from various sources including operating revenues, user fees and charges, development levies, transfers from reserves, external funding, and long term debt.

The funding of the capital projects is dependent on the project and varies from year to year. The City of Prince Albert's current debt level is \$9.6 million or \$268 per capita (based on 2016 census). The majority of debt servicing for the City of Prince Albert is paid for by an allocation of user charges and fees.

LOAN BALANCES

Table 14.0 lists the loan balances as of December 31, 2016 along with the details surrounding each loan. No new loans were incurred in 2016 therefore the total loan balanced decreased. This is a good indicator that capital projects were achieved without taking on additional external debt as capital assets increased.

TABLE 14.0

LENDER	LOAN BALANCE AT DECEMBER 31 2016	LOAN RATE	ANNUAL DEBT SERVICING FOR 2016	PURPOSE OF LOAN	EXPIRY
Canadian Housing and Mortgage Corporation (CMHC)	\$ 4,841,629	3.98%	\$ 718,523	Loan was taken out in 2009 for major upgrades at the Water Treatment Plant and is paid for by Water and Sewer Rates	Loan is scheduled to be repaid in full September 2024
Bank of Montreal	\$ 2,778,729	2.83%	\$ 485,596	Original loan was taken out in 2009 for development in the West Hill area and is paid by both property taxes (10%) and land sales (90%)	Loan is due to be repaid in full by March 2023
Saskatchewan Municipal Financing Corporation	\$ 1,598,435	6.00%	\$ 871,846	Loan was taken out in 1998 for renovations at the Pollution Control Centre and is paid for by Water and Sewer Rates	Loan is scheduled to be repaid in full September 2018
TrafCo (Canada) Ltd.	\$ 0	Variable	\$ 160,545	Loan was taken out in 2011 for purchase of new parking meter heads and is paid for by parking meter revenues	Loan was paid in full in November 2016
Conexus Credit Union	\$ 414,149	5.12%	\$ 51,634	The City is a guarantor for this mortgage of the Prince Albert Golf and Curling Club (PAGCC) and amount is paid as a grant for this purpose.	Loan is scheduled to be repaid in full May 2027
Total	\$ 9,632,942		\$ 2,288,144		

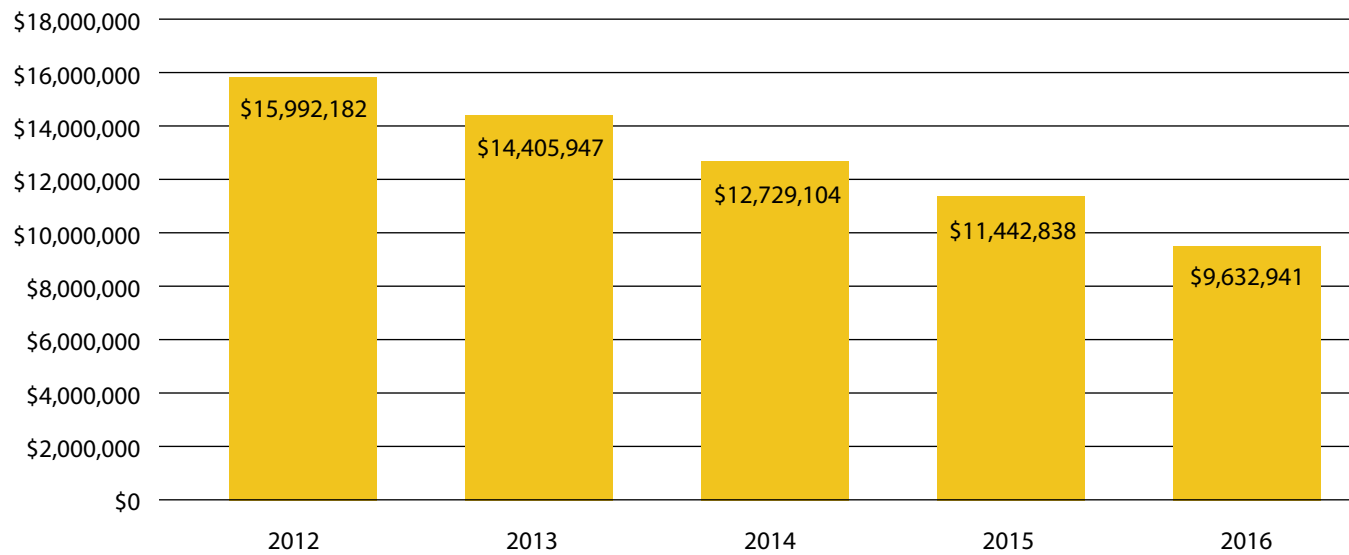
TABLE 15.0: FIVE YEAR PER CAPITA LONG TERM DEBT

	2016	2015	2014	2013	2012
Gross External Debt	\$9,632,942	\$11,442,838	\$12,729,104	\$14,405,947	\$15,992,182
Capita per Census *	35,926	35,129	35,129	35,129	35,129
Debt per Capita	268	326	362	410	455
Interest on Long Term Debt Expense	478,246	542,632	598,203	682,505	739,502
Interest per Capita	13	15	17	19	21

* data taken from Statistics Canada website

Total gross external debt has decreased each year over the past five years as well as the per capita debt and interest.

TABLE 15.1: GROSS EXTERNAL DEBT



RESERVES

Reserves are an important cash flow tool which allows for funding and cash to be set aside in a reserve account to finance future projects. The City's reserves reached \$14.6 million at the end of 2016, an increase of \$ 0.4 million over 2015.

TABLE 11.0: FIVE YEAR SUMMARY OF RESERVES

	2016	2015	2014	2013	2012
Reserves balance	\$14,583,431	\$14,230,976	\$11,164,380	\$9,733,090	\$6,504,345
Capita per census*	35,926	35,129	35,129	35,129	35,129
Reserve balance per capita	\$405.93	\$405.11	\$317.81	\$277.07	\$185.16

** data taken from Statistics Canada website*

For a complete list of reserves please see page 72 of the Annual Report.

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 cost-effective ways.

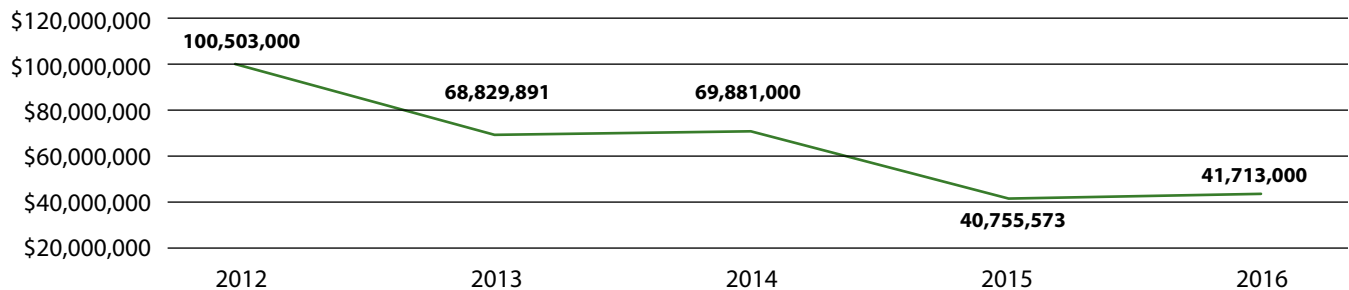
The Strategic Goal of Fiscal Management and Accountability is a key driver in this objective.

The City ensures strong financial management and accountability policies and practices are in place. In 2016 the following highlights were identified:

- **Technology improvements** – using technology to send invoices and statements, making direct deposit payments versus cheques, new assessment software to be fully operational in 2017, electronic entering information versus manual entry and electronic utility billing that went live starting 2017;
- **Staffing** – inclusion of a Purchasing Manager with Supply Chain Management Professional (SCMP) designation and filling the Assistant Director of Financial Services position in January 2017;
- **Process Improvements** – adjudication of insurance processing of claims, accounts payable workshops with staff to identify improvements and obtain feedback, implemented a more in depth budgetary process in order to identify opportunities of improvement.

ECONOMIC HIGHLIGHTS- DEVELOPMENT

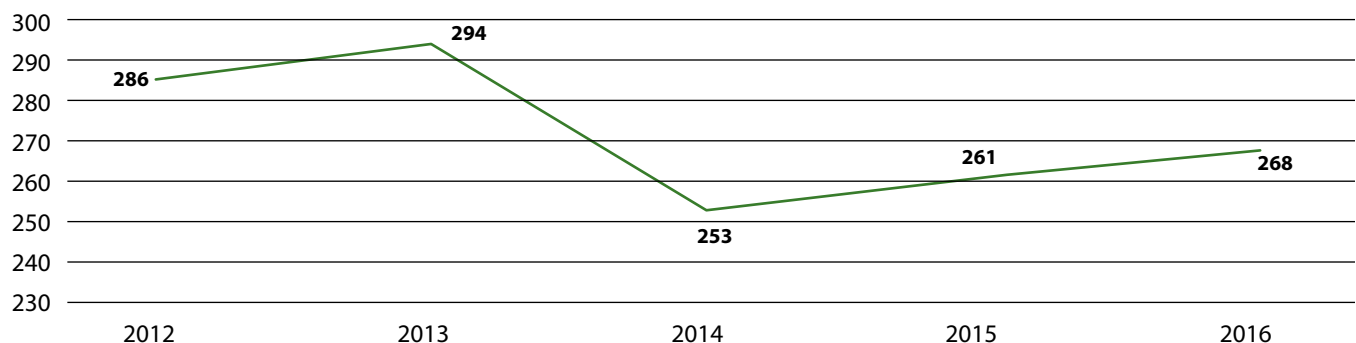
CONSTRUCTION VALUE OF BUILDING PERMITS



BUILDING PERMITS: TYPE AND CONSTRUCTION VALUE

Type	Year 2016	Year 2015	Year 2014	Year 2013	Year 2012
Residential Single Family	\$11,952,000	\$11,828,165	\$16,848,000	\$21,840,600	\$19,418,000
Multi-Family	8,727,000	5,157,000	33,238,000	6,474,000	19,384,000
Commercial	7,469,000	10,540,408	17,133,000	13,692,216	12,397,000
Industrial	2,822,000	4,630,000	1,516,000	4,625,000	3,605,000
Institutional & Government	10,743,000	8,600,000	1,146,000	22,198,075	45,699,000
TOTAL	\$41,713,000	\$40,755,573	\$69,881,000	\$68,829,891	\$100,503,000

TOTAL NUMBER OF BUILDING PERMITS



BUILDING PERMITS: TYPE AND NUMBER OF PERMITS

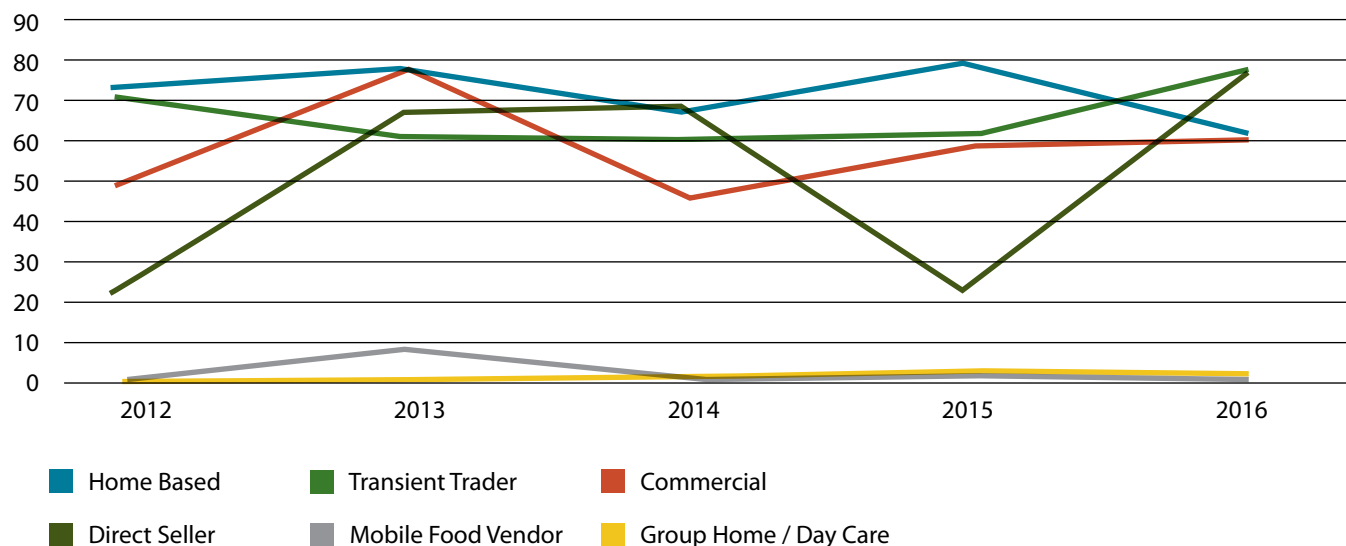
Type	Year 2016	Year 2015	Year 2014	Year 2013	Year 2012
Residential Single Family	130	109	156	170	156
Multi-Family	27	29	13	7	23
Commercial	40	47	36	60	50
Industrial	14	17	15	17	10
Institutional & Government	22	23	8	9	18
Demolitions	13	14	8	13	18
Other	22	22	17	18	11
TOTAL	268	261	253	294	286

ECONOMIC HIGHLIGHTS – BUSINESS LICENCING

ISSUANCE OF NEW BUSINESS LICENCES

Type	Year 2016	Year 2015	Year 2014	Year 2013	Year 2012
Home Based	61	78	65	76	72
Commercial	60	57	45	76	48
Transient Trader	76	60	59	60	70
Direct Seller	76	22	67	65	21
Mobile Food Vendor	0	1	1	8	0
Group Home / Day Care	2	2	1	1	0
TOTAL	275	220	238	286	211

NEW BUSINESS LICENCE TRENDING

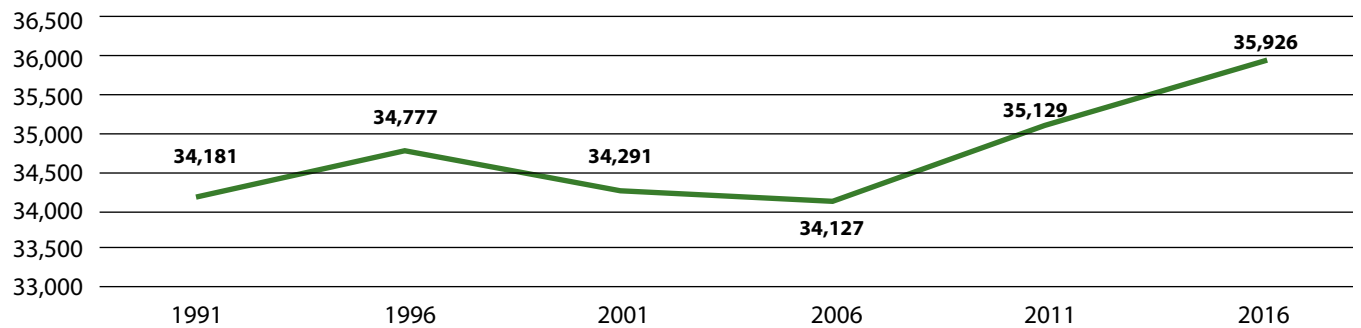


ECONOMIC INDICATORS – CENSUS DATA AND TRENDS

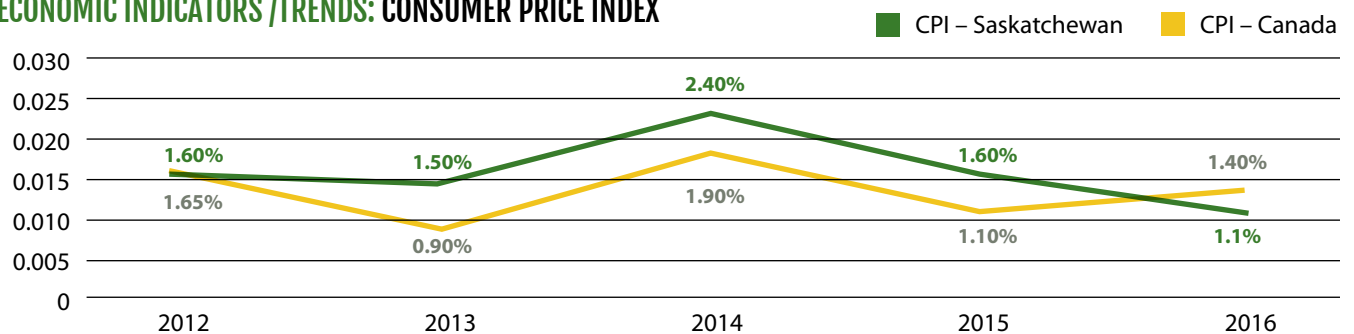
CITY OF PRINCE ALBERT PROFILE FROM STATISTICS CANADA 2011 AND 2016 CENSUS DATA

	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

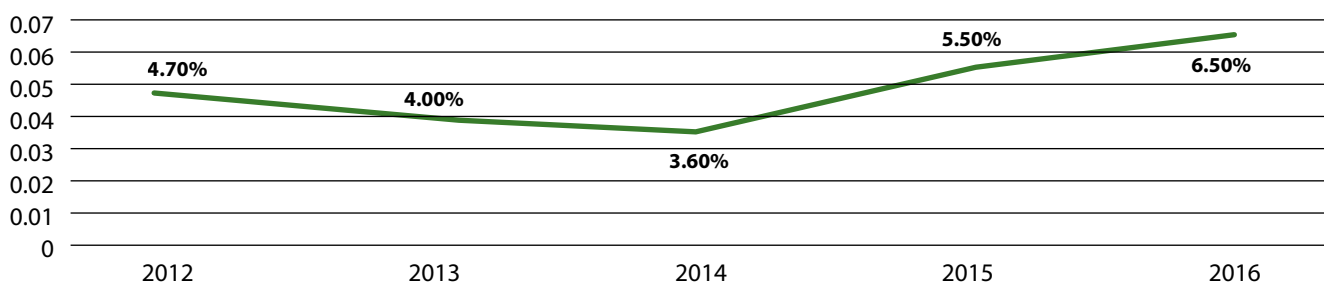
CENSUS POPULATION TRENDING



ECONOMIC INDICATORS /TRENDS: CONSUMER PRICE INDEX



ECONOMIC INDICATORS /TRENDS: UNEMPLOYMENT SASKATCHEWAN





MESSAGE FROM THE DIRECTOR OF FINANCE

The City of Prince Albert's 2016 Annual Report is a summary of information highlighting performance by individual departments and the financial performance as of December 31, 2016. The events that happened in 2016 such as the water crisis caused the City to incur more expenses than typical, which are accounted for in the enclosed 2016 Consolidated Financial Statements. The December 31, 2016 Consolidated Financial Statements contained within are prepared in accordance with the Public Sector Accounting Standards (PSAS) and legislative requirements as outlined in The Cities Act.

The City's 2016 Annual Report contains three areas of information: individual departmental highlights, financial statement discussion and analysis, and the audited consolidated financial statements. The individual departmental highlights contains performance indicators like construction value of building permits, the number of vehicles towed for unpaid parking violations, transit ridership numbers and forestry related requests completed in 2016. The information contained in this section of the Annual Report is meant to help residents better understand City operations and how much activity goes on.

The second component of the 2016 Annual Report is the 2016 Financial Discussion and Analysis, where this section is designed to help residents better understand the financial information contained within annual financial statements. Tables, graphs, and discussion are used to highlight trends, help better explain results, identify where the City's revenues are generated, and show the expenses along with relevant economic data affecting the City of Prince Albert.

The third and final component of the 2016 Annual Report is the 2016 Consolidated Financial Statements, which have been audited by Deloitte. The statements are prepared by management in accordance with the PSAS and contain financial information identifying the City's:

- Net surplus or deficit for the year;
- Net financial asset change for the year;
- Amount of debt outstanding;
- Operational fund performance for the year, and;
- Reserve balances.

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. Ultimately, the 2016 Annual Report is the City's means to communicate the operational details to City residents in an accountable and transparent manner.

Regards,

A handwritten signature in black ink that reads "Steve Brown".

Steve Brown, CPA, CGA
Director of Financial Services
June 26, 2017



FINANCIAL STATEMENTS

THE CITY OF PRINCE ALBERT
CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

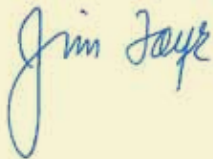
MANAGEMENT'S REPORT

For the Year Ended December 31, 2016

The management of The City of Prince Albert is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and judgments of management.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The consolidated financial statements have been audited by the independent firm of Deloitte LLP. Their report to the Mayor and City Council, stating the scope of their examination and opinion of the consolidated financial statements, follows.



Jim Toye
City Manager

June 26, 2017
Prince Albert, Saskatchewan



Steve Brown, C.P.A., C.G.A.
Director of Financial Services

INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2016



Deloitte LLP
767, 801 15th Street East
Prince Albert, SK S6V 0C7
Canada

Tel: (306) 763-7411
Fax: (306) 763-0191
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council

We have audited the accompanying consolidated financial statements of the City of Prince Albert, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, change in financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Prince Albert as at December 31, 2016 and the results of its operations, changes in financial assets and cash flow for the year then ended in accordance with Canadian public sector accounting standard

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements. The current year's supplementary information included in the schedules is not a required part of the consolidated financial statements and is unaudited.

Chartered Professional Accountants
Licensed Professional Accountants
June 26, 2017
Prince Albert, Saskatchewan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 10,773,493	\$ 17,322,680
Temporary investments	119,481	118,812
Taxes receivable	3,447,790	3,092,722
Accounts receivable (Note 2)	<u>13,946,078</u>	<u>9,336,530</u>
	<u>28,286,842</u>	<u>29,870,744</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	10,858,957	13,663,757
Wages and employee benefits payable	2,003,064	1,640,613
Deposits and deferred revenue (Note 4)	2,100,680	3,172,736
Due to local school divisions (Note 5)	660,106	627,891
Due to Trusts	10,317	10,462
Long-term debt (Note 6)	9,632,941	11,442,838
Vested sick leave	<u>3,191,172</u>	<u>3,196,943</u>
	<u>28,457,237</u>	<u>33,755,240</u>
NET FINANCIAL ASSETS	<u>(170,395)</u>	<u>(3,884,496)</u>
NON-FINANCIAL ASSETS		
Property acquired for taxes (Note 7)	598,556	647,837
Prepaid expenses	202,328	377,389
Supplies inventory	1,540,877	1,803,289
Land available for sale	4,530,785	4,425,756
Work in progress (Note 8)	11,594,084	14,442,101
Tangible Capital Assets (Note 9)	<u>304,493,926</u>	<u>292,444,360</u>
	<u>322,960,556</u>	<u>314,140,732</u>
ACCUMULATED SURPLUS	<u>\$ 322,790,161</u>	<u>\$ 310,256,236</u>

See accompanying notes

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2016

	<u>Budget</u> (unaudited)	<u>2016</u>	<u>2015</u>
REVENUES			
Taxation (Note 11)	\$ 34,856,000	\$ 35,982,078	\$ 35,183,415
User charges and fees	33,297,850	34,881,249	33,236,748
Operating grants and donations	10,923,510	21,909,033	11,571,914
Grants-in-lieu-of-taxes (Note 12)	10,703,640	9,477,868	10,228,433
Interest and penalties	790,940	1,067,496	2,239,766
Land sales	810,000	796,659	342,489
Sundry	<u>429,000</u>	<u>1,814,261</u>	<u>986,614</u>
	<u>91,810,940</u>	<u>105,928,644</u>	<u>93,789,379</u>
EXPENSES			
Airport operations	939,990	1,440,206	1,532,341
Community services	12,095,510	14,042,351	14,314,709
General government	12,061,650	9,932,198	13,102,420
Land development operations	251,350	664,406	765,952
Protective services - Emergency Call Centre	4,393,900	5,783,065	4,614,626
Protective services - Fire Services	7,229,750	7,099,205	7,196,084
Protective services - Police Services	18,864,060	19,176,385	18,860,493
Sanitation Utility Services	3,592,070	4,068,078	3,219,816
Transportation services	6,681,910	10,346,701	9,729,617
Water utility services	11,141,980	25,502,705	15,717,550
Consolidated entities (Note 1)	<u>-</u>	<u>90,465</u>	<u>142,397</u>
	<u>77,252,170</u>	<u>98,145,765</u>	<u>89,196,005</u>
SURPLUS OF REVENUES OVER EXPENSES BEFORE CAPITAL TRANSACTIONS			
	<u>14,558,770</u>	<u>7,782,879</u>	<u>4,593,374</u>
Capital revenue	92,000	5,465,157	9,436,434
Write down of Tangible Capital Asset	-	(23,020)	-
Loss on disposal of Tangible Capital Assets	-	(691,091)	(135,320)
Transfer from other Funds	<u>1,526,190</u>	<u>-</u>	<u>-</u>
	<u>1,618,190</u>	<u>4,751,046</u>	<u>9,301,114</u>
SURPLUS OF REVENUES OVER EXPENSES			
	<u>\$ 16,176,960</u>	<u>\$ 12,533,925</u>	<u>\$ 13,894,488</u>
Accumulated surplus, beginning of year		\$ 310,256,236	\$ 296,368,068
Change in share of equity in consolidated entities (Note 1)		<u>-</u>	<u>(6,320)</u>
ACCUMULATED SURPLUS, END OF YEAR			
		<u>\$ 322,790,161</u>	<u>\$ 310,256,236</u>

See accompanying notes

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the year ended December 31, 2016

	<u>Budget</u> (unaudited)	<u>2016</u>	<u>2015</u>
Surplus of revenues over expenses	\$ 16,176,960	\$ 12,533,925	\$ 13,894,488
Change in share of equity of consolidated entities	<u>-</u>	<u>-</u>	<u>(6,320)</u>
	<u>16,176,960</u>	<u>12,533,925</u>	<u>13,888,168</u>
Changes in Tangible Capital Assets ("TCA")			
Acquisition of TCA	-	(24,348,624)	(21,287,435)
Acquisition of work in progress	-	2,848,017	(4,061,790)
Amortization of TCA	-	11,397,215	11,016,554
Proceeds on disposal of TCA	-	210,752	200,400
Loss on disposal of TCA	<u>-</u>	<u>691,091</u>	<u>135,320</u>
	<u>-</u>	<u>(9,201,549)</u>	<u>(13,996,951)</u>
Change in Non-Financial Assets			
Change in property acquired for taxes	-	49,281	(41,746)
Change in prepaid expenses	-	175,061	(161,588)
Change in supplies inventory	-	262,412	26,316
Land available for sale - developments during the year	-	(190,775)	(363,406)
Land available for sale - sold during the year	<u>-</u>	<u>85,746</u>	<u>270,212</u>
	<u>-</u>	<u>381,725</u>	<u>(270,212)</u>
DECREASE (INCREASE) IN NET DEBT	<u>16,176,960</u>	3,714,101	(378,995)
NET DEBT, BEGINNING OF YEAR		<u>(3,884,496)</u>	<u>(3,505,501)</u>
NET DEBT, END OF YEAR		\$ <u>(170,395)</u>	\$ <u>(3,884,496)</u>

See accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Surplus of revenues over expenses	\$ 12,533,925	\$ 13,894,488
Adjusted for non-cash items		
Amortization of TCA	11,397,215	11,016,554
Loss on disposal of TCA	691,091	135,320
Change of share in equity in consolidated entities	<u>-</u>	<u>(6,320)</u>
	<u>24,622,231</u>	<u>25,040,042</u>
Net changes in non-cash working capital		
Taxes receivable	(355,068)	(463,658)
Accounts receivable	(4,609,548)	776,237
Due to Trusts	(145)	246
Accounts payable and accrued liabilities	(2,804,800)	4,581,746
Wages and employee benefits payable	362,451	205,089
Deposits and deferred revenue	(1,072,056)	449,563
Due to local school divisions	32,215	47,423
Vested sick leave	(5,771)	123,232
Property acquired for taxes	49,281	(41,746)
Prepaid expenses	175,061	(161,588)
Supplies inventory	262,412	26,316
Land available for sale - developments during the year	(190,775)	(363,406)
Land available for sale - sold during the year	<u>85,746</u>	<u>270,212</u>
	<u>(8,070,997)</u>	<u>5,449,666</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(24,348,624)	(21,287,435)
Proceeds from the disposal of tangible capital assets	210,752	200,400
Development of work in progress (net of transfers)	<u>2,848,017</u>	<u>(4,061,790)</u>
	<u>(21,289,855)</u>	<u>(25,148,825)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Long-term debt issued	-	444,983
Long-term debt repaid	<u>(1,809,897)</u>	<u>(1,731,250)</u>
	<u>(1,809,897)</u>	<u>(1,286,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	(6,548,518)	4,054,616
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>17,441,492</u>	<u>13,386,876</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ <u>10,892,974</u>	\$ <u>17,441,492</u>
CONSISTING OF:		
Cash	\$ 10,773,493	\$ 17,322,680
Temporary investments	<u>119,481</u>	<u>118,812</u>
	\$ <u>10,892,974</u>	\$ <u>17,441,492</u>

See accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The City of Prince Albert ("the City") are 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:

Fund Accounting (Segment Disclosures - see Schedule 1)

The City's consolidated financial statements are prepared in accordance with PSAS 2700, Segment Disclosures. The City's segments are divided into different funds, a description of each is provided below:

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.

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 a self sustaining fund.

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 a self sustaining fund.

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.

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 revenues 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.

Reporting Entity 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 (2016 - 84.23% : 2015 - 84.23%)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Use of Estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year.

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. Actual results could differ from those estimates.

Cash

Cash consists of cash on hand and balances with banks.

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.

Deposits and Deferred Revenue

Deposits and deferred revenue includes monies received in advance for servicing and subdivision revenue, property sales, and external funding for capital projects to be completed in future years.

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. Police Services employees will continue to accumulate vested sick leave as of December 31, 2016. 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.

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.

Supplies Inventory

Inventory is valued using the average cost method and are valued at the lower of cost and net realizable value.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

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

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 are 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. The City invests in and displays Works of Art and these works are not recorded as Tangible Capital Assets, instead the costs are expensed when the purchases are made.

The City has recorded nil contributed tangible capital assets in the current year. (2015-\$7,936,801).

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.

Pension

Employees of the City participate in the Municipal Employees Pension Plan ("MEPP"). Since this plan is a multi-employer defined benefit plan, defined contribution accounting has been applied and the City's pension expense is limited to its contributions to the plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Trust Funds

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the schedule of funds held in trust and schedule of trust fund transactions.

Budget Figures

The Council approved 2016 operating budgets and are reflected on the Statement of Operations, and does not include budget figures for the consolidated entities. The budget figures are not audited.

New Standards Adopted in Current Year

A number of new standards and amendments to standards which may impact the City are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these consolidated financial statements.

Standards effective beginning on or after April 1, 2017

- i) Assets - Assets ("PS 3210") provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information 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.
- ii) Contingent Assets - Contingent Assets ("PS 3320") defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.
- iii) Contractual Rights - Contractual Rights ("PS 3380") defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual rights is required.
- iv) Related Party Transactions - Related Party Transactions ("PS 2200") 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 financial statements.
- v) Inter-entity Transactions - Inter-entity Transactions ("PS 3420") specifically addresses the reporting of transactions between entities controlled by the government's reporting entity from both a provider and recipient perspective. Disclosure of this information is required whether or not the transaction is given accounting recognition.

Standards effective beginning on or after April 1, 2018

- vi) Restructuring Transactions - Restructuring Transactions ("PS 3430") establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor.

Standards effective beginning on or after April 1, 2019

- vii) Financial Statement Presentation - Financial Statement Presentation ("PS 1201") was amended to conform to Financial Instruments ("PS 3450"), and requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.
- viii) Portfolio Investments - Portfolio Investments ("PS 3041") has removed the distinction between temporary and portfolio investments. This section was amended to conform to Financial Instruments ("PS 3450"), and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, Temporary Investments ("PS 3030") will no longer apply.
- ix) Foreign Currency Translation - Foreign Currency Translation ("PS 2601") requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item.

x) Financial Instruments - Financial Instruments (“PS 3450”) establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

The City continues to assess the impacts of the above standards. While the timing of standards adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (“PS 1201”), Financial Instruments (“PS 3450”), Foreign Currency Translation (“PS 2601”) and Portfolio Investments (“PS 3041”) must be implemented at the same time. Related Party Disclosures (“PS 2200”) and Inter-Entity Transactions (“PS 3420”) also require concurrent adoption.

The extent of the impact on the adoption of these standards is not known at this time.

2. ACCOUNTS RECEIVABLE

Accounts receivable have been reported net of an allowance for doubtful accounts of \$1,684,030 (2015 - \$1,620,331). The allowance has been determined through an annual review of outstanding amounts.

3. 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 \$3,371,990 on a undiscounted basis.

The calculation of the liability in the amount of \$331,196 (2015 - \$241,952) is included in accounts payable and accrued liabilities and is based on the cumulative capacity used at December 31, 2016, compared to the total estimated landfill capacity at the same date. The estimated total capacity of the site is 3,860,700 cubic metres, of which 711,713 cubic metres (2015 - 590,460 cubic metres) have been used as of December 31, 2016 (18%) (2015 - 15.0%). The existing landfill site is expected to reach capacity in approximately 2046.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

4. DEPOSITS AND DEFERRED REVENUE

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

	<u>2016</u>	<u>2015</u>
Emergency Communication Centre	\$ 560,821	\$ 489,293
Water Utility Deposits	358,515	358,825
Facilities	356,660	387,770
Prepaid Property Tax	176,340	630,495
Prepaid Business Licenses	143,950	155,850
Custom Work Deposits	95,587	97,537
Sask. Lotteries Deferred Grant	95,117	77,600
Urban Connector O & M Funds	94,208	94,208
Prepaid Sponsorship	67,375	-
Capital Grant	53,145	-
Victim Services	30,671	29,516
Landfill Deposits	19,100	17,500
Urban Connector Funds	-	716,791
Prepaid Rentals	-	73,285
Other	49,191	44,066
	<u>\$ 2,100,680</u>	<u>\$ 3,172,736</u>

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:

	<u>Public School</u>	<u>Separate School</u>	<u>Total 2016</u>	<u>Total 2015</u>
Taxes payable	\$ 815,000	\$ 157,612	\$ 972,612	\$ 943,292
Allowance for doubtful accounts	<u>(311,154)</u>	<u>(1,352)</u>	<u>(312,506)</u>	<u>(315,401)</u>
	<u>\$ 503,846</u>	<u>\$ 156,260</u>	<u>\$ 660,106</u>	<u>\$ 627,891</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

6. LONG-TERM DEBT

	<u>2016</u>	<u>2015</u>
General Fund		
Loan payable - TrafCo (Canada) Ltd. monthly payments of \$14,595 including interest, repaid November 1, 2016	\$ -	\$ 140,558
Loan payable - Bank of Montreal (BMO), monthly payments of \$40,466 including interest at 2.83%, secured by a first assignment of water utility user fees and charges and land sales, due April 1, 2018	277,873	317,951
Mortgage payable - Prince Albert Golf and Curling Club (PAGCC). The City is a guarantor for the mortgage of the PAGCC and amount is paid as a grant for this purpose. Conexus, Bi-weekly payments of \$1,987 including interest at 5.12%, secured by the Club Facility, due May 14, 2027	<u>414,150</u>	<u>444,984</u>
	<u>692,023</u>	<u>903,493</u>
Water Utility Fund		
Loan payable - Canada Mortgage and Housing Corporation (CMHC), annual payments of \$718,523 including interest at 3.98%, due September 1, 2024. Repayment is from water and sewer levies.	4,841,629	5,347,328
Loan payable - Saskatchewan Municipal Financing Corporation (SMFC), annual payments of \$871,846 including interest at 6%, due September 1, 2018	<u>1,598,436</u>	<u>2,330,454</u>
	<u>6,440,065</u>	<u>7,677,782</u>
Land Fund		
Loan payable - Bank of Montreal (BMO), monthly payments of \$40,466 including interest at 2.83%, secured by a first assignment of water utility user fees and charges and land sales, due April 1, 2018. This portion of the loan to finance underground infrastructure - see also General Fund portion.	<u>2,500,853</u>	<u>2,861,563</u>
Total Long-Term Debt	<u>\$ 9,632,941</u>	<u>\$ 11,442,838</u>

Amounts due is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,745,507	\$ 382,119	\$ 2,127,626
2018	1,826,444	301,183	2,127,627
2019	1,039,584	216,197	1,255,781
2020	1,076,524	179,257	1,255,781
2021	1,114,816	140,965	1,255,781
Remainder	<u>2,830,066</u>	<u>205,887</u>	<u>3,035,953</u>
	<u>\$ 9,632,941</u>	<u>\$ 1,425,608</u>	<u>\$ 11,058,549</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

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

The general bank account is covered by a \$12,000,000 revolving credit line. The interest on the credit line is prime less 0.75% per year. The credit line is secured by all taxes levied by the City. The balance at December 31, 2016 is nil (2015 - nil). As of December 31, 2016 The City has an SMB approved debt limit of \$55,000,000.

7. PROPERTY ACQUIRED FOR TAXES

Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. This amount has been recorded net of an allowance of \$598,556 (2015 - \$647,837) for properties calculated through an annual review of cost and market value.

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:

	<u>Opening Balance</u>	<u>Capitalized during year</u>	<u>Additions</u>	<u>Ending Balance</u>
General Fund				
Roads	\$ 1,735,151	\$ (749,641)	\$ 167,492	\$ 1,153,002
Machinery and Equipment	265	-	-	265
Buildings	142,605	(118,605)	568,140	592,140
Computer Hardware	212,074	(212,074)	-	-
Fire Sub-Station	50,967	(35,692)	-	15,275
Police Capital	<u>30,619</u>	<u>(30,619)</u>	<u>-</u>	<u>-</u>
	<u>2,171,681</u>	<u>(1,146,631)</u>	<u>735,632</u>	<u>1,760,682</u>
Airport Fund				
Airport Capital Projects	<u>-</u>	<u>-</u>	<u>27,293</u>	<u>27,293</u>
Sanitation Fund				
Garbage	<u>1,721,166</u>	<u>(1,634,726)</u>	<u>481,005</u>	<u>567,445</u>
Water Utility Fund				
Water Treatment Plant	68,820	(68,820)	172,646	172,646
Waste Water				
Treatment Plant	1,894,758	(1,894,758)	855,150	855,150
Water Infrastructure	<u>8,585,676</u>	<u>(374,808)</u>	<u>-</u>	<u>8,210,868</u>
	<u>10,549,254</u>	<u>(2,338,386)</u>	<u>1,027,796</u>	<u>9,238,664</u>
	<u>\$ 14,442,101</u>	<u>\$ (5,119,743)</u>	<u>\$ 2,271,726</u>	<u>\$ 11,594,084</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

9. TANGIBLE CAPITAL ASSETS

For segmented detail, please refer to Schedule 7:

	<u>Closing Cost</u>	<u>Accumulated Amortization</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Land	\$ 19,565,781	\$ -	\$ 19,565,781	\$ 19,565,782
Land Improvements	30,140,398	(12,957,461)	17,182,937	15,654,738
Buildings	53,275,739	(19,007,286)	34,268,453	34,599,040
Machinery and Equipment	6,151,000	(3,631,176)	2,519,824	2,836,736
Fleet	22,716,032	(9,771,029)	12,945,003	11,795,282
Roads	110,968,927	(45,726,606)	65,242,321	59,772,832
Water, Sanitary and Storm Sewer Infrastructure	257,678,743	(105,747,992)	151,930,751	147,419,267
Consolidated Entities Capital Assets	<u>1,275,389</u>	<u>(436,533)</u>	<u>838,856</u>	<u>800,683</u>
	<u>\$ 501,772,009</u>	<u>\$(197,278,083)</u>	<u>\$ 304,493,926</u>	<u>\$ 292,444,360</u>

10. ACCUMULATED SURPLUS

	<u>2016</u>	<u>2015</u>
General Operating Fund		
Fund Balance (Schedule 8)	\$ 142,427,343	\$ 133,147,134
Reserves (Schedule 9)	<u>14,007,867</u>	<u>12,411,280</u>
	156,435,210	145,558,414
Sanitation Operating Fund		
Fund Balance (Schedule 8)	9,535,345	9,590,504
Reserves (Schedule 9)	<u>36,194</u>	<u>283,448</u>
	9,571,539	9,873,952
Water Utility Operating Fund		
Fund Balance (Schedule 8)	149,225,520	146,180,890
Reserves (Schedule 9)	<u>998,912</u>	<u>976,524</u>
	150,224,432	147,157,414
Land Operating Fund		
Fund Balance (Schedule 8)	(9,199,704)	(9,282,090)
Reserves (Schedule 9)	<u>(2,263,343)</u>	<u>(940,033)</u>
	(11,463,047)	(10,222,123)
Airport Operating Fund		
Fund Balance (Schedule 8)	14,651,197	14,903,306
Reserves (Schedule 9)	<u>1,803,801</u>	<u>1,499,771</u>
	16,454,998	16,403,077
John M. Cuelenaere Public Library Board	358,767	237,698
North Central Saskatchewan Waste Management Corporation	<u>1,208,262</u>	<u>1,247,804</u>
	<u>\$ 322,790,161</u>	<u>\$ 310,256,236</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

11. TAXATION REVENUE

	<u>Budget</u> (unaudited)	<u>2016</u>	<u>2015</u>
General Municipal Taxation Levy	\$ 26,069,410	\$ 26,191,895	\$ 27,100,080
Special Levy Base Tax	1,318,300	1,332,663	1,317,107
Special Levy - Library Levy	1,942,280	1,971,523	-
Special Levy - Paving	4,066,800	4,114,314	4,063,723
Special Levy - Destination Marketing	300,000	305,500	-
General Municipal Taxation - Supplementals	80,000	185,673	822,598
General Municipal Taxation Surcharges	250,000	280,310	274,716
Abatements on Current Year Taxes	(772,390)	(35,019)	(35,955)
Discounts on Current Year Taxes	<u>(90,000)</u>	<u>(97,176)</u>	<u>(90,494)</u>
	33,164,400	34,249,683	33,451,775
Capital Projects - Special Levy	1,456,600	1,415,629	1,480,390
Street Oiling Levies	35,000	57,866	26,927
Penalties on Tax Arrears	<u>200,000</u>	<u>308,127</u>	<u>274,510</u>
	\$ 34,856,000	\$ 36,031,305	\$ 35,233,602
Less consolidation eliminations	<u>-</u>	<u>(49,227)</u>	<u>(50,187)</u>
	<u>\$ 34,856,000</u>	<u>\$ 35,982,078</u>	<u>\$ 35,183,415</u>

Refer to Schedule 3 and Schedule 4 for the consolidation adjustments.

12. GRANTS-IN-LIEU-OF-TAXES

	<u>Budget</u> (unaudited)	<u>2016</u>	<u>2015</u>
Grants-in-Lieu of Taxes			
Federal	\$ 212,780	\$ 145,284	\$ 225,316
Provincial	2,355,060	2,203,750	2,468,722
First Nations Reserve Lands	447,500	397,546	447,514
Prince Albert Pulp Inc	<u>1,894,200</u>	<u>852,843</u>	<u>1,171,843</u>
	4,909,540	3,599,423	4,313,395
Franchise Fees			
Sask Power	4,833,500	5,060,903	4,990,847
Sask Energy	954,600	808,860	917,972
TransGas	<u>6,000</u>	<u>8,682</u>	<u>6,219</u>
	<u>\$ 10,703,640</u>	<u>\$ 9,477,868</u>	<u>\$ 10,228,433</u>

13. PENSION FUND

Employees of the City participate in MEPP and contributions are a percentage of salary. Police and Firefighters contributed 11.35% (2015 - 11.35%) of their salary. All other members contributed 8.15% (2015 - 8.4%) to the plan. The City matches all the employees' contributions to the plan. Pension expense for the year included in the Salaries, Wages and Benefits expenses is \$3,766,223 (2015 - \$3,555,476).

Based on the latest information available, MEPP had a surplus in the net assets available for benefits of \$344,484,000 (2015 had a surplus of \$316,933,000). The City's portion of this is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

14. CONTINGENT LIABILITIES AND GUARANTEES

- a. The City is a third party, by way of being a member of MEPP in a the 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 financial statements.
- b. The City is in receipt of a statement of claim from Domtar Pulp and Paper Inc. (Domtar) with respect to property taxes it paid in 2009 and 2010. Domtar alleges that they have been over-charged for property taxes for those respective years. A contingent liability was included in the 2015 financial statements for this claim. The claim was settled on May 26th, 2017 and a liability was recorded for the final settlement amount in 2016.
- c. 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.
- d. 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. In 2015, there was a provision of \$820,575 setup and classified in Accounts Payable and Accrued Liabilities for the City's share of remediation of a property in the Cornerstone Shopping District. This liability was funded through the City's Land Fund in 2015, any remaining liability in 2016 is not material to the City's overall financial position. Other 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 also not material to the City's overall financial position. Those sites are:
 1. 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.
 2. 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 in place with very little remediation needed.

15. COMPARATIVE FIGURES

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

SCHEDULE 1 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION SEGMENTED BY FUND

As at December 31, 2016

	GENERAL OPERATING FUND	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
FINANCIAL ASSETS					
Cash	\$ 9,644,561	-	-	-	\$ 369,619
Temporary investments	-	-	-	-	-
Taxes receivable	3,447,790	-	-	-	-
Accounts receivable	<u>7,827,372</u>	<u>266,825</u>	<u>5,185,275</u>	<u>487,193</u>	<u>141,969</u>
	<u>20,919,723</u>	<u>266,825</u>	<u>5,185,275</u>	<u>487,193</u>	<u>511,588</u>
LIABILITIES					
Accounts payable and accrued liabilities	9,942,517	331,196	160,696	221,839	-
Wages and employee benefits payable	1,986,524	-	14,637	-	1,903
Deposits and deferred revenue	1,615,457	19,100	466,123	-	-
Due to local school divisions	660,106	-	-	-	-
Due to Trusts	10,317	-	-	-	-
Long-term debt	692,023	-	6,440,065	2,500,854	-
Vested sick leave	<u>2,800,267</u>	<u>52,350</u>	<u>303,162</u>	<u>-</u>	<u>35,393</u>
	<u>17,707,211</u>	<u>402,646</u>	<u>7,384,683</u>	<u>2,722,693</u>	<u>37,296</u>
	<u>3,212,512</u>	<u>(135,821)</u>	<u>(2,199,408)</u>	<u>(2,235,500)</u>	<u>474,292</u>
NET FINANCIAL ASSETS (DEBT)					
NON-FINANCIAL ASSETS					
Property acquired for taxes	598,556	-	-	-	-
Prepaid expenses	187,680	-	-	-	-
Supplies inventory	1,330,035	-	210,842	-	-
Land available for sale	-	-	-	4,530,785	-
Work in progress	1,760,681	567,445	9,238,664	-	27,292
Tangible Capital Assets	124,633,676	9,173,917	155,978,432	-	13,869,050
Due from (to) other funds	<u>24,712,070</u>	<u>(34,002)</u>	<u>(13,004,097)</u>	<u>(13,758,331)</u>	<u>2,084,360</u>
	<u>153,222,698</u>	<u>9,707,360</u>	<u>152,423,841</u>	<u>(9,227,546)</u>	<u>15,980,702</u>
ACCUMULATED SURPLUS	<u>\$ 156,435,210</u>	<u>\$ 9,571,539</u>	<u>\$ 150,224,433</u>	<u>\$ (11,463,046)</u>	<u>\$ 16,454,994</u>

See accompanying notes

SCHEDULE 1 (UNAUDITED) (continued) — **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
SEGMENTED BY FUND

As at December 31, 2016

	GENERAL OPERATING FUND	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
FINANCIAL ASSETS					
Cash	\$ 9,644,561	\$ -	\$ -	\$ -	\$ 369,619
Temporary investments	-	-	-	-	-
Taxes receivable	3,447,790	-	-	-	-
Accounts receivable	<u>7,827,372</u>	<u>266,825</u>	<u>5,185,275</u>	<u>487,193</u>	<u>141,969</u>
	<u>20,919,723</u>	<u>266,825</u>	<u>5,185,275</u>	<u>487,193</u>	<u>511,588</u>
LIABILITIES					
Accounts payable and accrued liabilities	9,942,517	331,196	160,696	221,839	-
Wages and employee benefits payable	1,986,524	-	14,637	-	1,903
Deposits and deferred revenue	1,615,457	19,100	466,123	-	-
Due to local school divisions	660,106	-	-	-	-
Due to Trusts	10,317	-	-	-	-
Long-term debt	692,023	-	6,440,065	2,500,854	-
Vested sick leave	<u>2,800,267</u>	<u>52,350</u>	<u>303,162</u>	<u>-</u>	<u>35,393</u>
	<u>17,707,211</u>	<u>402,646</u>	<u>7,384,683</u>	<u>2,722,693</u>	<u>37,296</u>
	<u>3,212,512</u>	<u>(135,821)</u>	<u>(2,199,408)</u>	<u>(2,235,500)</u>	<u>474,292</u>
NET FINANCIAL ASSETS (DEBT)					
NON-FINANCIAL ASSETS					
Property acquired for taxes	598,556	-	-	-	-
Prepaid expenses	187,680	-	-	-	-
Supplies inventory	1,330,035	-	210,842	-	-
Land available for sale	-	-	-	4,530,785	-
Work in progress	1,760,681	567,445	9,238,664	-	27,292
Tangible Capital Assets	124,633,676	9,173,917	155,978,432	-	13,869,050
Due from (to) other funds	<u>24,712,070</u>	<u>(34,002)</u>	<u>(13,004,097)</u>	<u>(13,758,331)</u>	<u>2,084,360</u>
	<u>153,222,698</u>	<u>9,707,360</u>	<u>152,423,841</u>	<u>(9,227,546)</u>	<u>15,980,702</u>
ACCUMULATED SURPLUS	<u>\$ 156,435,210</u>	<u>\$ 9,571,539</u>	<u>\$ 150,224,433</u>	<u>\$ (11,463,046)</u>	<u>\$ 16,454,994</u>

See accompanying notes

**SCHEDULE 2 (UNAUDITED) – CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR
SEGMENTED BY FUND**

As at December 31, 2016

	GENERAL OPERATING FUND	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
FINANCIAL ASSETS					
Cash	\$ 16,288,920	\$ -	\$ -	\$ -	\$ 364,872
Temporary investments	-	-	-	-	-
Taxes receivable	3,092,722	-	-	-	-
Accounts receivable	4,614,143	75,093	3,961,896	508,908	169,764
Long-term investments	-	-	-	-	-
	<u>23,995,785</u>	<u>75,093</u>	<u>3,961,896</u>	<u>508,908</u>	<u>534,636</u>
LIABILITIES					
Accounts payable and accrued liabilities	12,484,220	241,952	137,814	671,522	-
Wages and employee benefits payable	1,573,285	14,126	47,261	-	5,939
Deposits and deferred revenue	2,698,875	17,500	456,363	-	-
Due to local school divisions	627,891	-	-	-	-
Due to Trusts	10,462	-	-	-	-
Long-term debt	903,493	-	7,677,782	2,861,563	-
Vested sick leave	<u>2,717,791</u>	<u>66,672</u>	<u>359,973</u>	<u>-</u>	<u>52,507</u>
	<u>21,016,017</u>	<u>340,250</u>	<u>8,679,193</u>	<u>3,533,085</u>	<u>58,446</u>
NET FINANCIAL ASSETS (DEBT)	<u>2,979,768</u>	<u>(265,157)</u>	<u>(4,717,297)</u>	<u>(3,024,177)</u>	<u>476,190</u>
NON-FINANCIAL ASSETS					
Property acquired for taxes	647,837	-	-	-	-
Prepaid expenses	358,741	-	-	-	-
Supplies inventory	1,512,877	-	290,413	-	-
Land available for sale	-	-	-	4,425,756	-
Work in progress	2,171,681	1,721,167	10,549,253	-	-
Tangible Capital Assets	118,545,335	7,747,028	150,904,066	-	14,447,248
Due to (from) other funds	<u>19,342,175</u>	<u>670,912</u>	<u>(9,869,025)</u>	<u>(11,623,702)</u>	<u>1,479,640</u>
	<u>142,578,646</u>	<u>10,139,107</u>	<u>151,874,707</u>	<u>(7,197,946)</u>	<u>15,926,888</u>
ACCUMULATED SURPLUS	<u>\$ 145,558,414</u>	<u>\$ 9,873,950</u>	<u>\$ 147,157,413</u>	<u>\$ (10,222,123)</u>	<u>\$ 16,403,078</u>

See accompanying notes

**SCHEDULE 2 (UNAUDITED) (continued) – CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR
SEGMENTED BY FUND**

As at December 31, 2016

	J MC PUBLIC LIBRARY BOARD	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
FINANCIAL ASSETS				
Cash	\$ 160,162	\$ 508,726	\$ -	\$ 17,322,680
Temporary investments	118,811	-	-	118,811
Taxes receivable	-	-	-	3,092,722
Accounts receivable	6,725	-	-	9,336,530
Long-term investments	-	-	-	-
	<u>285,698</u>	<u>508,726</u>	<u>-</u>	<u>29,870,743</u>
LIABILITIES				
Accounts payable and accrued liabilities	124,036	4,212	-	13,663,757
Wages and employee benefits payable	-	-	-	1,640,613
Deposits and deferred revenue	-	-	-	3,172,736
Due to local school divisions	-	-	-	627,891
Due to Trusts	-	-	-	10,462
Long-term debt	-	-	-	11,442,838
Vested sick leave	-	-	-	3,196,943
	<u>124,036</u>	<u>4,212</u>	<u>-</u>	<u>33,755,240</u>
NET FINANCIAL ASSETS (DEBT)	<u>161,662</u>	<u>504,514</u>	<u>-</u>	<u>(3,884,497)</u>
NON-FINANCIAL ASSETS				
Property acquired for taxes	-	-	-	647,837
Prepaid expenses	18,648	-	-	377,389
Supplies inventory	-	-	-	1,803,291
Land available for sale	-	-	-	4,425,756
Work in progress	-	-	-	14,442,101
Tangible Capital Assets	57,388	743,294	-	292,444,360
Due to (from) other funds	-	-	-	-
	<u>76,036</u>	<u>743,294</u>	<u>-</u>	<u>314,140,733</u>
ACCUMULATED SURPLUS	<u>\$ 237,698</u>	<u>\$ 1,247,808</u>	<u>\$ -</u>	<u>\$ 310,256,236</u>

See accompanying notes

SCHEDULE 3 (UNAUDITED) – CONSOLIDATED STATEMENT OF OPERATIONS SEGMENTED BY FUND

For the year ended December 31, 2016

	<u>GENERAL OPERATING FUND</u>	<u>SANITATION OPERATING FUND</u>	<u>WATER UTILITY OPERATING FUND</u>	<u>LAND OPERATING FUND</u>	<u>AIRPORT OPERATING FUND</u>
REVENUES					
Taxation	\$ 36,031,305	\$ -	\$ -	\$ -	\$ -
User charges and fees	13,769,153	4,077,134	15,585,732	35,936	1,211,033
Operating grants and donations	12,118,082	171,371	9,603,971	-	-
Grants-in-lieu-of-taxes	9,477,868	-	-	-	-
Interest and penalties	704,142	4,408	352,673	-	2,924
Land sales	-	-	-	796,659	-
Sundry	<u>1,263,191</u>	<u>-</u>	<u>260,052</u>	<u>280,947</u>	<u>10,070</u>
	73,363,741	4,252,913	25,802,428	1,113,542	1,224,027
EXPENSES					
Council remuneration	\$ 340,583	\$ -	\$ -	\$ -	\$ -
Salaries, wages and benefits	42,067,748	1,182,737	6,370,120	128,733	329,401
Contracted and general services	5,626,093	476,906	1,674,805	369,833	116,588
Financial charges	90,133	5,744	-	-	767
Grants and donations	2,660,100	142,100	-	-	-
Utilities	2,400,263	31,990	-	-	-
Interest on long term debt	34,997	-	915,262	-	95,722
Fleet expenses	2,602,485	1,163,906	375,533	76,327	-
Maintenance, material and supplies	6,703,062	471,025	775,750	-	107,331
Insurance	449,893	3,150	40,266	3,537	142,064
Bad debt expense	(518,382)	25,775	167,978	-	21,415
Cost of land sales	-	-	-	85,976	9,163
Amortization	<u>6,037,921</u>	<u>564,745</u>	<u>4,090,501</u>	<u>-</u>	<u>617,755</u>
	68,494,896	4,068,078	25,502,705	664,406	1,440,206
SURPLUS OF REVENUES OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>4,868,845</u>	<u>184,835</u>	<u>299,723</u>	<u>449,136</u>	<u>(216,179)</u>
Capital revenue	3,012,237	-	2,321,309	131,611	-
Write down of Tangible Capital Assets	(23,020)	-	-	-	-
Gain (Loss) on disposal of TCA	(181,990)	(181,628)	(327,473)	-	-
Interfund transactions	<u>3,033,108</u>	<u>(237,715)</u>	<u>(828,249)</u>	<u>(120,253)</u>	<u>268,100</u>
	5,840,335	(419,343)	1,165,587	11,358	268,100
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 10,709,180</u>	<u>\$ (234,508)</u>	<u>\$ 1,465,310</u>	<u>\$ 460,494</u>	<u>\$ 51,921</u>

See accompanying notes

SCHEDULE 3 (UNAUDITED) (continued) – CONSOLIDATED STATEMENT OF OPERATIONS SEGMENTED BY FUND

For the year ended December 31, 2016

	EQUIPMENT FUND	JMC PUBLIC LIBRARY BOARD	NORTH CENTRAL SK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
REVENUES					
Taxation	\$ -	-	-	(49,227)	\$ 35,982,078
User charges and fees	-	60,161	142,099	-	34,881,249
Operating grants and donations	-	1,895,280	141,137	(2,020,808)	21,909,033
Grants-in-lieu-of-taxes	-	-	-	-	9,477,868
Interest and penalties	-	-	3,350	-	1,067,496
Land sales	-	-	-	-	796,659
Cost recovery	-	-	-	-	-
Sundry	-	-	-	-	<u>1,814,261</u>
	<u>-</u>	<u>1,955,441</u>	<u>286,586</u>	<u>(2,070,035)</u>	<u>105,928,644</u>
EXPENSES					
Council remuneration	\$ -	-	-	-	\$ 340,583
Salaries, wages and benefits	-	1,163,384	-	-	51,242,125
Contracted and general services	-	143,604	51,281	-	8,459,110
Financial charges	-	1,258	-	-	97,902
Grants and donations	-	-	-	(2,020,808)	781,392
Utilities	-	60,490	-	-	3,503,726
Interest on long term debt	-	-	-	-	486,858
Fleet expenses	(2,114,991)	-	-	-	2,534,480
Maintenance, material and supplies	-	426,368	225,480	(49,227)	19,014,799
Insurance	-	-	2,341	-	517,065
Bad debt expense	-	-	-	-	(315,465)
Cost of land sales	-	-	-	-	85,975
Amortization	-	39,268	47,026	-	11,397,215
	<u>(2,114,991)</u>	<u>1,834,372</u>	<u>326,128</u>	<u>(2,070,035)</u>	<u>98,145,765</u>
SURPLUS OF REVENUES OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>2,114,991</u>	<u>121,069</u>	<u>(39,542)</u>	<u>-</u>	<u>7,782,879</u>
Capital revenue	-	-	-	-	5,465,157
Write down of Tangible Capital Assets	-	-	-	-	(23,020)
Gain (Loss) on disposal of TCA	-	-	-	-	(691,091)
Interfund transactions	<u>(2,114,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(2,114,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,751,046</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 121,069</u>	<u>\$ (39,542)</u>	<u>\$ -</u>	<u>\$ 12,533,925</u>

See accompanying notes

SCHEDULE 4 (UNAUDITED) – CONSOLIDATED STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY FUND

For the year ended December 31, 2016

	<u>GENERAL OPERATING FUND (SCHEDULE 6)</u>	<u>SANITATION OPERATING FUND</u>	<u>WATER UTILITY OPERATING FUND</u>	<u>LAND OPERATING FUND</u>	<u>AIRPORT OPERATING FUND</u>
REVENUES					
Taxation	\$ 35,233,600	\$ -	\$ -	\$ -	\$ -
User charges and fees	12,486,122	3,883,326	15,344,007	82,587	1,263,903
Operating grants and donations	11,549,639	-	-	-	-
Grants-in-lieu-of-taxes	10,228,432	-	-	-	-
Interest and penalties	1,886,228	3,781	338,988	-	5,026
Land sales	-	-	-	342,489	-
Sundry	<u>658,825</u>	<u>-</u>	<u>264,446</u>	<u>56,479</u>	<u>3,104</u>
	<u>72,042,847</u>	<u>3,887,107</u>	<u>15,947,441</u>	<u>481,555</u>	<u>1,272,033</u>
EXPENSES					
Council remuneration	\$ 355,779	\$ -	\$ -	\$ -	\$ -
Salaries, wages and benefits	39,999,660	1,091,264	5,622,766	99,139	359,781
Contracted and general services	4,197,819	303,088	449,767	1,078,730	150,800
Financial charges	49,865	5,695	-	-	138
Grants and donations	3,924,063	142,100	-	-	-
Utilities	2,376,548	38,027	953,397	-	100,320
Interest on long term debt	42,808	-	413,443	86,381	-
Fleet expenses	2,628,713	944,890	766,380	-	126,413
Maintenance, material and supplies	6,477,451	164,605	3,103,051	(517,650)	159,264
Insurance	454,801	2,496	68,452	-	20,628
Bad debt expense	3,638,399	(5,443)	219,765	-	8,477
Cost of land sales	-	-	-	19,353	-
Amortization	<u>5,671,723</u>	<u>533,094</u>	<u>4,120,527</u>	<u>-</u>	<u>606,519</u>
	<u>69,817,627</u>	<u>3,219,816</u>	<u>15,717,547</u>	<u>765,953</u>	<u>1,532,341</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>2,225,222</u>	<u>667,291</u>	<u>229,894</u>	<u>(284,398)</u>	<u>(260,308)</u>
Capital revenue	8,788,058	-	362,201	44,000	242,175
Gain (Loss) on disposal of TCA	(74,824)	-	(23,734)	-	(36,764)
Interfund transactions	<u>2,770,912</u>	<u>(222,449)</u>	<u>(754,609)</u>	<u>(39,916)</u>	<u>245,740</u>
	<u>11,484,146</u>	<u>(222,449)</u>	<u>(416,142)</u>	<u>4,084</u>	<u>451,151</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 13,709,368</u>	<u>\$ 444,842</u>	<u>\$ (186,248)</u>	<u>\$ (280,314)</u>	<u>\$ 190,843</u>

**SURPLUS (DEFICIT) OF REVENUES
OVER EXPENSES**

See accompanying notes

SCHEDULE 4 (UNAUDITED) (continued) – CONSOLIDATED STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY FUND

For the year ended December 31, 2014

	EQUIPMENT FUND	J MC PUBLIC LIBRARY BOARD	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
REVENUES					
Taxation	\$ -	\$ -	\$ -	\$ (50,183)	\$ 35,183,417
User charges and fees	-	46,435	142,096	(11,730)	33,236,746
Operating grants and donations	-	1,780,350	15,945	(1,774,020)	11,577,914
Grants-in-lieu-of-taxes	-	-	-	-	10,228,433
Interest and penalties	-	743	5,000	-	2,239,766
Land sales	-	-	-	-	342,489
Sundry	-	-	3,761	-	986,615
	-	1,827,528	166,802	(1,835,933)	93,789,380
EXPENSES					
Council remuneration	\$ -	\$ -	\$ -	\$ -	\$ 355,779
Salaries, wages and benefits	-	1,138,656	-	-	48,311,266
Contracted and general services	-	158,697	58,595	-	6,397,496
Financial charges	-	1,343	-	-	57,041
Grants and donations	-	-	-	(1,785,749)	2,280,414
Utilities	-	58,026	-	-	3,526,318
Interest on long term debt	-	-	-	-	542,632
Fleet expenses	(1,999,678)	-	-	-	2,466,718
Maintenance, material and supplies	-	396,108	80,024	(50,185)	9,812,668
Insurance	-	-	2,193	-	548,567
Bad debt expense	-	-	-	-	3,861,198
Cost of land sales	-	-	-	-	19,353
Amortization	-	39,182	45,508	-	11,016,554
	(1,999,678)	1,792,012	186,320	(1,835,934)	89,196,004
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	1,999,678	35,516	(19,518)	-	4,593,376
Capital revenue	-	-	-	-	9,436,434
Gain (Loss) on disposal of TCA	-	-	-	-	(135,322)
Interfund transactions	(1,999,678)	-	-	-	-
	(1,999,678)	-	-	-	9,301,112
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$ -	\$ 35,516	\$ (19,518)	\$ -	\$ 13,894,488

See accompanying notes

SCHEDULE 5 (UNAUDITED) – GENERAL FUND STATEMENT OF OPERATIONS SEGMENTED BY DEPARTMENT

For the year ended December 31, 2016

	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
REVENUES							
Taxation	\$ 36,031,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,031,305
User charges and fees	1,196,126	5,783,065	1,429,949	251,547	843,810	4,264,656	13,769,153
Operating grants and donations	7,722,765	-	2,934,410	-	615,923	844,984	12,118,082
Grants-in-lieu-of-taxes	9,477,868	-	-	-	-	-	9,477,868
Interest and penalties	704,142	-	-	-	-	-	704,142
Sundry	962,472	-	-	58,863	11,978	229,878	1,263,191
	<u>56,094,678</u>	<u>5,783,065</u>	<u>4,364,359</u>	<u>310,410</u>	<u>1,471,711</u>	<u>5,339,518</u>	<u>73,363,741</u>
EXPENSES							
Council remuneration	\$ 340,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,583
Salaries, wages and benefits	6,518,074	5,058,392	16,475,271	5,955,759	2,322,549	5,737,703	42,067,748
Contracted and general services	1,773,330	35,996	129,427	47,191	2,020,914	1,619,235	5,626,093
Financial charges	24,583	-	-	-	-	65,550	90,133
Grants and donations	2,253,641	-	3,864	-	-	402,595	2,660,100
Utilities	-	-	116,599	38,243	1,030,385	1,215,036	2,400,263
Interest on long term debt	26,568	-	8,429	-	-	-	34,997
Fleet expenses	60,925	-	566,088	448,100	672,536	854,836	2,602,485
Maintenance, material and supplies	1,194,613	688,677	1,465,085	396,938	484,917	2,472,832	6,703,062
Insurance	201,236	-	18,100	3,325	19,683	207,549	449,893
Bad debt expense	(518,382)	-	-	-	-	-	(518,382)
Amortization	172,018	-	393,522	209,649	3,795,717	1,467,015	6,037,921
	<u>12,047,189</u>	<u>5,783,065</u>	<u>19,176,385</u>	<u>7,099,205</u>	<u>10,346,701</u>	<u>14,042,351</u>	<u>68,494,896</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>44,047,488</u>	<u>(14,812,026)</u>	<u>(6,788,795)</u>	<u>(8,874,990)</u>	<u>(8,702,833)</u>	<u>4,868,846</u>	<u>4,868,846</u>
Capital revenue	-	-	27,000	-	2,949,500	35,737	3,012,237
Write down of Tangible Capital Assets	-	-	-	-	-	(23,020)	(23,020)
Gain (Loss) on disposal of TCA	(8,491)	-	(19,987)	(8,215)	(58,884)	(86,412)	(181,990)
Interfund transactions	3,033,108	-	-	-	-	-	3,033,108
	<u>3,024,617</u>	<u>7,013</u>	<u>(8,215)</u>	<u>2,890,616</u>	<u>(73,695)</u>	<u>5,840,335</u>	<u>5,840,335</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 47,072,105</u>	<u>\$ (14,805,013)</u>	<u>\$ (6,797,010)</u>	<u>\$ (5,984,374)</u>	<u>\$ (8,776,528)</u>	<u>\$ 10,709,181</u>	<u>\$ 10,709,181</u>

See accompanying notes

SCHEDULE 6 (UNAUDITED) – GENERAL FUND STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY DEPARTMENT

For the year ended December 31, 2016

	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
REVENUES							
Taxation	\$ 35,233,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,233,600
User charges and fees	1,041,709	4,614,626	1,326,463	435,528	803,955	4,263,841	12,486,122
Operating grants and donations	7,531,016	-	2,910,891	-	535,741	571,991	11,549,639
Grants-in-lieu-of-taxes	10,228,433	-	-	-	-	-	10,228,433
Interest and penalties	1,886,228	-	-	-	-	-	1,886,228
Sundry	416,964	-	-	11,553	57	230,252	658,825
	<u>56,337,951</u>	<u>4,614,626</u>	<u>4,237,354</u>	<u>447,081</u>	<u>1,339,753</u>	<u>5,066,084</u>	<u>72,042,847</u>
EXPENSES							
Council remuneration	\$ 355,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,779
Salaries, wages and benefits	6,027,458	4,191,704	16,098,436	6,103,596	2,136,834	5,441,632	39,999,660
Contracted and general services	524,739	775	173,553	44,519	1,845,792	1,608,441	4,197,819
Financial charges	14,490	-	-	-	-	35,375	49,865
Grants and donations	3,003,056	-	46,170	-	-	874,836	3,924,063
Utilities	-	-	119,640	37,261	1,026,383	1,193,264	2,376,548
Interest on long term debt	31,402	-	11,143	-	-	263	42,808
Fleet expenses	45,422	-	564,340	438,053	699,998	880,900	2,628,713
Maintenance, material and supplies	1,120,664	422,147	1,476,808	355,320	480,715	2,621,798	6,477,451
Insurance	178,739	-	25,639	-	-	230,248	454,801
Bad debt expense	3,638,399	-	-	-	-	-	3,638,399
Amortization	161,952	-	344,764	213,893	3,523,163	1,427,951	5,671,723
	<u>15,102,100</u>	<u>4,614,626</u>	<u>18,860,493</u>	<u>7,196,085</u>	<u>9,729,617</u>	<u>14,314,708</u>	<u>69,817,627</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>41,235,852</u>	<u>-</u>	<u>(14,623,139)</u>	<u>(6,749,004)</u>	<u>(8,389,864)</u>	<u>(9,248,624)</u>	<u>2,225,220</u>
Capital revenue	78,199	-	-	-	8,254,910	454,949	8,788,058
Gain (Loss) on disposal of TCA	-	-	(29,955)	11,498	(54,199)	(2,168)	(74,824)
Interfund transactions	2,770,912	-	-	-	-	-	2,770,912
	<u>2,849,111</u>	<u>-</u>	<u>(29,955)</u>	<u>11,498</u>	<u>8,200,711</u>	<u>452,781</u>	<u>11,484,146</u>
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 44,084,963</u>	<u>\$ -</u>	<u>\$ (14,653,094)</u>	<u>\$ (6,737,506)</u>	<u>\$ (189,153)</u>	<u>\$ (8,795,843)</u>	<u>\$ 13,709,366</u>

See accompanying notes

SCHEDULE 7 (UNAUDITED)– TANGIBLE CAPITAL ASSETS – COST SEGMENTED BY FUND

For the year ended December 31, 2016

	<u>Opening Cost</u>	<u>Current Year Additions</u>	<u>Disposals</u>	<u>Closing Cost</u>
General Fund				
Land	\$ 11,824,671	\$ -	\$ -	\$ 11,824,671
Land improvements	8,764,393	902,836	-	9,667,229
Buildings	50,577,746	836,864	(299,600)	51,115,010
Machinery and equipment	4,957,733	535,784	(100,900)	5,392,617
Fleet	13,792,573	1,250,801	(853,406)	14,189,968
Roads	<u>104,073,692</u>	<u>8,909,633</u>	<u>(2,014,398)</u>	<u>110,968,927</u>
	<u>193,990,808</u>	<u>12,435,918</u>	<u>(3,268,304)</u>	<u>203,158,422</u>
Sanitation Fund				
Land improvements	6,050,080	1,700,151	-	7,750,231
Buildings	922,335	-	-	922,335
Machinery and equipment	349,446	541,015	(909,746)	(19,285)
Fleet	<u>3,955,211</u>	<u>-</u>	<u>-</u>	<u>3,955,211</u>
	<u>11,277,072</u>	<u>2,241,166</u>	<u>(909,746)</u>	<u>12,608,492</u>
Water Utility Fund				
Land	1,492,147	-	-	1,492,147
Land improvements	208,546	51,715	-	260,261
Buildings	295,237	-	-	295,237
Machinery and equipment	116,405	-	-	116,405
Fleet	2,920,793	742,237	(109,675)	3,553,355
Water, sanitary and storm Sewer infrastructure	<u>249,521,125</u>	<u>8,713,568</u>	<u>(555,950)</u>	<u>257,678,743</u>
	<u>254,554,253</u>	<u>9,507,520</u>	<u>(665,625)</u>	<u>263,396,148</u>
Airport Capital Fund				
Land	6,248,963	-	-	6,248,963
Land improvements	12,450,316	12,361	-	12,462,677
Buildings	943,157	-	-	943,157
Machinery and equipment	634,072	27,191	-	661,263
Fleet	<u>1,017,498</u>	<u>-</u>	<u>-</u>	<u>1,017,498</u>
	<u>21,294,006</u>	<u>39,552</u>	<u>-</u>	<u>21,333,558</u>
Consolidated Entities Capital				
JMC Public Library Board	147,498	12,233	-	159,731
North Central Saskatchewan Waste Management Corporation	<u>1,003,423</u>	<u>112,235</u>	<u>-</u>	<u>1,115,658</u>
	<u>1,150,921</u>	<u>124,468</u>	<u>-</u>	<u>1,275,389</u>
	<u>\$ 482,267,060</u>	<u>\$ 24,348,624</u>	<u>\$ (4,843,675)</u>	<u>\$ 501,772,009</u>

See accompanying notes

SCHEDULE 7 (UNAUDITED) (continued) – TANGIBLE CAPITAL ASSETS – ACCUMULATED AMORTIZATION SEGMENTED BY FUND

For the year ended December 31, 2016

	Opening Accumulated Amortization	Amortization	Disposals	Closing Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
General Fund						
Land	\$ -	\$ -	\$ -	\$ -	\$ 11,824,671	\$ 11,824,671
Land improvements	(4,435,705)	(286,722)	-	(4,722,427)	4,944,802	4,328,688
Buildings	(17,580,777)	(1,002,663)	183,971	(18,399,469)	32,715,541	32,996,969
Machinery and equipment	(2,717,923)	(493,580)	69,180	(3,142,323)	2,250,294	2,239,810
Fleet	(6,410,205)	(839,667)	715,951	(6,533,921)	7,656,047	7,382,367
Roads	(44,300,860)	(3,415,288)	1,989,542	(45,726,606)	65,242,321	59,772,833
	<u>(75,445,470)</u>	<u>(6,037,920)</u>	<u>2,958,644</u>	<u>(78,524,746)</u>	<u>124,633,676</u>	<u>118,545,338</u>
Sanitation Fund						
Land	-	-	-	-	-	1
Land improvements	(1,260,498)	(311,409)	-	(1,571,907)	6,178,324	4,789,580
Buildings	(264,527)	(20,104)	-	(284,631)	637,704	657,808
Machinery and equipment	(288,024)	(12,870)	-	(300,894)	(320,179)	61,422
Fleet	(1,716,994)	(220,362)	660,214	(1,277,142)	2,678,069	2,238,217
	<u>(3,530,044)</u>	<u>(564,745)</u>	<u>660,214</u>	<u>(3,434,574)</u>	<u>9,173,917</u>	<u>7,747,028</u>
Water Utility Fund						
Land	-	-	-	-	1,492,147	1,492,147
Land improvements	(133,559)	(8,261)	-	(141,820)	118,441	74,987
Buildings	(118,438)	(7,403)	-	(125,841)	169,396	176,799
Machinery and equipment	(10,469)	(10,022)	-	(20,491)	95,914	105,936
Fleet	(1,285,863)	(183,448)	87,740	(1,381,571)	2,171,784	1,634,929
Water, sanitary and storm Sewer infrastructure	(102,101,857)	(3,881,367)	235,232	(105,747,992)	151,930,751	147,419,269
	<u>(103,650,186)</u>	<u>(4,090,501)</u>	<u>322,972</u>	<u>(107,417,715)</u>	<u>155,978,432</u>	<u>150,904,067</u>
Airport Capital Fund						
Land	-	-	-	-	6,248,963	6,248,963
Land improvements	(5,988,833)	(532,474)	-	(6,521,307)	5,941,370	6,461,483
Buildings	(175,692)	(21,653)	-	(197,345)	745,812	767,465
Machinery and equipment	(136,914)	(30,554)	-	(167,468)	493,795	497,158
Fleet	(545,321)	(33,074)	-	(578,395)	439,103	472,177
	<u>(6,846,760)</u>	<u>(617,755)</u>	<u>-</u>	<u>(7,464,515)</u>	<u>13,869,050</u>	<u>14,447,246</u>
Consolidated Entities Capital						
JMC Public Library Board	(90,110)	(39,268)	-	(129,378)	30,353	57,388
North Central Saskatchewan Waste Management Corporation	(260,129)	(47,026)	-	(307,155)	808,503	743,294
	<u>(350,239)</u>	<u>(86,294)</u>	<u>-</u>	<u>(436,533)</u>	<u>838,856</u>	<u>800,682</u>
	<u>\$ (189,822,699)</u>	<u>\$ (11,397,215)</u>	<u>\$ 3,941,830</u>	<u>\$ (197,278,083)</u>	<u>\$ 304,493,926</u>	<u>\$ 292,444,360</u>

See accompanying notes

SCHEDULE 8 (UNAUDITED) – SCHEDULE OF FUND BALANCES

For the year ended December 31, 2016

	<u>2015 Balance</u>	<u>Surplus (Deficit)</u>	<u>Net allocations</u>	<u>2016 Balance</u>
GENERAL FUND				
General Fund -				
Accumulated Surplus	\$ 12,122,910	\$ 10,709,180	\$ (7,814,007)	\$ 15,018,083
Police Surplus	1,522,973	-	-	1,522,973
Net Investment in Tangible Capital				
Assets - General Fund (Schedule 7)	118,545,335	-	6,088,336	124,633,671
Tangible Capital Assets - Work in Progress	2,171,681	-	(411,000)	1,760,681
Amount to be recovered from future revenues - CIBC Loan	(317,951)	-	40,079	(277,872)
Amount to be recovered from future revenues - PAGCC Loan	(444,983)	-	444,983	-
Amount to be recovered from future revenues - Equipment Loan	(69,999)	-	25,530	(44,469)
Amount to be recovered from future revenues - Parking Meter Loan	(140,558)	-	127,780	(12,778)
Police Building Reserve	<u>(242,274)</u>	<u>-</u>	<u>69,327</u>	<u>(172,947)</u>
	<u>133,147,134</u>	<u>10,709,180</u>	<u>(1,428,972)</u>	<u>142,427,342</u>
SANITATION FUND				
Net Investment in Tangible Capital Assets - Sanitation Utility Fund (Schedule 7)	7,747,031	-	1,426,889	9,173,920
Sanitation - Work in Progress	1,721,167	-	(1,153,722)	567,445
Sanitation Improvement	<u>122,306</u>	<u>(234,508)</u>	<u>(93,818)</u>	<u>(206,020)</u>
	<u>9,590,504</u>	<u>(234,508)</u>	<u>179,349</u>	<u>9,535,345</u>
WATER UTILITY FUND				
Amount to be recovered from future revenues - CMHC Loan	(5,347,329)	-	505,699	(4,841,630)
Amount to be recovered from future revenues - SMFC Loan	(2,330,454)	-	732,018	(1,598,436)
Net Investment in Tangible Capital Assets - Water Utility Fund (Schedule 7)	150,904,064	-	5,074,366	155,978,430
Waterworks - Work in Progress	10,549,253	-	(1,310,590)	9,238,663
Waterworks Improvement	<u>(7,594,644)</u>	<u>1,465,310</u>	<u>(3,422,173)</u>	<u>(9,551,507)</u>
	<u>146,180,890</u>	<u>1,465,310</u>	<u>1,579,320</u>	<u>149,225,520</u>
LAND FUND				
Amount to be recovered from future revenues - CIBC Loan	(2,861,563)	-	360,709	(2,500,854)
Land Development	<u>(6,420,527)</u>	<u>460,494</u>	<u>(738,817)</u>	<u>(6,698,850)</u>
	<u>(9,282,090)</u>	<u>460,494</u>	<u>(378,108)</u>	<u>(9,199,704)</u>

See accompanying notes

SCHEDULE 8 (UNAUDITED) (continued) – **SCHEDULE OF FUND BALANCES**

For the year ended December 31, 2016

	<u>2015 Balance</u>	<u>Surplus (Deficit)</u>	<u>Net allocations</u>	<u>2016 Balance</u>
AIRPORT OPERATING FUND				
Airport Improvement	456,058	51,921	246,872	754,851
Airport - Work in Progress	-	-	27,295	27,295
Net Investment in Tangible Capital Assets - Airport Fund (Schedule 7)	<u>14,447,248</u>	<u>-</u>	<u>(578,197)</u>	<u>13,869,051</u>
	<u>14,903,306</u>	<u>51,921</u>	<u>(304,030)</u>	<u>14,651,197</u>
CONSOLIDATED ENTITIES				
John M. Cuelenaere Public Library Board	237,698	121,069	-	358,767
North Central Saskatchewan Waste Management Corporation	<u>1,247,804</u>	<u>(39,542)</u>	<u>-</u>	<u>1,208,262</u>
	<u>1,485,502</u>	<u>81,527</u>	<u>-</u>	<u>1,567,029</u>
	<u>\$ 296,025,246</u>	<u>\$ 12,533,924</u>	<u>\$ (352,441)</u>	<u>\$ 308,206,729</u>

See accompanying notes

SCHEDULE 9 (UNAUDITED) – SCHEDULE OF RESERVES

For the year ended December 31, 2016

	2015 Balance	Net allocations	2016 Balance
GENERAL FUND			
Affordable Housing	\$ 378,730	\$ 256,692	\$ 635,422
Capital Works Committed	1,329,807	(300,800)	1,029,007
Group Insurance Reserve	622,613	891	623,504
Downtown Improvement Reserve	40,000	40,000	80,000
AJFH Improvements Reserve	-	18,000	18,000
Community Services Building	11,938	-	11,938
Community Services Land Fund	997,196	(528,910)	468,286
Dedicated Lands	18,401	-	18,401
E.A. Rawlinson Mechanical Equipment	121,402	(216,751)	(95,349)
Equipment and Fleet Reserve	1,635,684	(551,227)	1,084,457
Fire Equipment	926,726	213,591	1,140,317
Future Infrastructure	774,512	250,000	1,024,512
Civic Facilities Reserve	1,641,010	1,365,965	3,006,975
Golf Course Improvements	488,864	12,501	501,365
Golf Course Equipment and Golf Cart Reserve	65,844	42,978	108,822
In Lieu of Public Reserve	9,834	-	9,834
Information Technology Reserve	97,665	18,029	115,694
Land Development	100,020	-	100,020
Project Beach Reserve Volleyball Courts	-	25,939	25,939
Minor Softball	23,691	7,526	31,217
Northern Housing Development	99,043	-	99,043
Project Triple Play Reserve	56,622	(111,688)	(55,066)
PAGCC Mechanical Equipment	(44,456)	1,458	(42,998)
Park Development	56,050	-	56,050
Pehonan Parkway	817,556	(24,685)	792,871
Police Capital Reserve	198,823	32,792	231,615
Police Equipment Reserve	61,522	(6,797)	54,725
Savings - emergency	1,314,990	-	1,314,990
Community Services - Special Events Marketing	34,782	25,000	59,782
Snow Management Reserve	57,934	231,267	289,201
Police Operating Reserve	143,530	356,470	500,000
Kinsmen Water Park Surcharge Reserve	20,199	(10,422)	9,777
Safety Reserves	221,013	28,987	250,000
E A Rawlinson Facility Fee Reserve	88,725	115,692	204,417
Destination Marketing Levy Reserve	-	307,194	307,194
Tourism	1,009	-	1,009
Pa Slow-pitch Reserve	-	(3,104)	(3,104)
	<u>12,411,279</u>	<u>1,596,588</u>	<u>14,007,867</u>

See accompanying notes

SCHEDULE 9 (UNAUDITED) (continued) — **SCHEDULE OF RESERVES**

For the year ended December 31, 2016

SANITATION FUND

Sanitation Capital Works	<u>283,448</u>	<u>(247,254)</u>	<u>36,194</u>
	<u>283,448</u>	<u>(247,254)</u>	<u>36,194</u>

WATER UTILITY FUND

Waterworks Capital Works	<u>976,524</u>	<u>22,388</u>	<u>998,912</u>
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LAND FUND

Development Levies	(1,927,424)	(1,355,851)	(3,283,275)
Future Land Purchases	550,081	8,311	558,392
Planning and Marketing	<u>437,295</u>	<u>24,245</u>	<u>461,540</u>
	<u>(940,048)</u>	<u>(1,323,295)</u>	<u>(2,263,343)</u>

AIRPORT OPERATING FUND

Airport Capital Works	80,300	(41,268)	39,033
Airport Maintenance	-	10,000	10,000
Airport - Passenger Facilities Fees	<u>1,419,471</u>	<u>335,297</u>	<u>1,754,768</u>
	<u>1,499,771</u>	<u>304,029</u>	<u>1,803,801</u>
	<u>\$ 14,230,974</u>	<u>\$ 352,456</u>	<u>\$ 14,583,431</u>

See accompanying notes

SCHEDULE 10 (UNAUDITED) – SCHEDULE OF FUNDS HELD IN TRUST

As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 126,753	\$ 103,411
Temporary investments	146,019	145,689
Due from City of Prince Albert	<u>10,317</u>	<u>10,455</u>
NET ASSETS	<u>\$ 283,089</u>	<u>\$ 259,554</u>
LIABILITIES		
Trust funds held for others (Schedule 11)	<u>\$ 283,089</u>	<u>\$ 259,554</u>
NET LIABILITIES	<u>\$ 283,089</u>	<u>\$ 259,554</u>

See accompanying notes

SCHEDULE 11 (UNAUDITED) – SCHEDULE OF TRUST FUND TRANSACTIONS

For the year ended December 31, 2016

	<u>2015 Balance</u>	<u>Additions</u>	<u>Expenses</u>	<u>2016 Balance</u>
J. Vandale [1][3]	\$ 2,899	\$ 35	361	\$ 2,573
Lenore Partridge Estate [1]	145,689	330	-	146,019
Prince Albert Golf and Curling Club [1][2]	26,412	12,865	20,000	19,277
Uniting to Heal	455	-	-	455
Veteran's Graves [1]	74,099	964	-	75,063
HERSCHEL DAVIDNER TRUST				
FUND [1]	-	29,702	-	29,702
Winterburn Estate	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 259,554</u>	<u>\$ 43,896</u>	<u>\$ 20,361</u>	<u>\$ 283,089</u>

[1] Interest earned on investment and/or bank account balance

[2] Transfer from General Operating Fund of \$10,000

[3] Payment of John Vandale Memorial Award

See accompanying notes



PROUD HERITAGE BOLD DESTINY

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