



City of
Prince Albert

2017 ANNUAL REPORT



PRINCE ALBERT,
SASKATCHEWAN, CANADA



YEAR ENDED
DECEMBER 31, 2017

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, 2017.

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.

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



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



“As the Mayor of Prince Albert I am committed to setting the bar high when it comes to delivering the services and infrastructure needed to build Prince Albert while keeping taxes as low as possible.”

Mayor Greg Dionne





INTRODUCTION

5	Canadian Award For Financial Reporting	16	Governance And Administration
6	Message From The Mayor	17	Parks And Recreation
7	Prince Albert City Council	18	Culture
8	Message From The City Manager	19	Water Utility
9	Organizational Chart	20	Capital Projects
10	Guiding Documents	21	Planning And Growth Management
11	Prince Albert At A Glance	22	Economic Highlights – Development
12	Fire Safety	23	Economic Highlights – Business
13	Prince Albert Police Service	24	Economic Highlights –
14	Transportation And Airport		Census Data And Trends
15	Landfill, Garbage And Recycling		



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

26	Introduction	38	Capital Assets
28	Statement Of Operations	40	Debt
30	Revenue	44	Reserves
34	Expenses	48	Financial Controls And Accountability.
37	Financial Position	49	Message From Director Of Financial Services



CONSOLIDATED FINANCIAL STATEMENTS

51	Management's Report	76	Schedule 3 Consolidated Statement Of Operations Segmented By Fund
52	Independent Auditors' Report	78	Schedule 4 Consolidated Statement Of Operations – Prior Year Segmented By Fund
53	Consolidated Statement Of Financial Position	80	Schedule 5 Consolidated Statement Of Operations Segmented By Department
54	Consolidated Statement Of Operations And Accumulated Surplus	81	Schedule 6 Consolidated Statement Of Operations – Prior Year Segmented By Department
55	Consolidated Statement Of Change In Net Financial Debt	82	Schedule 7 Tangible Capital Assets - Cost Segmented By Fund
56	Consolidated Statement Of Cash Flows	84	Schedule 8 Schedule Of Fund Balances
57	Notes To The Consolidated Financial Statements	86	Schedule 9 Schedule Of Reserves Segmented By Fund
72	Schedule 1 Consolidated Statement Of Financial Position Segmented By Fund	88	Schedule 10 Schedule Of Funds Held In Trust
74	Schedule 2 Consolidated Statement Of Financial Position – Prior Year Segmented By Fund	89	Schedule 11 Schedule Of Trust Fund Transactions

INTRODUCTION



“City Administration continues to work to find **efficiencies** in our operations that **save** costs and **improve** productivity.”

Jim Toye, City Manager

GFOA CANADIAN AWARD FOR FINANCIAL REPORTING

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



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, 2016

Christopher P. Morill
Executive Director/CEO



MESSAGE FROM THE MAYOR

The City's challenge to keep taxes low continues. In 2017, the provincial government made this challenge even more difficult when they made sudden and deep funding cuts to cities in Saskatchewan. By relying on reserves, City Council was able to maintain a 1.5% increase, the lowest among all Saskatchewan cities.

By keeping the tax increase low Prince Albert improved its property tax ranking in the province, moving us to the 10th lowest tax rate out of 16 Saskatchewan cities. We know we need to do better which is why the challenge ahead is so significant. We must move ahead with projects that bring renewal to our community and maintain quality service for residents and businesses, while also keeping costs and taxes down.

To achieve a low impact budget, we trimmed operational costs, but no services were eliminated and, as you will see in this annual report, significant investments have been made in upgrading or replacing aging infrastructure and moving ahead on many of the strategies outlined in the City's Strategic Plan and the various master plans that guide the work of Administration.

Continuing along the path of renewal and building a better City is as important as ever and we made considerable progress in this regard in 2017. Areas worth highlighting include the investments in the City's water and sewer infrastructure. We completed the last three of our eleven sewage pumping stations, started renovations on our 2nd Avenue water reservoir and received funding from both levels of government for a new water reservoir on River Street. A major riverbank restoration project was also initiated in 2017 at Little Red River Park, funded in part by Husky Energy. This project addresses significant erosion of the riverbank and is an essential first step before any future



improvements can be made in the park. And of course, we were able to pave another 53 city blocks in 2017 making that 16.4% of our streets since 2013.

As the Mayor of Prince Albert I am committed to setting the bar high when it comes to delivering the services and infrastructure needed to build Prince Albert while keeping taxes as low as possible. More work will be required in 2018 and beyond, but as we look through the achievements identified in this report from 2017, I am proud of the work that has been accomplished.

A handwritten signature in black ink, appearing to be 'J. D. ...'. The signature is fluid and cursive, written over a white background.

PRINCE ALBERT CITY COUNCIL



Mayor – Greg Dionne



Ward 1 – Charlene Miller



Ward 2 – Terra Lennox-Zepp



Ward 3 – Evert Botha



Ward 4 – Don Cody



Ward 5 – Dennis Ogrodnick



Ward 6 – Blake Edwards



Ward 7 – Dennis Nowoselsky



Ward 8 – Ted Zurakowski

MESSAGE FROM THE CITY MANAGER

The City was faced with a significant financial challenge in 2017 when the provincial government cut funding to municipalities. Despite \$2.1 million in cuts, City Council remained committed to keeping taxes low, and held the increase at 1.5%.

The City works hard to find a balance between keeping taxes low while renewing outdated infrastructure and maintaining service levels for residents. I am happy to report a number of areas in 2017 that helped us to find this balance.

1. SUCCESSFUL MATCHED FUNDING APPLICATIONS.

We continue to apply and successfully be awarded full or partial funding for projects which helps our dollars go further and achieve more. This is largely thanks to focused planning on the part of our Administration team, who have shovel ready projects that serve long range planning objectives. Examples of projects that brought in external funding include River Street Reservoir (\$9 million), Transit Fleet (\$614,000), Kinsmen Park renovations (\$250,000) and Airport runway conditions improvements (\$760,000).

2. INCREASED ASSESSMENT GROWTH.

To our advantage in 2017, our commercial sector continued to see growth with the value of new construction reaching \$26.7 million. This growth adds to our taxation base and our ability to keep service levels high. It is clear that developers see Prince Albert as an ideal location to do business. With reasonable labour rates and the regional buying power of our large trading area, businesses are seeing a return on their investments.

3. OPERATIONAL EFFICIENCIES.

City Administration continues to work to find efficiencies in our operations that save costs and improve productivity. Investments in projects like



new assessment software and runway conditions reporting at the Airport ensure our staff are working as effectively as possible with the time they have available. Projects like these help to keep our service levels strong and give our staff the time to implement new ideas and embrace new challenges.

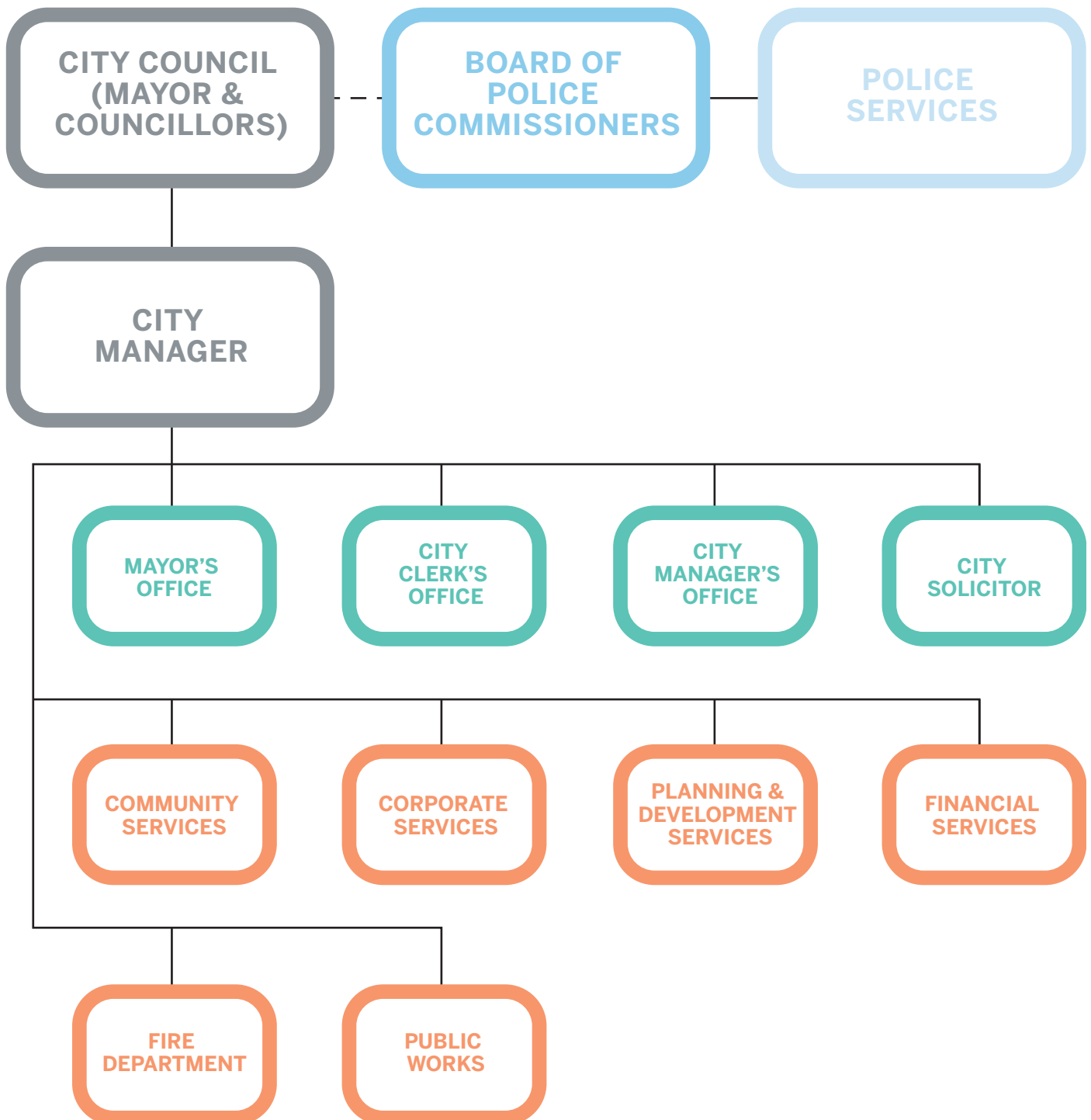
City Administration works hard to deliver quality services and find new ways of doing business better. The 2017 Annual Report illustrates many examples of this good work. I encourage you to flip through this document to see for yourself.

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

ORGANIZATIONAL CHART



City of
Prince Albert



GUIDING DOCUMENTS



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

They provide important analysis of the needs of the City of Prince Albert and priority areas to plan for and take action on now and over the next several decades.

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

Official Community Plan – Kistapinanihk 2035
Long-term goals to guide the physical growth and development of Prince Albert.

Communications Master Plan
Priorities of the City when it comes to how it communicates with the public.

City of Prince Albert Strategic Plan – 2015-2020
A guiding document that identifies major City initiatives for a five-year period.

Municipal Cultural Action Plan
A set of achievable actions to become a stronger cultural community.

Community Services Master Plan
A foundation for service delivery that considers changing demands and aging infrastructure.

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

Housing Plan and Action Strategy
A strategic response and detailed actions to address the housing needs of the community.

Airport Master Plan
Guidance on airport infrastructure and service development.

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

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

PRINCE ALBERT AT A GLANCE

POPULATION OF
PRINCE ALBERT

35,926

CITY AREA
66km²

TRADING AREA

195,000

SINGLE FAMILY
HOUSING STARTS

23

MEDIAN AGE

35.1

VALUE OF COMMERCIAL
AND INDUSTRIAL
DEVELOPMENT

\$29.8 million

UNEMPLOYMENT
RATE

8.8%

TOTAL BUILDING
PERMITS ISSUED

269



photograph by Ed Stringer

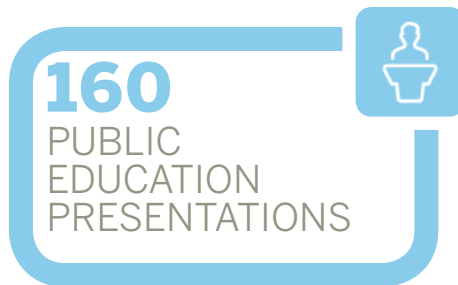
FIRE SAFETY



The Prince Albert Fire Department continues to focus efforts to reduce the necessity for response. This result is best achieved through robust fire inspections and public education initiatives. The Fire Prevention Division coordinates all fire code mandated fire inspections in commercial,

industrial and institutional occupancies that are accessible by the public. The Inspection Division works proactively with new and established businesses and enterprises to ensure compliance. The successful relationships formed have resulted in a decrease in fire code violations and an

improved level of fire safety in these occupancies. The Fire Department takes great pride in its ability to engage with the public through fire safety education and training programs with a goal to foster an enhanced fire safe community that focuses on prevention to reduce the requirement for response.



452 FIRE CODE VIOLATION
NOTICES ISSUED
and 28 orders to comply

1,063 CALLS FOR
ASSISTANCE

1,500 FIRE CODE
INSPECTIONS

“The successful relationships formed have resulted in a decrease in fire code violations and an improved level of fire safety in these occupancies.”

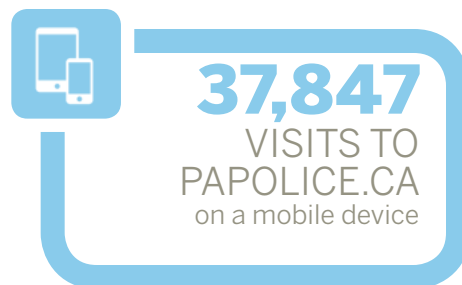
PRINCE ALBERT POLICE SERVICE



In 2017 the Prince Albert Police Service (PAPS) completed the first year of the 2017-2020 Strategic Plan which includes three priorities: visible service, healthy community and professional service. Members, including Bylaw and Community Safety Officers, attended to 38,202 calls for service in 2017 and used

a proactive initiative referred to as Neighbourhood Strengthening to target each of the identified priorities. Neighbourhood Strengthening activities are self-generated, proactive attendances to specific areas of the City including but not limited to: schools, recreational facilities

and areas where there has been a noted increase in a particular crime type. PAPS recognizes the importance of strong, healthy communities and used this initiative 2,666 times across the City in 2017 in partnership with various community stakeholders.



1 NEW MOBILE APP

18,100 COMMENTS on Facebook posts

38,202 CALLS FOR SERVICE

“Neighbourhood Strengthening activities are self-generating, proactive attendances to specific areas of the City.”

TRANSPORTATION AND AIRPORT



In 2017 the City of Prince Albert successfully applied to the Airport Capital Assistance Program for \$760,000 in funding for three projects dedicated to improving runway conditions at the Prince Albert Airport (Glass Field): a sand (deicer) storage shed (\$338,000), snowblower (\$401,000), and a Runway Conditions Reporting


System and Friction Tester (\$22,800). The Runway Conditions Reporting System included two devices installed in a truck: a decelerometer for testing slippery conditions at the runway and a touchscreen reporting system. The system has eliminated the need for manual reporting. By entering data

on the runway, runway conditions are sent instantaneously to NAV Canada, getting information to pilots in the air sooner. The instant data reporting also improves efficiencies for staff by reducing the need for entering data in the office, freeing up time to focus on maintenance activities and keeping runways in good shape.


7 NEW 35 FOOT ACCESSIBLE BUSES



53 CITY BLOCKS PAVED via annual paving program



\$150,000 FOR A SMALL COMPACT GRADER to target back lane reconstruction



1 NEW CROSSWALK INSTALLED at 10th Avenue West and O.K. Hjertas Drive

13 BUS PASSENGERS PER HOUR during evening extended hours trial

16.4% OR 47.2 KM OF ROADS have been repaved since the start of 2013

19% INCREASE IN SENIOR PASSES sold on Prince Albert Transit

20 BUS PASSENGERS PER HOUR ON AVERAGE on Prince Albert Transit

283 KMS OF STREETS SWEPT IN THE SPRING

3,000 TONNES OF SALT & SAND put down on City streets in the winter

13,952 AIRCRAFT MOVEMENTS at the Prince Albert Airport

392,833 TRANSIT RIDES A 4% increase on Prince Albert Transit

LANDFILL, GARBAGE AND RECYCLING



The City transitioned to the use of paper bags for the collection of yard waste in 2017. The change provided operational efficiencies for the department and contributed to a much more environmentally friendly program.

By eliminating plastic bags the department was able to stop the debagging process which required sanitation crew members to manually open the plastic bags and empty the yard waste into the

compost pile. The compostable paper bags removes this step and also had the important benefit of reducing the amount of plastic that ended up being disposed in the landfill.



321 KG OF BATTERIES
COLLECTED
for recycling over the last year

1,252 METRIC TONNES
OF MATERIAL
diverted from landfill via curbside recycling

2,070 METRIC TONNES
of contaminated soil
deposited into new landfill cell

5,574 FREE RESIDENT
LANDFILL
passes redeemed over the last year

\$14,200 IN
REVENUE
collected for contaminated soil

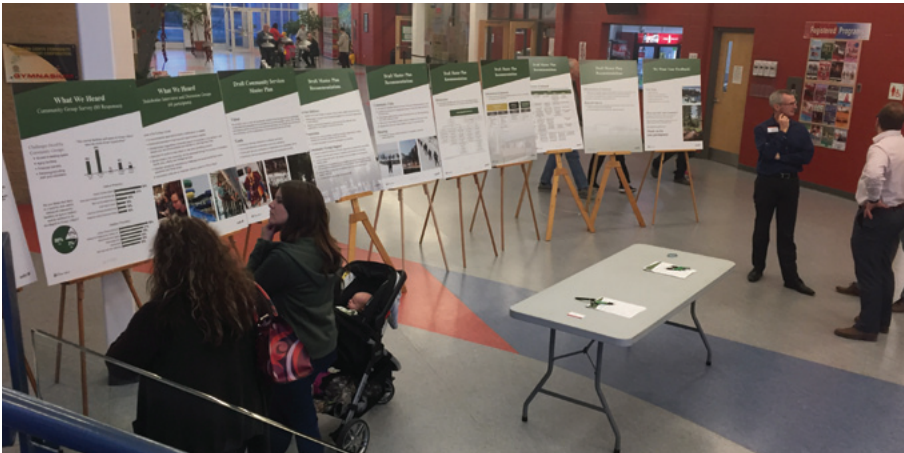
24,291 CUSTOMERS
through the landfill

26,810 KG OF OIL
COLLECTED
for recycling over the last year

\$335,800
for a new garbage truck

\$589,800
for a new landfill loader

GOVERNANCE AND ADMINISTRATION




In 2017 the Assessment division purchased and implemented a new computer assisted mass appraisal software. Assessment data from over 13,000 properties was converted from the old program and the new system was used to review and compare the accuracy of the information stored on each property in Prince

Albert. By detecting irregularities in the data, the system identified properties that required review and adjustment. In 2017, 77 residential properties were identified where assessment values went up because of errors in the data and 53 residential properties where assessment values went down. The new system has equipped

assessors with a powerful new tool to ensure that assessment appraisals are based on the most accurate information and techniques available. The review process will be ongoing over the course of the next few years as more irregularities are identified and assessors are able to inspect and process updates.


7,146
FACEBOOK FOLLOWERS
(20% increase)



675
PROPERTIES INSPECTED
by City assessors



\$17.4M
NEW COMMERCIAL PROPERTY
added to the assessment roll



2.84 LOSS TIME INJURY RATE
lower than Sask. municipal average of 2.99

10% INCREASE IN UTILITY CUSTOMERS
on monthly installment payment program

92 AGENDAS AND MINUTES PREPARED
for City Council and Committee meetings

168 BUSINESS LICENSES RENEWED ONLINE

200 VEHICLES TOWED
for unpaid parking violations

714 CUSTOMERS SET UP ON UTILITY E-BILLING

1,285 ONLINE REGISTRATIONS
for City recreation programs

3,817 PARKING TICKETS
processed online

5,600 TOTAL VISITS
to www.letstalkprincealbert.ca

PARKS AND RECREATION



The City of Prince Albert's Community Services Department undertook a strategic planning process throughout 2017 to development a new Community Services Master Plan that will be used to guide programming and infrastructure development in

recreation, arts and culture over the next ten years. The previous plan was a 10 year plan that was implemented in 2007. Community feedback in regards to the plan was received through household and community group surveys, neighbourhood planning meetings,

stakeholder meetings and open house sessions. The final report will consider the themes that emerge from community feedback as well as research from other municipal, provincial and national initiatives.



2 NEW TENNIS/
PICKLEBALL COURTS
and 1 new basketball court opened

\$2.4M TO BEGIN ASSET
UPGRADES
at the Cooke Municipal Golf Course

56% INCREASE
in seniors memberships
for city recreation facilities

287 HECTARES OF GREEN
SPACE MAINTAINED

6,931 KIDS
ATTENDED
the summer playground program at 10
locations throughout the City

24,503 ANNUAL
ATTENDANCE
at the Frank J. Dunn pool

69,124 ANNUAL
ATTENDANCE
at the Alfred Jenkins Field House

\$503,235
in grants and sponsorships secured

\$1M TO BEGIN
RENOVATIONS
on the Kinsmen Water Park outdoor pool

CULTURE



As an initiative of the City's Municipal Culture Action Plan, the City of Prince Albert initiated an ambitious video project in the summer of 2017 that engaged local artists in a unique promotion that would showcase the many cultural assets available in Prince Albert's downtown. The intention

was to put a fresh lens on the many heritage buildings and cultural spaces in the downtown in a fun and engaging way to inspire people to visit the downtown and take advantage of all it has to offer. The video was filmed in 16 different downtown locations, both indoors and outdoors, featuring private

businesses and publicly owned spaces. There were also dozens of Prince Albert artists and residents engaged to provide the foundation of the video including a new song "Locals" written and performed for this project by Prince Albert's LJ Tyson.

1 EXCELLENCE IN PLANNING AWARD
for the Prince Albert Municipal Cultural Action Plan

3,825 ARTWORK PIECES
in the Mann Art Gallery permanent collection

351,499 VISITORS
at the John M. Cuelenaere Public Library

7 YEAR PUBLIC ART PLAN
created and adopted by City Council

253 ARCHIVE REQUESTS
handled by the Prince Albert Historical Society

2,200 PARTICIPANTS AT FOUR
Culture Days events

7,947 ATTENDEES AT THE
Prince Albert Arts Centre

12,329 ATTENDEES VISITED
the Prince Albert Historical Museum

\$15,200 IN GRANTS SECURED
for cultural programming and initiatives

22,600 ATTENDEES AT THE
E.A. Rawlinson Centre for the Arts

24,608 VISITORS AT THE
Mann Art Gallery

47,000 VIEWS OF THE
Locals downtown culture video on Facebook


WATER UTILITY




The City of Prince Albert embarked on city-wide hydraulic flushing of 171 kms of City watermains in 2017. Hydraulic flushing removes a large amount of mineral and nuisance deposits, which occur over time in the water distribution system. This allows water to move freely

through the pipes and leads to improved water colour, taste and odour; lower turbidity (cloudiness); and improved chlorine residuals throughout the entire water system. This important watermain maintenance practice had not been done in the City's entire

history. The City contracted out the service in 2017 with City crews being trained on the process. The practice will now be done annually as part of regular maintenance activities.



9
CITY BLOCKS OF
WATERMAINS
REPLACED



573
WATER SAMPLES
submitted for testing from
random locations in the
water distribution system



170KMS
OF WATERMAINS
CLEANED
through hydraulic flushing

3 LEAD SERVICE
REPLACEMENTS

6 FIRE HYDRANT
REPLACEMENTS

12 DRAINAGE CHANNEL
CULVERTS REPAIRED

15 SEWER
REPAIRS

26 WATERMAIN BREAKS
REPAIRED
tested and returned to service

45 VALVE REPAIRS OR
REPLACEMENTS

57 CATCH BASINS
REPLACED

77 MANHOLES
CHECKED,
repaired and/or replaced

90 WATER SERVICE
repairs or replacements

CAPITAL PROJECTS



A major \$1.18 million riverbank stabilization project was undertaken at Little Red River Park in 2017. The project started in mid-September to address significant erosion of the riverbank that was encroaching on park amenities including safe access to walkways and park space. Using natural vegetation in the process, 800

meters was rebuilt to ensure the long-term, future stability of the riverbank and the integrity of the river system which is an integral feature of the park and habitat for a variety of aquatic and wildlife species. The infrastructure project will address a number of issues at the park including: protecting the riverbanks and park infrastructure

from erosion and high flow events; improving the ecological function of the water course by addressing erosion conditions; improving aquatic habitat for fish and other animals; re-establishing native grasses, shrubs and trees along the riverbanks for protection against erosion and regaining safe space for walking trails.

\$3.2M
TO UPGRADE
the 2nd Avenue reservoir
and pump house

\$430,000
ART HAUSER
CENTRE
parking lot reconstruction

\$250,000
IMPROVEMENTS
to Kinsmen Park (drainage,
pathway, playground &
washroom renovations)

4.1KM OF DRAINAGE
CHANNEL
excavation completed in 2017

11 SEWAGE PUMPING
STATIONS UPGRADED
since 2015, total project cost of \$12.73m

800 METERS OF
RIVERBANK
at Little Red River Park rebuilt

\$150,000
LAKELAND FORD PARK
upgrades

\$297,000 FOR
FILTER
upgrades at the Water Treatment Plant

\$1.18M TO STABILIZE
the riverbank at
Little Red River Park

\$1.35M UPGRADE
to four sewage
pumping stations

\$1.63M TO COMPLETE
the installation of
trunk water mains in the West Hill for future
development

\$12M FOR A NEW
15 MILLION LITRE
water storage reservoir cost shared with the
provincial and federal government

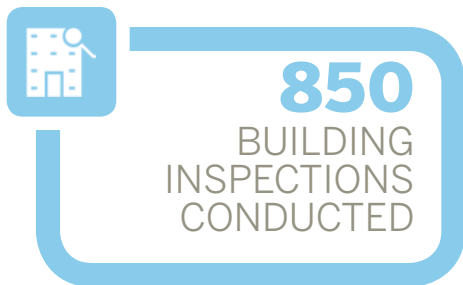
PLANNING AND GROWTH MANAGEMENT



In 2017 Prince Albert City Council authorized the formation of a Regional Economic Development Authority (REDA) Task Force to guide the development of a framework that defines how to fund a regional economic development

operation, set priorities for the region, define communities involved and determine an overall vision for what will be achieved. On November 29, 40 regional representatives and stakeholders participated in a two-hour, focused

discussion session that reviewed, assessed and identified economic determinants for Prince Albert and area. A final framework report will be presented to Prince Albert City Council in July 2018.



13 RESIDENTIAL LOTS SOLD

46 ACTION ITEMS IDENTIFIED in the Housing Plan and Action Strategy

74 DEVELOPMENT PERMITS ISSUED

82 ROOM BEST WESTERN Premier Hotel and Conference Centre announced for construction

103 ATTENDEES at the 2nd Annual Community Economic Development Forum

144 ATTENDEES AT NEIGHBOURHOOD planning meetings

269 BUILDING PERMITS ISSUED

\$3.2M IN REVENUES from land sold

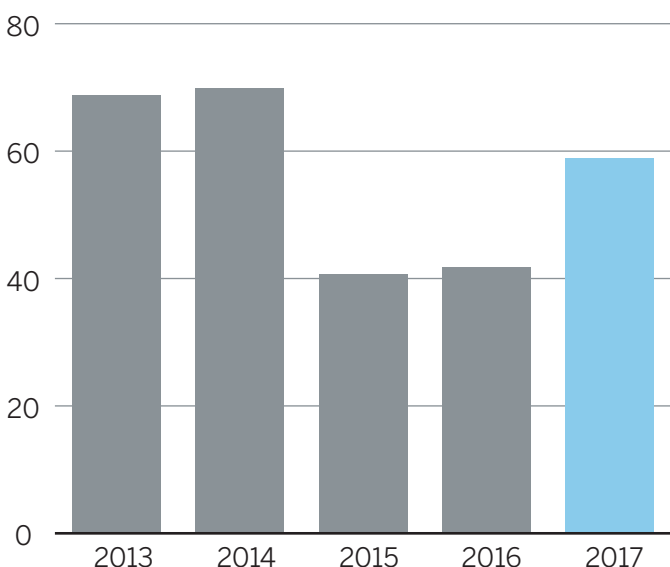
\$58.9M PERMIT VALUE of building permits issued for construction

ECONOMIC HIGHLIGHTS DEVELOPMENT

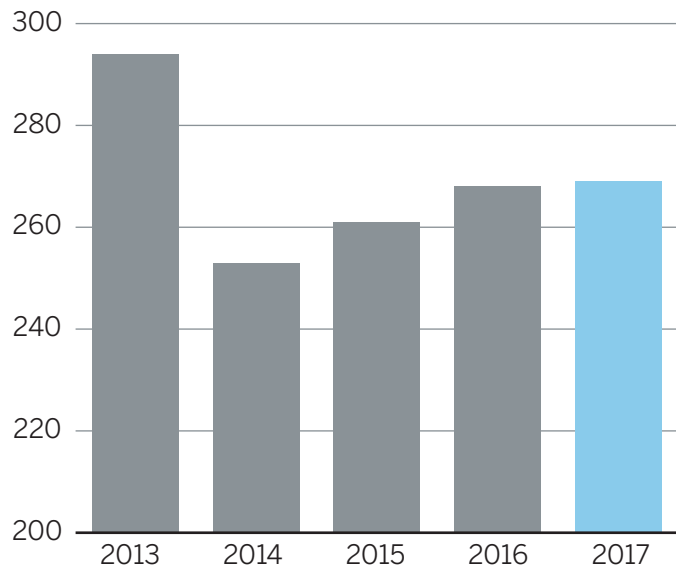
BUILDING PERMITS: TYPE AND CONSTRUCTION VALUE

	2013	2014	2015	2016	2017
Residential Single Family	\$ 21,840,600	\$ 16,848,000	\$ 11,828,165	\$ 11,952,000	\$ 8,756,500
Multi-Family	6,474,000	33,238,000	5,157,000	8,727,000	2,046,000
Commercial	13,692,216	17,133,000	10,540,408	7,469,000	26,705,000
Industrial	4,625,000	1,516,000	4,630,000	2,822,000	3,098,000
Institutional & Government	22,198,075	1,146,000	8,600,000	10,743,000	18,337,000
Total	\$ 68,829,891	\$ 69,881,000	\$ 40,755,573	\$ 41,713,000	\$ 58,942,500

CONSTRUCTION VALUE OF PERMITS (\$ MILLIONS)



TOTAL NUMBER OF PERMITS



BUILDING PERMITS: TYPE AND NUMBER OF PERMITS

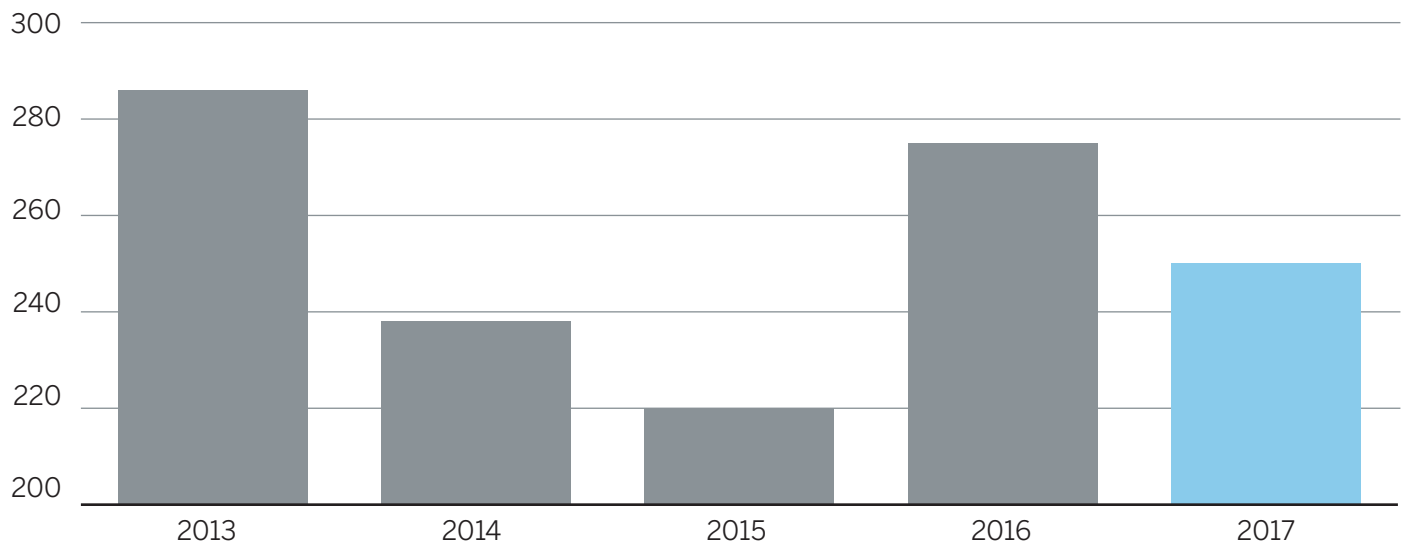
Type	2013	2014	2015	2016	2017
Residential Single Family	170	156	109	130	99
Multi-Family	7	13	29	27	11
Commercial	60	36	47	40	71
Industrial	17	15	17	14	32
Institutional & Government	9	8	23	22	27
Demolitions - Residential	13	8	14	13	17
Other Demolitions	18	17	22	22	12
Total	294	253	261	268	269

ECONOMIC HIGHLIGHTS BUSINESS

ISSUANCE OF NEW BUSINESS LICENCES

Type	2013	2014	2015	2016	2017
Home Based	76	65	78	61	80
Commercial	76	45	57	60	66
Transient Trader	60	59	60	76	81
Direct Seller	65	67	22	76	21
Mobile Food Vendor	8	1	1	0	2
Group Home / Day Care	1	1	2	2	0
Total	286	238	220	275	250

NEW BUSINESS LICENSE TRENDING



\$26.7 MILLION

IN NEW COMMERCIAL DEVELOPMENT

"Our commercial sector continued to see growth. It is clear that developers see Prince Albert as an ideal location to do business."

Jim Toye, *City Manager*

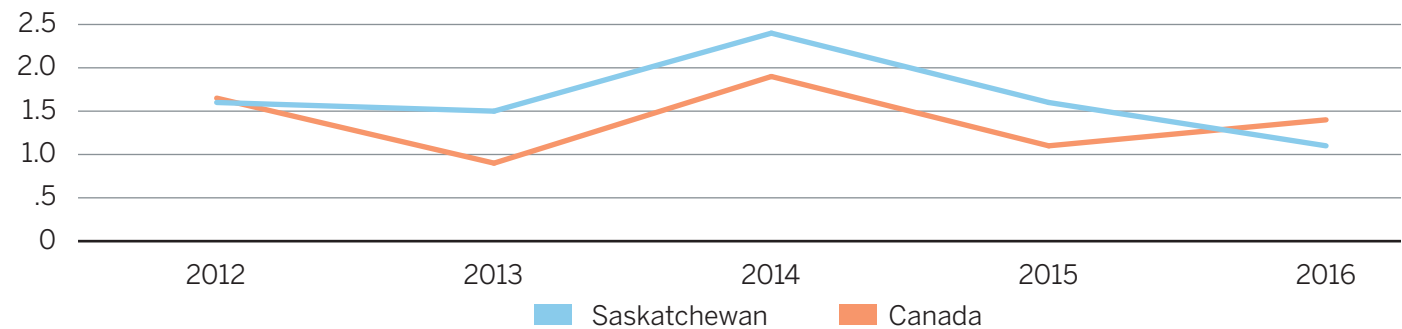
ECONOMIC HIGHLIGHTS

CENSUS DATA AND TRENDS

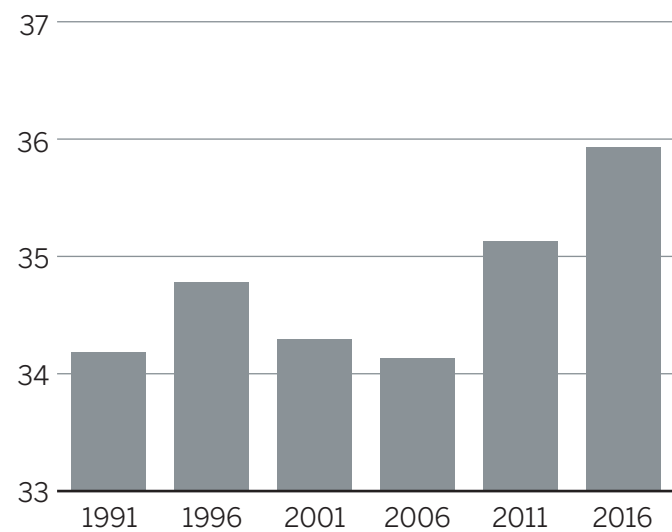
CITY OF PRINCE ALBERT PROFILE FROM STATISTICS CANADA 2011 AND 2016 CENSUS DATA

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

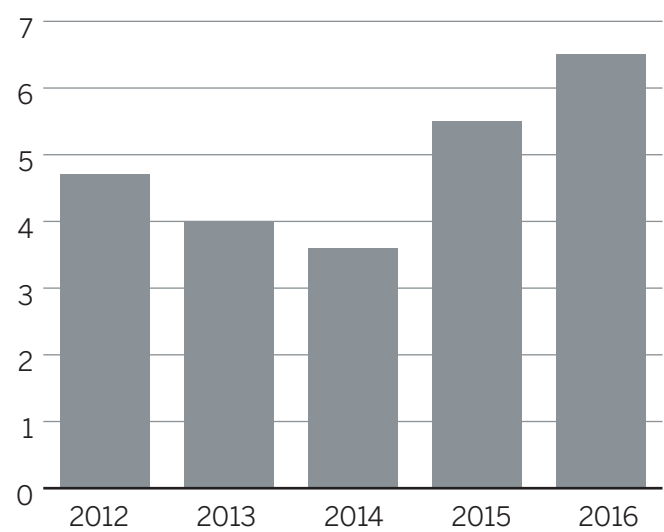
CONSUMER PRICE INDEX (%)



CENSUS POPULATION TRENDING (THOUSANDS)



SASKATCHEWAN UNEMPLOYMENT (%)



POPULATION TRENDING IN CENSUS STATISTICS

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

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS



INTRODUCTION

The City of Prince Albert's (the City) 2017 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.

OVERVIEW

The City'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.

Water 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.

The discussion and analysis of the City's financial performance for 2017 provides a general overview of the financial activities for the year ended December 31, 2017. The purpose of this discussion is to help users of the financial statements better understand the information contained within and what was realized in 2017.

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 2017 Consolidated Financial Statement are:

John M Cuelenaere Library – 100% Consolidation

North Central Waste Management Corporation – 84.22% Consolidation in 2017 (2016 - 84.23%)

KEY FINANCIAL INDICATORS 2017

The 2017 Consolidated Financial Statements report net financial debt of (\$6.4 million), which is an increase of \$4.5 million from 2016. Net financial debt position is an indicator of the municipality's overall position to finance future operations. The increased amount of net financial debt resulted from new external debt taken on to finance planned capital projects.

The 2017 Statement of Operations and Accumulated Surplus shows an excess of Revenue over Expenses before Capital Transactions of \$4.3 million compared to \$7.8 million in 2016.

The total Accumulated Surplus at the end of 2017 was \$329.9 million, which increased \$8.8 million from 2016, which was \$321.1 million.

Overall revenue in 2017 was \$97.7 million, which was \$8.2 lower than 2016 which was \$105.9 million. This decrease is as follows:

- Property taxation revenue remained the same
- User charges and fees (\$1.2 million increase)
- Operating grants and donations (\$9.3 million decrease)
- Grants in lieu of taxes (\$1.2 million decrease)
- Interest & penalties (\$0.2 million increase)
- Land sales (\$1.2 million increase)
- Sundry income (\$0.3 million decrease)

The City's 2017 reserve balance was \$14.0 million, which was a decrease of \$0.6 million compared to the 2016 balance of \$14.6 million.

During the year, the City identified that vacation accruals had not accounted for the time earned from the employees' anniversary date to the year end. As a result, accumulated surplus and vacation payable were retroactively restated as at January 1, 2016 in the 2017 Consolidated Financial Statements. For comparison purposes throughout this document, the restated values have been used.

The 2017 Statement of Operations and Accumulated Surplus shows an excess of Revenue over Expenses before Capital Transactions of \$4.3 million

STATEMENT OF OPERATIONS

A summarized Consolidated Statement of Operations for the past 5 (five) years is reflected in Table 1.0 below. A review of the operational revenue and expenses over 5 (five) years indicate that the City's revenue and expenses were increasing each year to 2016. In 2017 there was a decrease in both revenue and expenses.

Expenses decreased \$4.8 million and the revenue decreased \$8.2 million compared to prior year. The higher revenue in 2016 was largely due to the oil spill water crisis which resulted in \$9.6 million in additional revenue to offset incurred costs.

TABLE 1.0 FIVE YEAR STATEMENT OF OPERATIONS

	2017	2016	2015	2014	2013
Total revenue	\$ 97,705,317	\$ 105,928,644	\$ 93,789,379	\$ 90,232,881	\$ 83,865,687
Total expenses	93,382,857	98,145,765	89,196,005	81,884,803	78,560,132
Excess of revenue over expenses before capital	\$ 4,322,460	\$ 7,782,879	\$ 4,593,374	\$ 8,348,078	\$ 5,305,555
Capital and interfund transactions	4,495,483	4,751,046	9,301,114	7,919,860	2,438,134
Excess of revenue over expenses	\$ 8,817,943	\$ 12,533,925	\$ 13,894,488	\$ 16,267,938	\$ 7,743,689

REVENUE



\$97.7 MILLION

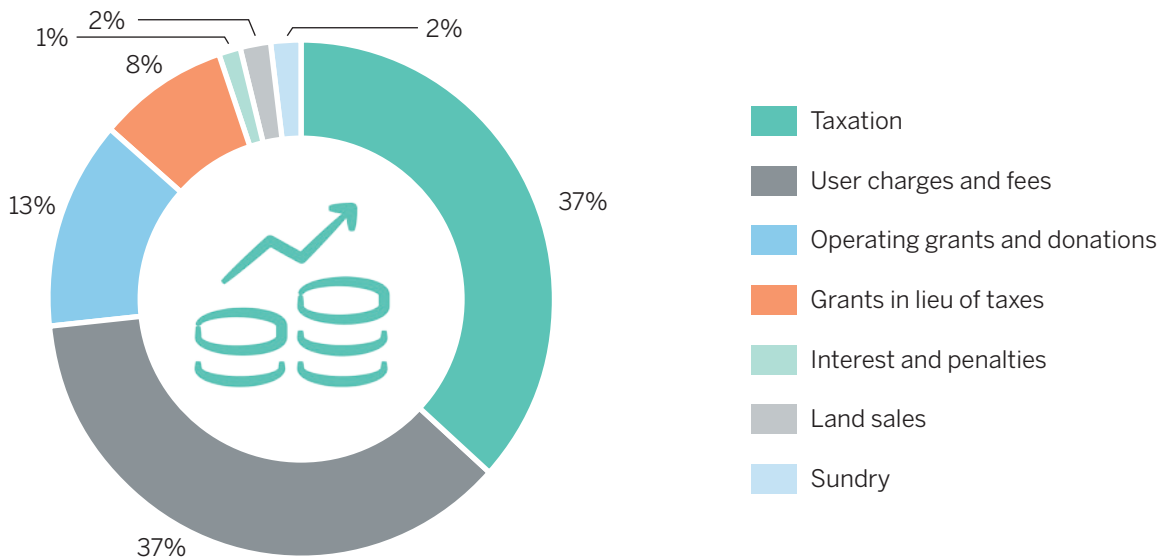
REVENUE FOR 2017

37% of revenue is generated from property taxes and 63% from all other sources

Total consolidated revenue decreased by \$8.2 million over 2016. The decreases were notably in operating grants and donations (due to the additional revenue in 2016 related to the oil spill water crisis), and in user charges and fees revenue.

The main sources of revenue were taxation, user charges and fees and operating grants and donations as reflected in Table 2.0.

TABLE 2.0 SUMMARY OF OPERATIONAL REVENUE



REVENUE IN COMPARISON TO BUDGET

In 2017, consolidated operating revenue exceeded the amount budgeted by \$5.0 million. Revenue totaled \$97.7 million compared to budget of \$92.7 million and can be summarized as:

- Property taxes \$36.0 million
- User charges and fees \$36.0 million (\$17.0 million from the Water Utility)
- Operating grants and donations \$12.6 million
- Grants in lieu of taxes (other levels of government) \$8.3 million
- Interest and penalties \$1.3 million
- Land sales \$2.0 million
- Sundry \$1.5 million

REVENUE OBSERVATIONS

Property taxation revenue remained the same as prior year and was \$0.22 million higher than budget due to increases in assessment;

User charges and fees revenue was \$1.48 million higher than budget affected primarily by Provincial Emergency Operations within Protective Services which was \$1.35 million higher than budgeted revenue. Total expenses within Provincial Emergency Operations are equal to the total revenue received;

Operating grants and donations revenue was \$1.58 million greater than budget primarily affected by funds of \$0.67 million which were received from Husky Oil for the costs to stabilize the Little Red banks. Community Services was \$0.12 million greater than budget primarily due to funds received through the Community Infrastructure program for the Kinsmen Park Pathway project. Public Works was \$0.36 million greater than budget due to additional funds received from the Urban Highway Connector program. The consolidated entities revenue in this category of \$0.36 million is not included in the budget. The balance is comprised of several other small increases in other projects;

- Grants in lieu of taxes were \$0.31 million greater than budget. This category includes surcharge revenue and franchise fees revenue from other entities such as SaskPower and SaskEnergy;
- Interest and penalties revenue was \$0.21 million greater than budget. This category includes parking ticket revenue, enforcement parking ticket revenue, interest earned on bank accounts, and other interest and penalties; and,
- Sundry income was \$0.81 million greater than budget. The increase in sundry income includes custom work reimbursements of \$0.23 million, \$0.15 million for tax title land sales, \$0.09 million from GST recovery, \$0.09 million in Community Services primarily for the Prime Minister Park sponsorships which were allocated to a reserve, and the remainder from various sundry items.

Table 3.0 below provides a summary of the total revenue over the last 5 (five) years.

TABLE 3.0 FIVE YEAR SUMMARY OF OPERATIONAL REVENUE

	2017	2016	2015	2014	2013
Taxation	\$ 35,957,196	\$ 35,982,078	\$ 35,183,415	\$ 33,959,318	\$ 32,573,998
User charges and fees	36,039,110	34,881,249	33,236,748	29,853,274	27,523,604
Operating grants and donations	12,624,075	21,909,033	11,571,914	11,392,735	11,431,772
Grants in lieu of taxes	8,284,942	9,477,868	10,228,433	10,056,664	9,517,472
Interest and penalties	1,261,973	1,067,496	2,239,766	704,669	740,641
Land sales	2,024,297	796,659	342,489	3,537,612	1,029,847
Sundry	1,513,724	1,814,261	986,614	728,578	1,048,351
Total revenue	\$ 97,705,317	\$ 105,928,644	\$ 93,789,379	\$ 90,232,850	\$ 83,865,685

TAXABLE ASSESSMENT AND PROPERTY TAXATION

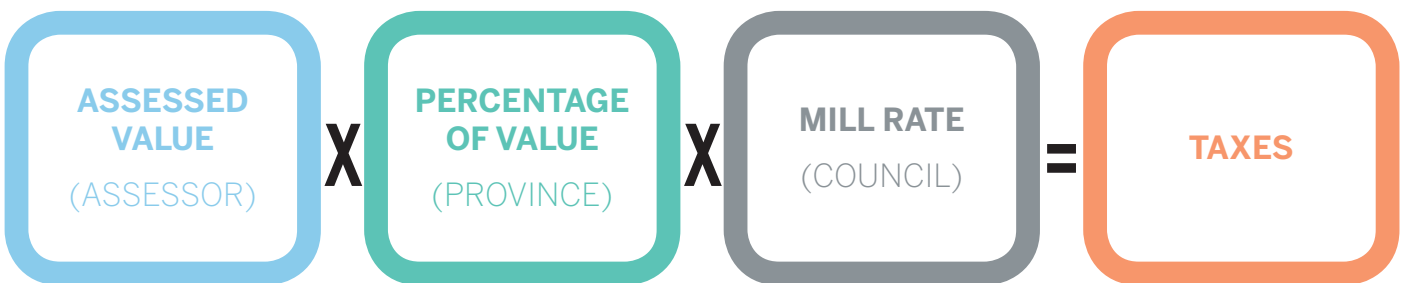
The City of Prince Albert receives its total revenue from a variety of sources with property taxes being the largest. The property tax levy is what is used to balance the City's current year operations based on services budgeted in the year.

The City of Prince Albert operations provide the following services:

- Police services
- Fire services
- Recreation and leisure services
- Snow plowing and removal
- Roadways and transportation
- Planning and development
- External agencies
- 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 revenue results from municipal, library and capital projects levies.

Table 4.0 below summarizes the total taxable assessed value for all properties within the City of Prince Albert over the last 5 (five) years:

Taxation revenue is comprised of total taxes invoiced, including supplementals, surcharges, discounts and abatements for the year. Table 5.0 below outlines this revenue over the last five (5) years. Although taxable assessment increased in 2017, taxation revenue decreased due to \$0.68 million in property tax rebates.

TABLE 4.0 FIVE YEAR SUMMARY OF TAXABLE ASSESSMENT (BILLIONS)

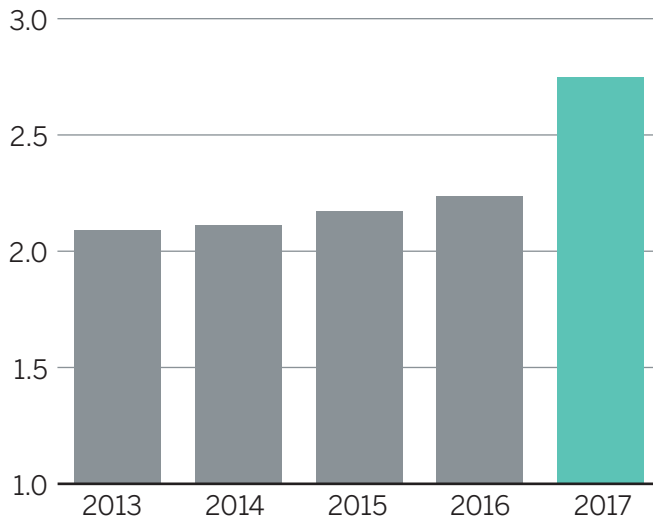
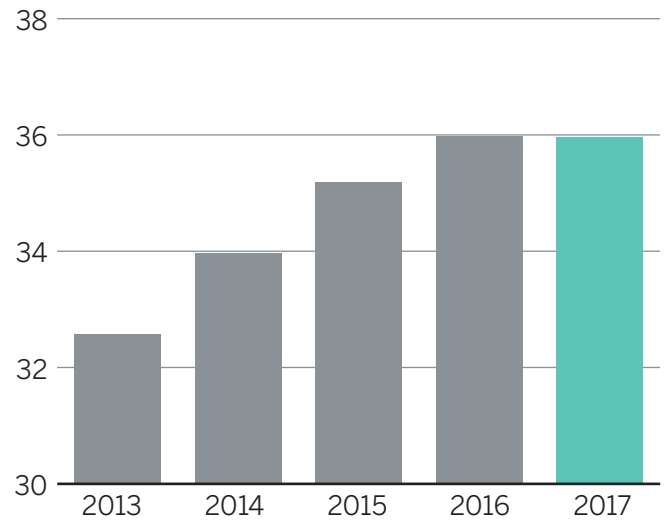


TABLE 5.0 FIVE YEAR SUMMARY OF TAXATION REVENUE (MILLIONS)



FIVE YEAR SUMMARY OF TAX REVENUE AND ARREARS

Table 6.0 reflects the taxation revenue, tax arrears and percentage of revenue for the past 5 (five) years.

TABLE 6.0 FIVE YEAR SUMMARY OF TAX REVENUE AND ARREARS

	2017	2016	2015	2014	2013
Taxation revenue	\$ 35,957,196	\$ 35,982,078	\$ 35,183,415	\$ 33,959,318	\$ 32,573,998
Capita per census*	35,926	35,926	35,129	35,129	35,129
Taxation revenue per capita	\$ 1,001	\$ 1,002	\$ 1,002	\$ 967	\$ 927
Tax arrears at end of year	\$ 2,848,906	\$ 3,447,790	\$ 3,092,722	\$ 2,629,064	\$ 2,539,693
Tax arrears as a % of taxation revenue	8%	10%	9%	8%	8%
Taxation as a % of general operating revenue	37%	34%	38%	38%	39%

EXPENSES



\$93.4 MILLION

TOTAL OPERATING EXPENSES

which includes the water utility, fire and police services, transportation services, sanitation, airport, consolidated and external agencies and amortization.

In 2017 the total consolidated operating expenses were \$93.4 million which included:

- Salaries, wages and benefits \$52.9 million
- Maintenance, materials, and supplies \$11.4 million
- Amortization \$11.9 million (amortization is not included in the budget)
- Contracted and general services \$6.9 million
- Utilities \$3.7 million
- City fleet costs \$2.6 million
- Grants and donations \$1.3 million
- Bad debt \$1.1 million
- Council remuneration \$0.4 million
- Other expenses including financial charges, interest on long term debt and insurance \$1.2 million

EXPENSE OBSERVATIONS

Salaries wages and benefits were \$3.2 million greater than budget in 2017. This was primarily due to the Emergency Control Centre salaries which were \$1.6 million greater than budget (these salaries are offset by revenue from the Province) and the consolidated entities' salaries of \$1.2 million which are not in the City budget numbers. Other variances in all other areas include: Police Services \$0.2 million greater than budget, General government \$0.2 million less than budget, Fire services \$0.2 million greater than budget, Community Services was \$0.2 million greater than budget and Water utility services \$0.1 greater than budget.

Contracted services were \$0.5 million greater than budget, which resulted primarily from legal services costs.

Maintenance, materials and supplies were \$2.1 million over budget. The Utility Fund was \$0.9 million greater than budget which was primarily water crisis expenses of \$0.8 million offset by revenue and the consolidated entities' expenses were \$1.0 million which are not included in the City budget.

Bad debt expense was \$0.8 million greater than budget.

Amortization expense is not budgeted for in the annual budgeting process. Total amortization expense was \$11.9 million.

TABLE 7.0 2017 CONSOLIDATED EXPENDITURES BY TYPE

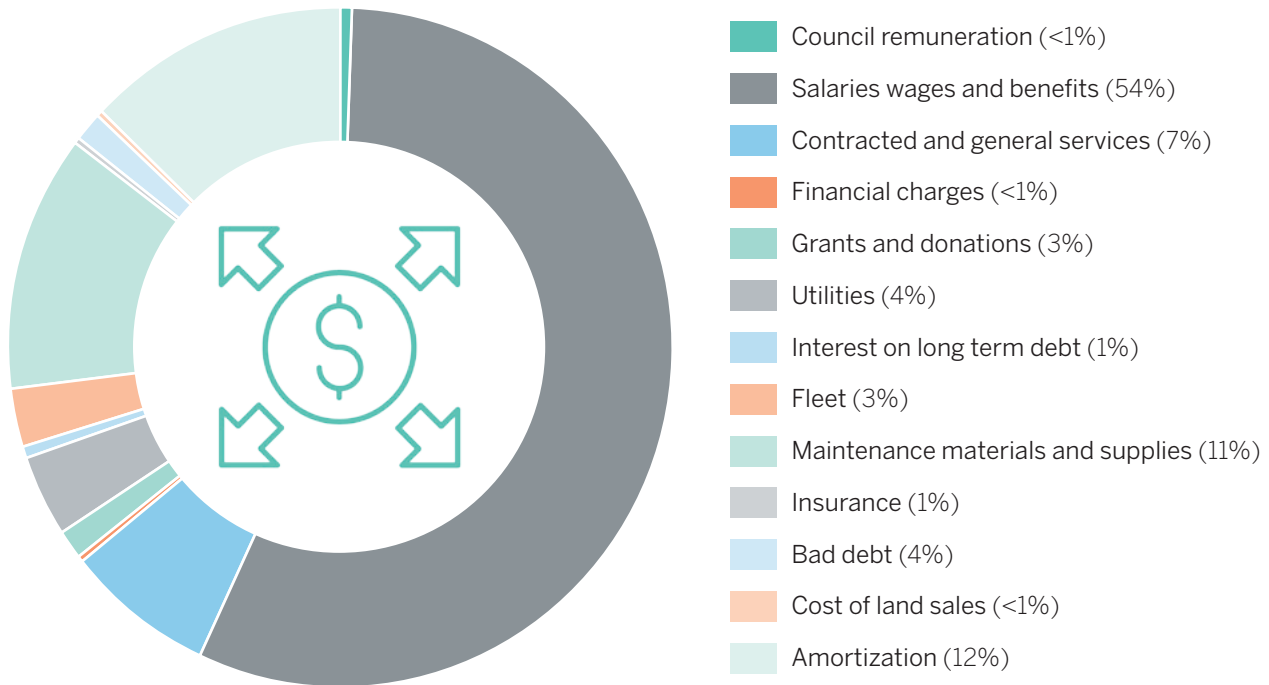
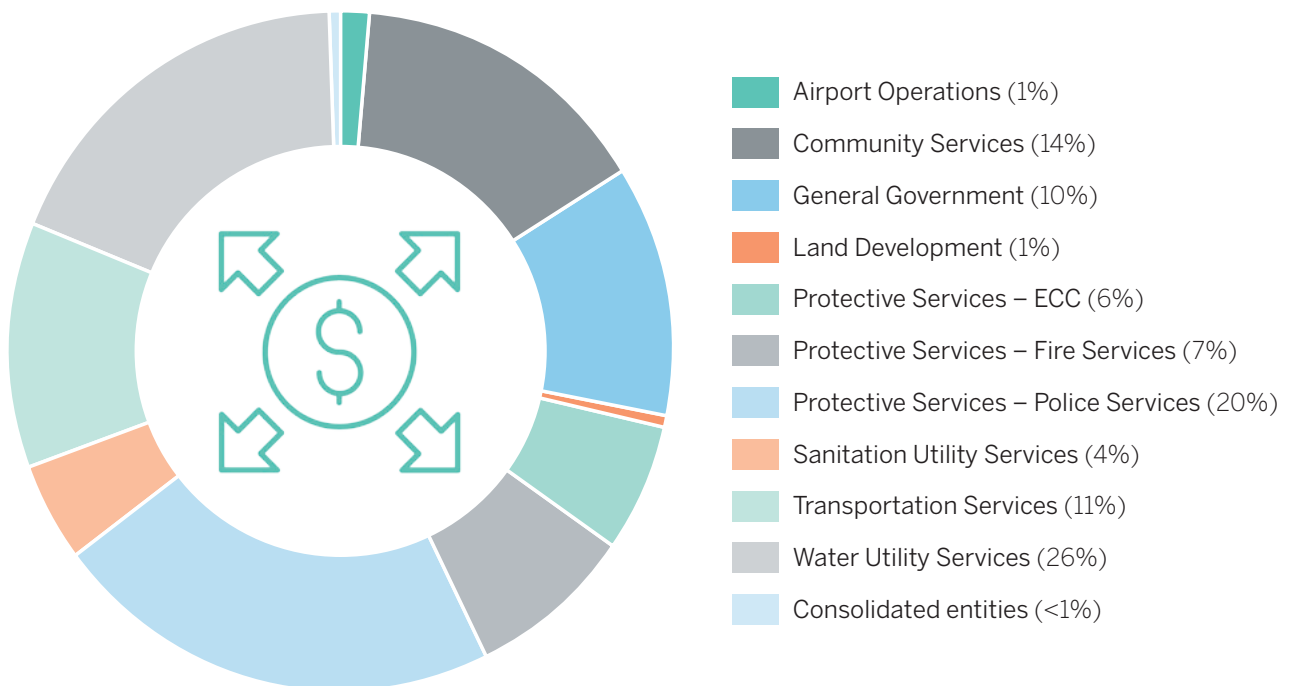


TABLE 8.0 2017 CONSOLIDATED EXPENDITURES BY FUNCTIONAL AREA



FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY TYPE

Table 9.0 and 10.0 provide a summary of the total expenditures over the last 5 (five) years.

TABLE 9.0 FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY TYPE

	2017	2016	2015	2014	2013
Council remuneration	\$ 359,001	\$ 340,583	\$ 355,779	\$ 366,502	\$ 366,101
Salaries wages and benefits	52,935,986	51,242,125	48,311,266	46,397,959	44,129,616
Contracted and general services	6,904,013	8,098,617	6,397,496	4,048,977	3,649,904
Financial charges	124,419	97,902	57,041	28,788	28,492
Grants and donations	1,281,134	781,392	2,280,414	2,210,892	2,102,842
Utilities	3,709,629	3,503,726	3,526,318	3,466,018	3,507,672
Interest on long term debt	340,100	486,858	542,632	598,203	682,505
Fleet	2,643,282	2,534,480	2,466,718	2,916,169	2,899,321
Maintenance materials and supplies	11,434,680	19,375,292	9,812,668	10,232,618	9,613,898
Insurance	479,718	517,065	548,567	585,504	606,615
Bad debt	1,099,598	(315,465)	3,861,198	451,116	678,922
Cost of land sales	122,333	85,975	19,353	376,451	255,116
Amortization	11,948,964	11,397,215	11,016,554	10,270,774	10,039,128
Total Expenses	\$ 93,382,857	\$ 98,145,765	\$ 89,196,004	\$ 81,949,971	\$ 78,560,132

TABLE 10.0 FIVE YEAR SUMMARY OF CONSOLIDATED EXPENDITURES BY FUNCTIONAL AREA

	2017	2016	2015	2014	2013
Airport Operations	\$ 1,300,139	\$ 1,440,206	\$ 1,532,341	\$ 1,499,522	\$ 1,526,926
Community Services	13,937,455	14,042,351	14,314,709	12,047,434	11,993,786
General Government	11,189,100	9,932,198	13,102,420	9,503,377	10,260,700
Land Development	405,942	664,406	765,952	664,890	546,173
Protective Services - ECC	5,737,641	5,783,065	4,614,626	4,104,635	3,576,400
Protective Services - Fire Services	7,595,153	7,099,205	7,196,084	6,981,760	6,667,002
Protective Services - Police Services	20,509,861	19,176,385	18,860,493	18,303,783	17,230,474
Sanitation Utility Services	4,207,890	4,068,078	3,219,816	3,518,174	3,162,978
Transportation Services	11,113,831	10,346,701	9,729,617	9,181,955	9,115,097
Water Utility Services	16,889,326	25,502,705	15,717,550	15,771,737	14,348,503
Consolidated entities	496,519	90,465	142,397	307,532	132,096
Total Expenses	\$ 93,382,857	\$ 98,145,765	\$ 89,196,005	\$ 81,884,799	\$ 78,560,135

FINANCIAL POSITION

TABLE 11.0 FIVE YEAR SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2017	2016	2015	2014	2013
Financial Assets	\$ 45,308,419	28,286,842	29,870,744	26,128,705	25,149,532
Financial Liabilities	(51,671,585)	(30,129,425)	(33,755,240)	(29,634,207)	(33,273,555)
Net Debt	(6,363,166)	(1,842,583)	(3,884,496)	(3,505,502)	(8,124,023)
Non-Financial Assets	336,299,082	322,960,556	314,140,732	299,873,570	288,230,532
Accumulated Surplus	\$ 329,935,916	\$ 321,117,973	\$ 310,256,236	\$ 296,368,068	\$ 280,106,509

Financial assets are comprised of \$28.0 million in cash, \$2.8 million in taxes receivable and \$14.3 million in accounts receivable.

Financial liabilities include \$11.4 million in accounts payable and accrued liabilities, wages and benefits payable of \$5.2 million, deposits and deferred revenue of \$2.8 million, \$28.5 million in long term debt, \$3.5 million in vested sick leave, and \$0.4 million due to local school divisions and amounts due to trusts.

Non-financial assets included tax title lands, prepaid expenses, supplies inventory, land available for sale, and tangible capital assets.

Total consolidated accumulated surplus increased \$8.8 million in 2017, a change in accumulated surplus results from changes in both financial (cash) assets and non-financial (non-cash) assets.

Total consolidated
accumulated surplus increased
\$8.8 million in 2017.

CAPITAL ASSETS



OVER **\$535 MILLION**

in city-managed capital assets with \$25.0 million invested in 2017 to replace, upgrade and add new infrastructure

TANGIBLE CAPITAL ASSETS

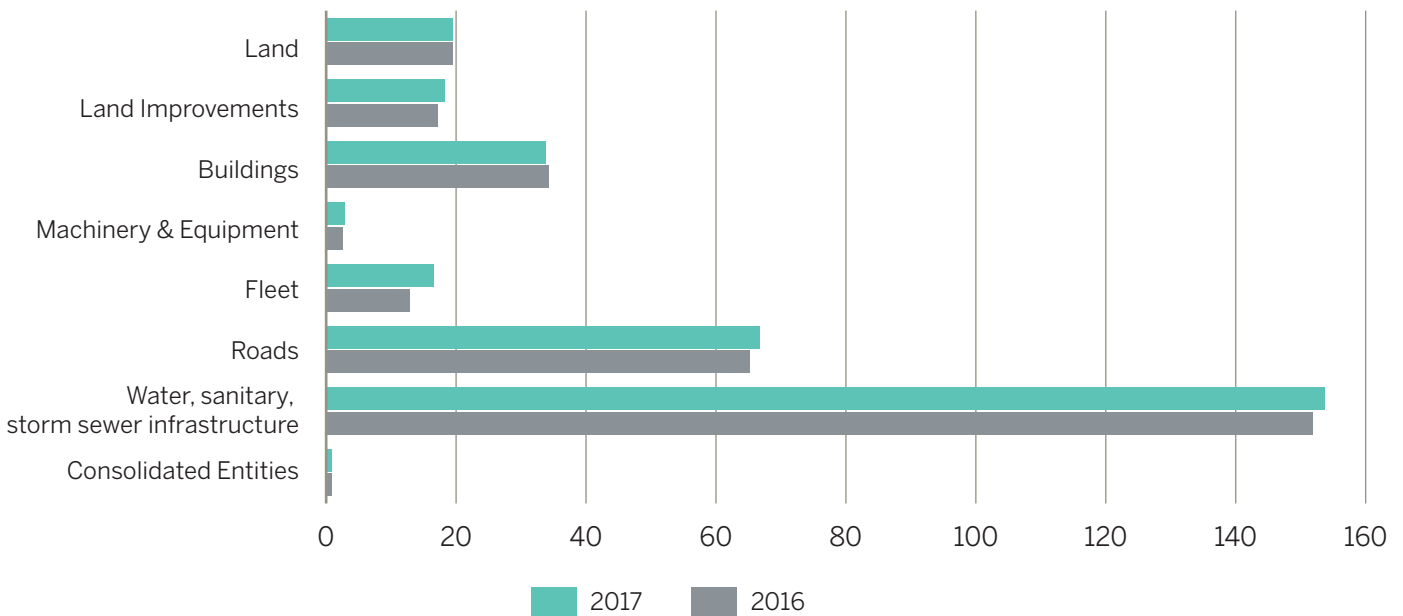
Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets is amortized on a straight-line basis over the assets estimated useful lives, ranging from five to 100 years.

The City's total net book value of tangible capital

assets rose by \$8.1 million from \$304.5 million in 2016 to \$312.6 million in 2017.

The largest asset category is water, sanitary, and storm sewer infrastructure with a net book value of \$153.8 million followed by roadways with a net book value of \$66.7 million. Table 12.0 reflects the net book value of the tangible capital assets in 2017 in comparison to 2016.

TABLE 12.0 TANGIBLE CAPITAL ASSETS BY CATEGORY (\$ millions)



FIVE YEAR SUMMARY OF CAPITAL ADDITIONS

Table 13.0 below reflects the capital additions over the past 5 (five) years in each of the General Fund, Water Utility 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

	2017	2016	2015	2014	2013
Tangible Capital Asset Additions					
General Fund	\$ 12,386,975	\$ 12,435,918	\$ 15,694,393	\$ 8,941,943	\$ 7,477,086
Water Fund	939,938	9,507,520	4,976,650	10,090,849	18,196,665
Sanitation Fund	6,322,254	2,241,166	57,623	461,599	–
Airport Fund	870,455	39,552	329,626	60,176	204,629
Consolidated Entities	86,477	124,468	158,353	44,035	155,841
	\$ 20,606,099	\$ 24,348,624	\$ 21,216,645	\$ 19,598,602	\$ 26,034,221
Work in Process					
Balance at start of year	\$ 11,594,084	\$ 14,442,101	\$ 10,380,310	\$ 7,906,304	\$ 19,825,844
Projects completed and transferred	(2,210,339)	(5,119,743)	(232,571)	(1,844,691)	(16,120,456)
Projects started and not completed	6,670,242	2,271,726	4,294,362	4,318,697	4,200,916
	\$ 16,053,987	\$ 11,594,084	\$ 14,442,101	\$ 10,380,310	\$ 7,906,304
Balance at end of year	\$ 16,053,987	\$ 11,594,084	\$ 14,442,101	\$ 10,380,310	\$ 7,906,304

DEBT



\$28.5 MILLION

\$20.6 million in new debt in 2017 to finance capital projects including the new and upgraded water reservoirs and new transit buses

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

The funding of the capital projects is dependent on the project and varies from year to year. The City's current debt level is \$28.5 million or \$793 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 by fund over the last 5 (five) years. Total long-term debt increased in 2017 related to several capital projects approved for 2017 and 2018 that required debt servicing.

TABLE 14.0 FIVE YEAR LONG-TERM DEBT BY FUND

	2017	2016	2015	2014	2013
General Fund	\$ 5,616,566	\$ 692,023	\$ 662,177	\$ 878,915	\$ 1,089,918
Water Utility Fund	18,691,299	6,440,065	8,854,708	9,973,930	11,038,370
Land Fund	4,164,703	2,550,853	3,212,219	3,553,102	3,863,895
Total Long-Term Debt	\$ 28,472,568	\$ 9,682,941	\$ 12,729,104	\$ 14,405,947	\$ 15,992,183

The new debt was required to finance approved capital projects and will also be used to pay the amount due on a loan that matures in early 2018. Of the \$28.5 million of long-term debt in Table 14.0, \$20.6 is related to the new debt. Table 14.1 lists the loan balances as of December 31, 2017 along with the details surrounding each loan.

TABLE 14.1

Lender	Loan Balance at December 31, 2017	Loan Rate	Annual Debt Servicing	Purpose of Loan	Expiry
Royal Bank of Canada (RBC)	\$2,562,000	3.40%	\$302,800	New loan in 2017 for the purchase of seven new fully accessible transit buses	Loan is scheduled to be repaid December 2027
Royal Bank of Canada (RBC)	\$2,209,000	3.40%	\$132,000	New loan in 2017 for irrigation at the Cooke Municipal Golf Course	Loan is scheduled to be repaid December 2042
Royal Bank of Canada (RBC)	\$2,261,000	3.40%	\$267,200	New loan in 2017 to refinance the Bank of Montreal Loan below	Loan is scheduled to be repaid December 2027
Bank of Montreal (BMO)	\$2,366,448	2.83%	\$485,592	Original loan in 2009 for development in the West Hill area and is paid by both property taxes (10%) and land sales (90%). Loan will be paid off in 2018 by Royal Bank of Canada refinancing loan (above)	Loan is scheduled to be repaid April, 2018
Conexus Credit Union	\$382,821	6.40%	\$54,756	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 May 2027
Royal Bank of Canada (RBC)	\$7,000,000	3.40%	\$417,200	New loan in 2017 for the construction of a 15 million litre water reservoir on River Street and is paid for by Water and Sewer rates	Loan is scheduled to be repaid December 2042
Royal Bank of Canada (RBC)	\$6,553,000	3.40%	\$390,400	New loan in 2017 for upgrades to the zone 2 water reservoirs on 2nd Avenue West and Marquis Road and is paid for by Water and Sewer Rates	Loan is scheduled to be repaid December 2042
Canadian Housing and Mortgage Corporation (CMHC)	\$4,315,803	3.98%	\$718,523	Original loan 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 September 2024
Saskatchewan Municipal Financing Corporation (SMFC)	\$822,496	6.00%	\$822,496	Original loan in 1998 for renovations at the Pollution Control Centre and is paid for by Water and Sewer rates	Loan is scheduled to be repaid September 2018
Total	\$28,472,568				

PER CAPITA LONG TERM DEBT

TABLE 15.0 FIVE YEAR PER CAPITA LONG TERM DEBT

	2017	2016	2015	2014	2013
Gross External Debt	\$ 28,472,568 \$	9,632,941 \$	11,442,838 \$	12,729,104 \$	14,405,947
Capita per Census *	35,926	35,926	35,129	35,129	35,129
Debt per Capita	793	268	326	362	410
Interest on Long Term Debt Expense	340,100	486,858	542,632	598,203	682,505
Interest per Capita	9	14	15	17	19

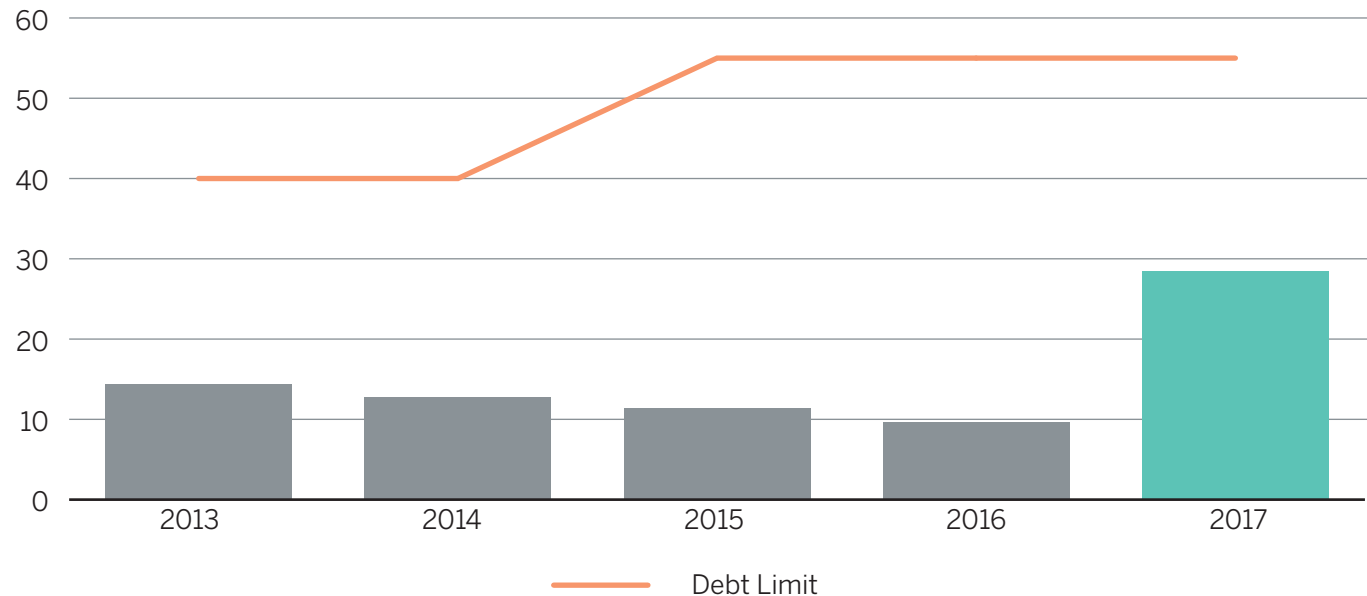
* data taken from Statistics Canada website

GROSS EXTERNAL DEBT

Gross external debt increased \$18.8 million in 2017 from prior year. Table 15.0 below reflects the level of

debt over the last 5 (five) years in comparison to the approved debt limit.

TABLE 15.0 GROSS EXTERNAL DEBT



RESERVES



\$14.0 MILLION

Reserves have grown over the last 5 years, but decreased in 2017. Reserve reductions included \$1.0 million for operations and \$0.5 million used towards the cost of the new pool at the Kinsmen Water Park, construction will be complete in 2018.

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

\$14.0 million at the end of 2017, a net decrease of \$0.6 million over 2016.

For a complete list of reserves for all funds please see schedule 9 in the Financial Statements.

FIVE-YEAR SUMMARY OF RESERVES

TABLE 16.0 FIVE YEAR SUMMARY OF RESERVES

	2017	2016	2015	2014	2013
Reserves balance	\$ 14,032,718	\$ 14,583,431	\$ 14,230,976	\$ 11,164,380	\$ 9,733,090
Capita per census*	35,926	35,926	35,129	35,129	35,129
Reserve balance per capita	\$ 391	\$ 406	\$ 405	\$ 318	\$ 277

* data taken from Statistics Canada website

The reserve balances by fund in 2017 were \$15.1 million in the General Fund, \$0.50 in the Water Utility Fund, (\$3.6 million) in the Land Fund and \$2.0 million in the

Airport Fund. Further details regarding the General Fund Reserves balances are outlined in Table 17.0.

TABLE 17.0 GENERAL FUND 2017 RESERVES

Reserve Title	2017 Reserve Balance	Reserve Purpose
Affordable Housing	\$714,610	Established in 2010, funded by an amount equal to approximately 4% of taxes levied on affordable housing properties. In 2012 the funding was expanded to include a 4% allocation from land sales.
AJFH (Alfred Jenkins Field House) Improvements Reserve	\$83,266	Established in 2016, to assist with funding future capital projects and improvements at the Alfred Jenkins Field House site.
Arenas Improvements Reserve	\$7,181	Established in 2017, to assist with funding future capital projects within the Art Hauser Centre, Kinsmen Arena and Dave G. Steuart Arena.
Capital Works Committed	\$2,301,387	Funded by prior year's capital budgets and is comprised of City and external funding received for the carryforward capital projects. The balance in the reserve fluctuates each year based on uncompleted capital purchases and projects at year end. This reserve is only for previously approved capital items.
Civic Facilities Reserve	\$3,952,644	Established in 2014, this reserve is funded from a taxation levy. The intent of this reserve is to pay for the planning and construction of future City owned facilities.
Community Services Building Reserve	\$26,938	Intended to allocate funds for future maintenance projects.
Community Services Special Events Marketing	\$59,782	Established in 2010, to fund special events being brought into the City of Prince Albert. The funding of this reserve is via an allocation of tax dollars.
Destination Marketing Levy	\$552,143	Established to collect funds from the Destination Marketing Levy. The Destination Marketing Advisory Committee acts as the review body for the levy including policy, guidelines and allocation.
Downtown Improvement	\$120,000	Established in 2015, funded by an allocation of parking meter revenues. The intent of the reserve was to assist the Downtown Improvement District organization with improvements to the downtown area.
EAR Mechanical Equipment	-\$85,349	The purpose of this reserve is to provide a funding source for repairs of the HVAC mechanical equipment at the EA Rawlinson Centre. The reserve was established in 2003 and has had \$10,000 contributed to it annually since 2003.
EAR Facility Fee Reserve	\$125,226	The reserve is funded by a \$1 charge placed on tickets of events held at the facility.
Equipment and Fleet Reserve	\$912,158	Established to purchase replacement equipment that comprises the City's equipment fleet. There are charge-outs for equipment.
Fire Equipment / Fleet Reserve	\$1,313,018	Established in 2009, to mitigate the fluctuation in budgeting for the equipment required at Fire Services.
Future Infrastructure	\$1,326,539	Established in 2011, levy intended to balance operations and fund a dedicated future infrastructure reserve. Intended to allocate funds annually and use the accumulated balance to fund large capital projects.
Golf Course - Improvements	\$533,465	Established in 2010, funding based on the current year's surplus in the Golf Course operations, thereby making the Golf Course reserve funding ""user paid"" and the Golf Course a 100% user paid City operation.
Golf Course Equipment and Golf Carts	\$97,773	Established in 2014, for the golf course to be self sustaining in regards to their own fleet management. The reserve is funded by the operating surplus of the Golf Course Cart fleet.

TABLE 17.0 GENERAL FUND 2017 RESERVES (continued)

Reserve Title	2017 Reserve Balance	Reserve Purpose
Information Technology Reserve	\$61,816	Established in 2012, for purchases of IT items such as desktop computers, servers, printers, photocopiers and multi-purpose machines.
Kinsmen Water Park Surcharge	\$6,425	Established in 2015, funded by an allocation of \$1 per admission to the Kinsmen Water Park. Intended to fund repairs and capital at the Kinsmen Water Park.
Minor Softball	\$34,034	Funded by the operating surplus at the park concession.
PA Slo-Pitch League Reserve	-\$9,559	Established to accept all sponsorship funds for the purpose of Capital Improvements at the Lakeland Ford Park.
PAGCC Mechanical Reserve	-\$32,998	Intended for repairs of the HVAC mechanical equipment at the Prince Albert Golf and Curling Club facility. This reserve is funded by an annual allocation of \$10,000 from taxation.
Pehonan Parkway	\$371,520	Expenditures from this reserve are endorsed and recommended by the Pehonan Parkway Governance Committee and approved by Council.
Police Capital Reserve	\$176,489	Established in 2009, to fund Police Capital projects and purchases. The funding level of the reserve was established with the intent of mitigating fluctuations in year to year budgeting of capital projects. The funding is an allocation within the Police budget each year.
Police Equipment Fleet Reserve	\$120,804	Established in 2010, to fund the replacement of Police fleet vehicles and is a separate reserve from the general Police Capital Reserve and the City's Equipment/Fleet reserve. This reserve is funded by the operating surplus of the Police Services fleet during the year.
Police Operating Reserve	\$500,000	Established in 2016, each fiscal year the operating surplus or deficit of police operations is allocated to the reserve.
Project Beach Reserve	\$27,403	Established in 2016, to allocate all funds received for Project Beach and allocate all related capital expenditures.
Project Triple Play	-\$348,784	Established 2015, to allocate revenue received for the Project Triple Play Committee and to fund all capital expenditures within the approved project budget. The sponsorship funding is over four years ending in 2019.
Public Art Capital Reserve	\$27,000	Established in 2017, funded by an annual allocation of \$30,000. Administration under the Terms of Reference of the Public Art Committee to facilitate the formation of a public art plan.
Savings - Emergency Reserve	\$314,990	Established in 2011, to provide an emergency source of funding for City operations.
Snow Management	\$364,220	Established in 2014, any snow budget surplus is allocated to the reserve to fund any future overages regarding snow management.
Other General Fund Reserves	\$1,431,882	Other Reserves as listed in Schedule 9 of the audited consolidated financial statements.
TOTAL	\$15,086,023	

FINANCIAL CONTROLS AND ACCOUNTABILITY

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

In 2016, the following were identified for 2017:

Technology improvements – invoices can be sent via email, direct deposit payments continue to be used more than cheques, new assessment software was fully operational in 2017 and electronic utility billing went live starting 2017;

Staffing – the inclusion of the Purchasing Manager with Supply Chain Management Professional (SCMP) designation has helped with proper and efficient procurement practices which includes the tendering and Request for Proposal (RFP) processes;

Process Improvements – accounts payable workshops with staff identified improvements, continuous improvement in the budgetary process in order to identify opportunities.

The City ensures strong financial management and accountability policies and practices are in place. In 2017 the following highlights were identified:

Technology improvements – a workforce management software (WFM) will be implemented. This is a scheduling / time sheet software that will electronically gather data for payroll purposes, investigate technology to reduce non-value added activities and manual processes;

Policies – Review, update and create policies that will give direction to all employees;

Process Improvements – Continue with process improvements where we build improved value through continued expense discipline, movement toward monthly utility billing and continuous improvement in the budgetary process;

Identify new or improved sources of revenue, such as the establishment of The City's storage / garage compound which will be fully functioning in 2018.

Utilities – 2 (two) year project to replace all water meters and with a system that can provide data for monthly billing and information regarding water usage.

MESSAGE FROM DIRECTOR OF FINANCIAL SERVICES

The City of Prince Albert's 2017 Annual report is a summary of information highlighting performance by individual departments and the financial performance as of December 31, 2017. The December 31, 2017 Consolidated Financial Statements are prepared in accordance with the Public Sector Accounting Standards (PSAS) and legislative requirements as outlined in The Cities Act.

The City's 2017 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 contain performance indicators such as the number of various permits and construction value of building permits, transit ridership numbers, community services and capital projects for 2017.

The 2017 Financial Statement Discussion and Analysis section is designed to help residents understand the financial information contained within annual financial statements. Tables, graphs, and discussion are used to highlight trends, explain results, identify where the City's revenue is generated, and show the expenses along with relevant economic data affecting the City of Prince Albert.

The third component is the 2017 Audited Consolidated Financial Statements, which have been audited by MNP LLP. The statements are prepared by management and contain the City's financial information.

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 2017 Annual Report is the City's means to communicate the operational details to City residents in an accountable and transparent manner.

The City of Prince Albert continued to face challenges



in 2017 by having to do more with less. In 2016, provincial funding decreased substantially and continued for 2017. The Provincial Sales Tax (PST) changes that came into effect March 23, 2017, had a significant impact and is estimated to be as much as \$1 million. The largest effect was to asphalt and concrete estimated at over \$400,000.

Team effort is key to success. I am both grateful and proud of the hard work City employees provide as we go forward with continuous improvements, breaking down silos and working together toward success under difficult conditions. Success is truly a team effort.

Regards,

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

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017



MANAGEMENT'S REPORT

For the Year Ended December 31, 2017

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

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

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

Monday, June 18, 2018

Jim Toye
City Manager



Cheryl Tkachuk, CPA, CMA
Director of Financial Services



INDEPENDENT AUDITORS' REPORT

For the Year Ended December 31, 2017

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

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, 2017, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year then ended, related schedules, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of 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, 2017 and the results of its operations, change in net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements for year ended December 31, 2016 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion in their Independent Auditors' Report dated June 26, 2017.

Prince Albert, Saskatchewan

June 18, 2018

MNP LLP
Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	<u>2017</u>	<u>2016</u>
		(Restated-Note 16)
FINANCIAL ASSETS		
Cash	\$ 27,999,391	\$ 10,773,493
Temporary investments	120,350	119,481
Taxes receivable	2,848,906	3,447,790
Accounts receivable (Note 2)	<u>14,339,772</u>	<u>13,946,078</u>
	<u>45,308,419</u>	<u>28,286,842</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	11,432,333	10,443,827
Wages and employee benefits payable	5,178,141	4,090,382
Deposits and deferred revenue (Note 4)	2,755,443	2,100,680
Due to local school divisions (Note 5)	378,092	660,106
Due to Trusts	4,573	10,317
Long-term debt (Note 6)	28,472,568	9,632,941
Vested sick leave	<u>3,450,435</u>	<u>3,191,172</u>
	<u>51,671,585</u>	<u>30,129,425</u>
NET FINANCIAL DEBT	<u>(6,363,166)</u>	<u>(1,842,583)</u>
NON-FINANCIAL ASSETS		
Property acquired for taxes (Note 7)	778,084	598,556
Prepaid expenses	955,778	202,328
Supplies inventory	1,498,580	1,540,877
Land available for sale	4,418,665	4,530,785
Work in progress (Note 8)	16,053,987	11,594,084
Tangible capital assets (Note 9)	<u>312,593,988</u>	<u>304,493,926</u>
	<u>336,299,082</u>	<u>322,960,556</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 329,935,916</u>	<u>\$ 321,117,973</u>

Contingent liabilities and guarantees (Note 14)



Approved by Mayor and Council

See accompanying notes.

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u> (Restated-Note 16)
REVENUE			
Taxation (Note 11)	\$ 35,733,020	\$ 35,957,196	\$ 35,982,078
User charges and fees	34,560,560	36,039,110	34,881,249
Operating grants and donations	11,040,080	12,624,075	21,909,033
Grants-in-lieu-of-taxes (Note 12)	7,970,200	8,284,942	9,477,868
Interest and penalties	1,050,400	1,261,973	1,067,496
Land sales	1,650,500	2,024,297	796,659
Sundry	<u>704,240</u>	<u>1,513,724</u>	<u>1,814,261</u>
	<u>92,709,000</u>	<u>97,705,317</u>	<u>105,928,644</u>
EXPENSES			
Airport operations	1,010,460	1,300,139	1,440,206
Community services	12,002,840	13,937,455	14,042,351
General government	12,225,340	11,189,100	9,932,198
Land development operations	567,540	405,942	664,406
Protective services - Emergency Call Centre	4,393,910	5,737,641	5,783,065
Protective services - Fire Services	7,256,800	7,595,153	7,099,205
Protective services - Police Services	19,925,790	20,509,861	19,176,385
Sanitation Utility Services	3,485,450	4,207,890	4,068,078
Transportation services	6,362,520	11,113,831	10,346,701
Water utility services	11,352,050	16,889,326	25,502,705
Consolidated entities (Note 1)	<u>-</u>	<u>496,519</u>	<u>90,465</u>
	<u>78,582,700</u>	<u>93,382,857</u>	<u>98,145,765</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITAL TRANSACTIONS			
	<u>14,126,300</u>	<u>4,322,460</u>	<u>7,782,879</u>
Capital revenue	10,000	4,853,541	5,465,157
Write down of Tangible Capital Asset	-	-	(23,020)
Loss on disposal of Tangible Capital Assets	<u>-</u>	<u>(358,058)</u>	<u>(691,091)</u>
	<u>10,000</u>	<u>4,495,483</u>	<u>4,751,046</u>
EXCESS OF REVENUE OVER EXPENSES			
	<u>\$ 14,136,300</u>	<u>\$ 8,817,943</u>	<u>\$ 12,533,925</u>
Accumulated surplus, beginning of year, as previously reported		\$ 322,790,161	\$ 310,256,236
Correction of an error (Note 16)		<u>(1,672,188)</u>	<u>(1,672,188)</u>
Accumulated surplus, beginning of year as restated		<u>321,117,973</u>	<u>308,584,048</u>
ACCUMULATED SURPLUS, END OF YEAR			
		<u>\$ 329,935,916</u>	<u>\$ 321,117,973</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT

For the Year Ended December 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u> (Restated - Note 16)
Excess of revenues over expenses	\$ 14,136,300	\$ 8,817,943	\$ 12,533,925
Changes in Tangible Capital Assets ("TCA")			
Acquisition of TCA	-	(20,606,099)	(24,348,624)
Acquisition of work in progress	-	(4,459,903)	2,848,017
Amortization of TCA	-	11,948,964	11,397,215
Proceeds on disposal of TCA	-	199,016	210,752
Loss on disposal of TCA	<u>-</u>	<u>358,058</u>	<u>691,091</u>
	<u>-</u>	<u>(12,559,964)</u>	<u>(9,201,549)</u>
Change in Non-Financial Assets			
Change in property acquired for taxes	-	(179,529)	49,281
Change in prepaid expenses	-	(753,450)	175,061
Change in supplies inventory	-	42,297	262,412
Land available for sale - developments during the year	-	(22,063)	(190,775)
Land available for sale - sold during the year	<u>-</u>	<u>134,183</u>	<u>85,746</u>
	<u>-</u>	<u>(778,562)</u>	<u>381,725</u>
DECREASE (INCREASE) IN NET FINANCIAL DEBT	<u>14,136,300</u>	(4,520,583)	3,714,101
NET FINANCIAL DEBT, BEGINNING OF YEAR		<u>(1,842,583)</u>	<u>(5,556,684)</u>
NET FINANCIAL DEBT, END OF YEAR		\$ (6,363,166)	\$ (1,842,583)

See accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Surplus of revenues over expenses	\$ 8,817,943	\$ 12,533,925
Adjusted for non-cash items		
Amortization of TCA	11,948,964	11,397,215
Loss on disposal of TCA	<u>358,058</u>	<u>691,091</u>
	<u>21,124,965</u>	<u>24,622,231</u>
Net changes in non-cash working capital		
Taxes receivable	598,884	(355,068)
Accounts receivable	(393,694)	(4,609,548)
Due to Trusts	(5,744)	(145)
Accounts payable and accrued liabilities	988,506	(3,219,930)
Wages and employee benefits payable	1,087,759	777,581
Deposits and deferred revenue	654,763	(1,072,056)
Due to local school divisions	(282,014)	32,215
Vested sick leave	259,263	(5,771)
Property acquired for taxes	(179,529)	49,281
Prepaid expenses	(753,450)	175,061
Supplies inventory	42,297	262,412
Land available for sale - developments during the year	(22,063)	(190,775)
Land available for sale - sold during the year	<u>134,183</u>	<u>85,746</u>
	<u>2,129,161</u>	<u>(8,070,997)</u>
CASH FLOWS FROM (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(20,606,099)	(24,348,624)
Proceeds from the disposal of tangible capital assets	199,016	210,752
Development of work in progress (net of transfers)	<u>(4,459,903)</u>	<u>2,848,017</u>
	<u>(24,866,986)</u>	<u>(21,289,855)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Long-term debt issued	20,585,000	-
Long-term debt repaid	<u>(1,745,373)</u>	<u>(1,809,897)</u>
	<u>18,839,627</u>	<u>(1,809,897)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Temporary investments	<u>(869)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	17,225,898	(6,548,518)
CASH, BEGINNING OF YEAR	<u>10,773,493</u>	<u>17,322,011</u>
CASH, END OF YEAR	\$ <u>27,999,391</u>	\$ <u>10,773,493</u>

See accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The City of Prince Albert ("the City") is a municipality in the Province of Saskatchewan, Canada and operates under the provisions of The Cities Act. The consolidated financial statements of 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:

a) Fund Accounting and Segmented Information

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

General Operating Fund

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

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

General Government including External Agencies

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

Protective Services - Emergency Communications Centre (ECC)

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

Protective Services - Police Service

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

Protective Services - Fire Services

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

Transportation Services - Public Works

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

Community Services

Provides sport, recreation, culture and park activities.

Sanitation Operating Fund

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Water Utility Operating Fund

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

Land Operating Fund

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

Airport Operating Fund

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

Equipment Fund

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

Consolidated Entities

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

b) Reporting 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, 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 (2017 - 84.22% : 2016 - 84.23%)

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

c) 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 revenue 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.

d) Cash

Cash consists of cash on hand and balances with banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

e) Temporary Investments

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

f) Deposits and Deferred Revenue

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

g) Employee Benefit Plans

Vested Sick Leave

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

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

Defined Benefit Pension Plan

Employees of the City participate in the Municipal Employees Pension Plan ("MEPP"). Since this plan is a multi-employer defined benefit plan, the actuary does not allocate portions of surplus to individual employers, therefore the City is not able to identify its share of the plan assets and liabilities. As a result, the standards for defined benefit plans have been applied and the City's pension expense is limited to its contributions to the plan.

h) Property Acquired for Taxes

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

i) Supplies Inventory

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

j) Land Available for Sale

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

k) Tangible Capital Assets and Work in Progress

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

Land Improvements	9 to 100 years
Buildings	20 to 100 years
Machinery and Equipment	5 to 15 years
Fleet	5 to 15 years
Roads	10 to 100 years
Water, Sanitary and Storm Sewer Infrastructure	20 to 100 years

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

Contributed tangible capital assets are recorded at fair market value. 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. (2016-nil).

l) Revenue and Expenses Recognition

Revenue is recorded using the accrual basis of accounting whereby revenue is recognized as 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 revenue is 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 consolidated financial statements of future periods could be material. Penalties on overdue taxes are recorded in the period levied.

Government transfers are recognized in the consolidated financial statements as revenue 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 revenue in the period in which the contract is signed and deposit is received.

m) 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.

n) Budget Figures

The Council approved 2017 operating budgets and are reflected on the Statement of Operations, and does not include budget figures for the consolidated entities. The General Fund Budget was approved by City Council on April 24th, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

o) New Standards

A number of new standards and amendments to standards which may impact the City are not yet effective for the year ended December 31, 2017, and have not been applied in preparing these consolidated financial statements.

Standards effective beginning on or after April 1, 2018

i) 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

i) 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.

ii) 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.

iii) 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 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.

iv) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

2. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Federal Government	\$ 614,685	\$ 569,461
Provincial Government	2,499,611	1,963,090
Trade	3,754,568	7,827,372
Utility	5,410,880	5,185,275
Land sales	698,827	487,193
Sanitation	448,281	266,825
Airport	859,551	141,969
Consolidated Entities	53,369	37,444
	<u>\$ 14,339,772</u>	<u>\$ 13,946,078</u>

Accounts receivable have been reported net of an allowance for doubtful accounts of \$1,894,007 (2016 - \$1,684,030). The allowance has been determined through an annual review of outstanding amounts.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
General fund trade accounts payable and other accrued liabilities	\$ 10,843,811	\$ 9,527,384
Utility fund accounts payable	114,371	160,696
Land fund accounts payable	25,000	221,839
Sanitation fund landfill closure and post closure (i)	350,791	331,198
Consolidated entities accounts payable	98,360	202,710
	<u>\$ 11,432,333</u>	<u>\$ 10,443,827</u>

i) 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 \$350,791 (2016 - \$331,198) is based on the cumulative capacity used at December 31, 2017, 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 753,813 cubic metres (2016 - 711,713 cubic metres) have been used as of December 31, 2017 (20%) (2016 - 18%). The existing landfill site is expected to reach capacity in approximately 2046.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

4. DEPOSITS AND DEFERRED REVENUE

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

	2016	Additions	Expenses	2017
Prepaid property tax	\$ 176,340	\$ 795,824	\$ 176,340	\$ 795,824
Emergency Communication Centre	560,821	633,828	560,821	633,828
Water utility deposits	358,515	363,400	358,515	363,400
Facilities	356,660	352,245	356,660	352,245
Prepaid business licenses	143,950	160,600	143,950	160,600
Saskatchewan Lotteries grant	95,117	127,322	95,117	127,322
Urban Connector O&M	94,208	93,130	94,208	93,130
Other	31,346	48,261	9,021	70,586
EA Rawlinson deferred sales	17,845	55,477	17,548	55,774
Custom work deposits	95,587	52,587	95,587	52,587
Victim Services	30,671	-	824	29,847
Landfill deposits	19,100	1,700	500	20,300
Prepaid sponsorship	67,375	-	67,375	-
Capital grant	53,145	-	53,145	-
	<u>\$ 2,100,680</u>	<u>\$ 2,684,374</u>	<u>\$ 2,029,611</u>	<u>\$ 2,755,443</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 2017</u>	<u>Total 2016</u>
Taxes payable	\$ 594,959	\$ 93,768	\$ 688,727	\$ 972,612
Allowance for doubtful accounts	<u>(310,057)</u>	<u>(577)</u>	<u>(310,635)</u>	<u>(312,506)</u>
	<u>\$ 284,902</u>	<u>\$ 93,191</u>	<u>\$ 378,092</u>	<u>\$ 660,106</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

6. LONG-TERM DEBT

General Fund

	<u>2017</u>	<u>2016</u>
Loan payable - Royal Bank of Canada (RBC) Ltd. Bankers' Acceptance Loan, for transit buses, quarterly payments of approximately \$75,700 including interest fixed at 3.40% through an interest rate swap contract, due December 1, 2027.	\$ 2,562,000	\$ -
Loan payable - Royal Bank of Canada (RBC) Ltd. Bankers' Acceptance Loan, for the golf course irrigation, quarterly payments of approximately \$33,000 including interest fixed at 3.40% through an interest rate swap contract, due December 1, 2042.	2,209,000	-
Loan payable - Royal Bank of Canada (RBC) Ltd. Bankers' Acceptance Loan, quarterly payments of approximately \$66,800 including interest fixed at 3.40% through an interest rate swap contract, due December 1, 2027.	226,100	-
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.	236,645	277,873
Mortgage payable - Prince Albert Golf and Curling Club, the City is a guarantor for the mortgage and an amount is paid as a grant for this purpose. Conexus Credit Union, bi-weekly payments of \$2,106 including interest at 6.40%, secured by the club facility, due May 14, 2027.	<u>382,821</u>	<u>414,150</u>
	<u>5,616,566</u>	<u>692,023</u>

Water Utility Fund

Loan payable - Royal Bank of Canada (RBC) Ltd. Bankers' Acceptance Loan, for new reservoirs, quarterly payments of approximately \$104,300 including interest fixed at 3.40% through an interest rate swap contract, due December 1, 2042.	7,000,000	-
Loan payable - Royal Bank of Canada (RBC) Ltd. Bankers' Acceptance Loan, for reservoir upgrades, quarterly payments of approximately \$97,600 including interest fixed at 3.40% through an interest rate swap contract, due December 1, 2042.	6,553,000	-
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.	4,315,803	4,841,629
Loan payable - Saskatchewan Municipal Financing Corporation (SMFC), annual payments of \$822,496 including interest at 6.00%, due September 1, 2018.	<u>822,496</u>	<u>1,598,436</u>
	<u>18,691,299</u>	<u>6,440,065</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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

Land Fund	<u>2017</u>	<u>2016</u>
Loan payable - Royal Bank of Canada (RBC) Ltd. Bankers' Acceptance Loan, quarterly payments of approximately \$66,800 including interest fixed at 3.40% through an interest rate swap contract, due December 1, 2027.	2,034,900	-
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 was to finance underground infrastructure - see also General Fund portion.	<u>2,129,803</u>	<u>2,500,853</u>
	<u>4,164,703</u>	<u>2,500,853</u>
Total Long-Term Debt	\$ <u>28,472,568</u>	\$ <u>9,632,941</u>

Amounts due is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,601,794	\$ 932,724	\$ 5,534,518
2019	1,456,327	825,790	2,282,117
2020	1,509,759	773,804	2,283,563
2021	1,561,185	718,046	2,279,231
2022	1,618,646	660,321	2,278,967
Remainder	<u>17,724,857</u>	<u>5,547,369</u>	<u>23,272,226</u>
	\$ <u>28,472,568</u>	\$ <u>9,458,054</u>	\$ <u>37,930,622</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.

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 to the extent of the indebtedness. The balance at December 31, 2017 is nil (2016 - nil). The Royal Bank of Canada loans are secured by all taxes levied by the City, subordinated to Affinity Indebtedness on the Line of Credit.

As of December 31, 2017 the City has a 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 \$661,194 (2016 - \$661,194) for properties calculated through an annual review of cost and market value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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	\$ 1,153,002	\$ (116,270)	\$ 91,207	\$ 1,127,939
Machinery and Equipment	-	-	-	-
Buildings	592,140	(568,140)	3,875,902	3,899,902
Fire Sub-Station	<u>15,540</u>	<u>-</u>	<u>107,503</u>	<u>123,043</u>
	<u>1,760,682</u>	<u>(684,410)</u>	<u>4,074,612</u>	<u>5,150,884</u>
Airport Fund				
Airport Capital Projects	<u>27,293</u>	<u>-</u>	<u>5,901</u>	<u>33,194</u>
Sanitation Fund				
Garbage	<u>567,445</u>	<u>(481,004)</u>	<u>-</u>	<u>86,441</u>
Water Utility Fund				
Water Treatment Plant	172,646	(25,927)	2,402,828	2,549,547
Waste Water Treatment Plant	855,150	(855,150)	36,901	36,901
Water Infrastructure	<u>8,210,868</u>	<u>(163,848)</u>	<u>150,000</u>	<u>8,197,020</u>
	<u>9,238,664</u>	<u>(1,044,925)</u>	<u>2,589,729</u>	<u>10,783,468</u>
	<u>\$ 11,594,084</u>	<u>\$ (2,210,339)</u>	<u>\$ 6,670,242</u>	<u>\$ 16,053,987</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

9. CONSOLIDATED TANGIBLE CAPITAL ASSETS

For segmented detail, please refer to Schedule 7:

	<u>Opening Cost</u>	<u>Current Year Additions</u>	<u>Disposals</u>	<u>Closing Cost</u>
Land	\$ 19,565,781	\$ -	\$ -	\$ 19,565,781
Land Improvements	30,140,398	2,075,877	(48,012)	32,168,263
Buildings	53,275,739	710,367	(38,216)	53,947,890
Machinery and Equipment	6,519,731	713,137	(169,030)	7,063,838
Fleet	22,347,301	5,923,386	(1,453,032)	26,817,655
Roads	110,968,927	5,126,729	(1,222,159)	114,873,497
Water, Sanitary and Storm Sewer Infrastructure	257,678,743	5,970,126	(448,301)	263,200,568
Consolidated Entities Capital Assets	<u>1,275,389</u>	<u>86,477</u>	<u>-</u>	<u>1,361,866</u>
	<u>\$ 501,772,009</u>	<u>\$ 20,606,099</u>	<u>\$ (3,378,750)</u>	<u>\$ 518,999,358</u>

	<u>Opening Accumulated Amortization</u>	<u>Amortization</u>	<u>Disposals</u>	<u>Closing Accumulated Amortization</u>
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	(12,957,461)	(1,044,743)	46,633	(13,955,571)
Buildings	(19,007,286)	(1,093,954)	28,870	(20,072,370)
Machinery and Equipment	(3,698,768)	(543,466)	155,191	(4,087,043)
Fleet	(9,703,437)	(1,575,830)	1,139,977	(10,139,290)
Roads	(45,726,606)	(3,637,147)	1,191,151	(48,172,602)
Water, Sanitary and Storm Sewer Infrastructure	(105,747,992)	(3,959,425)	259,855	(109,447,562)
Consolidated Entities Capital Assets	<u>(436,533)</u>	<u>(94,399)</u>	<u>-</u>	<u>(530,932)</u>
	<u>\$ (197,278,083)</u>	<u>\$ (11,948,964)</u>	<u>\$ 2,821,677</u>	<u>\$ (206,405,370)</u>

	<u>2017 Net Book Value</u>	<u>2016 Net Book Value</u>
Land	\$ 19,565,781	\$ 19,565,781
Land Improvements	18,212,692	17,182,937
Buildings	33,875,520	34,268,453
Machinery and Equipment	2,976,795	2,820,970
Fleet	16,678,365	12,643,857
Roads	66,700,895	65,242,321
Water, Sanitary and Storm Sewer Infrastructure	153,753,006	151,930,751
Consolidated Entities Capital Assets	<u>830,934</u>	<u>838,856</u>
	<u>\$ 312,593,988</u>	<u>\$ 304,493,926</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

10. ACCUMULATED SURPLUS

General Operating Fund

Fund Balance (Schedule 8)
Reserves (Schedule 9)

<u>2017</u>	<u>2016</u>
\$ 144,923,075	\$ 140,755,154
<u>15,086,023</u>	<u>14,007,867</u>
160,009,098	154,763,021

Sanitation Operating Fund

Fund Balance (Schedule 8)
Reserves (Schedule 9)

9,430,160	9,535,345
<u>-</u>	<u>36,194</u>
9,430,160	9,571,539

Water Utility Operating Fund

Fund Balance (Schedule 8)
Reserves (Schedule 9)

152,872,048	149,225,520
<u>470,291</u>	<u>998,912</u>
153,342,339	150,224,432

Land Operating Fund

Fund Balance (Schedule 8)
Reserves (Schedule 9)

(8,216,493)	(9,199,704)
<u>(3,564,958)</u>	<u>(2,263,343)</u>
(11,781,451)	(11,463,047)

Airport Operating Fund

Fund Balance (Schedule 8)
Reserves (Schedule 9)

15,301,685	14,651,198
<u>2,041,362</u>	<u>1,803,801</u>
17,343,047	16,454,999

John M. Cuelenaere Public Library Board (Schedule 8)

450,953 358,767

North Central Saskatchewan Waste Management Corporation (Schedule 8)

1,141,770 1,208,262

\$ 329,935,916 **\$ 321,117,973**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

11. TAXATION REVENUE

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
General Municipal Taxation Levy	\$ 26,700,710	\$ 26,588,785	\$ 26,191,895
Special Levy Base Tax	1,330,500	1,339,714	1,332,663
Special Levy - Library Levy	1,913,100	1,949,594	1,971,523
Special Levy - Paving	4,100,800	4,204,191	4,114,314
Special Levy - Destination Marketing	305,500	303,600	305,500
General Municipal Taxation - Supplementals	278,200	257,083	185,673
General Municipal Taxation Surcharges	250,000	266,097	280,310
Abatements on Current Year Taxes	(772,390)	(681,549)	(35,019)
Discounts on Current Year Taxes	(90,000)	(92,568)	(97,176)
	<u>34,016,420</u>	<u>34,134,947</u>	<u>34,249,683</u>
Capital Projects - Special Levy	1,456,600	1,467,219	1,415,629
Street Oiling Levies	35,000	58,191	57,866
Penalties on Tax Arrears	225,000	339,341	308,127
	<u>\$ 35,733,020</u>	<u>\$ 35,999,698</u>	<u>\$ 36,031,305</u>
Less consolidation eliminations	<u>-</u>	<u>(42,502)</u>	<u>(49,227)</u>
	<u>\$ 35,733,020</u>	<u>\$ 35,957,196</u>	<u>\$ 35,982,078</u>

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

12. GRANTS-IN-LIEU-OF-TAXES

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
Grants-in-Lieu of Taxes			
Federal	\$ 212,780	\$ 165,102	\$ 145,284
Provincial	2,515,060	2,665,059	2,203,750
First Nations Reserve Lands	447,500	509,938	397,546
Prince Albert Pulp Inc	475,000	475,281	852,843
	<u>3,650,340</u>	<u>3,815,380</u>	<u>3,599,423</u>
Franchise Fees			
Sask Power	3,963,600	4,118,538	5,060,903
Sask Energy	352,060	346,395	808,860
TransGas	4,200	4,629	8,682
	<u>\$ 7,970,200</u>	<u>\$ 8,284,942</u>	<u>\$ 9,477,868</u>

13. PENSION FUND

Employees of the City participate in MEPP and contributions are a percentage of salary. Police and Firefighters contributed 11.35% (2016 - 11.35%) of their salary. All other members contributed 8.15% (2016 - 8.15%) 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 \$3,838,140 (2016 - \$3,766,223).

Based on the latest information available, MEPP had a surplus in the net assets available for benefits of \$2,451,959,000 (2016 - \$2,276,536,000). The City's portion of this is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

14. CONTINGENT LIABILITIES AND GUARANTEES

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

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

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

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

15. CONTRACTUAL OBLIGATIONS

In 2017, the City has contracted out Water Reservoir upgrades at an estimated cost of \$6,182,600. The upgrades began in 2017 and will be completed in 2018. This project was externally financed.

16. CORRECTION OF AN ERROR

During the year, the City identified that vacation accruals had not accounted for the time earned from the employees' anniversary date to the year end.

As at January 1, 2016 and January 1, 2017 accumulated surplus was overstated and vacation payable was understated by \$1,672,188. As a result, accumulated surplus and vacation payable have been retroactively restated accordingly as at January 1, 2016. There was no effect on comparative figures for the results of operations for the year ended December 31, 2016.

17. COMPARATIVE FIGURES

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION SEGMENTED BY FUND

Schedule 1 As at December 31, 2017

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

See accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION SEGMENTED BY FUND

Schedule 1 (continued) As at December 31, 2017

	J MC PUBLIC LIBRARY BOARD	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
FINANCIAL ASSETS				
Cash	\$ 325,002	\$ 356,647	-	\$ 27,999,391
Temporary investments	120,350	-	-	120,350
Taxes receivable	-	-	-	2,848,906
Accounts receivable	50,464	2,905	-	14,339,772
	<u>495,816</u>	<u>359,552</u>	<u>-</u>	<u>45,308,419</u>
LIABILITIES				
Accounts payable and accrued liabilities	93,475	4,885	-	11,432,333
Wages and employee benefits payable	-	-	-	5,178,141
Deposits and deferred revenue	-	-	-	2,755,443
Due to local school divisions	-	-	-	378,092
Due to Trusts	-	-	-	4,573
Long-term debt	-	-	-	28,472,568
Vested sick leave	-	-	-	3,450,435
	<u>93,475</u>	<u>4,885</u>	<u>-</u>	<u>51,671,585</u>
	<u>402,341</u>	<u>354,667</u>	<u>-</u>	<u>(6,363,166)</u>
NET FINANCIAL ASSETS (DEBT)				
NON-FINANCIAL ASSETS				
Property acquired for taxes	-	-	-	778,084
Prepaid expenses	4,781	-	-	955,778
Supplies inventory	-	-	-	1,498,580
Land available for sale	-	-	-	4,418,665
Work in progress	-	-	-	16,053,987
Tangible Capital Assets	43,831	787,103	-	312,593,988
Due from (to) other funds	-	-	-	-
	<u>48,612</u>	<u>787,103</u>	<u>-</u>	<u>336,299,082</u>
ACCUMULATED SURPLUS	<u>\$ 450,953</u>	<u>\$ 1,141,770</u>	<u>\$ -</u>	<u>\$ 329,935,916</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR SEGMENTED BY FUND

Schedule 2 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	9,527,384	331,196	160,696	221,839	-
Wages and employee benefits payable	3,773,638	52,094	242,440	-	22,209
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	2,500,853	-
Vested sick leave	<u>2,800,267</u>	<u>52,350</u>	<u>303,162</u>	<u>-</u>	<u>35,393</u>
	<u>19,079,192</u>	<u>454,740</u>	<u>7,612,486</u>	<u>2,722,692</u>	<u>57,602</u>
	<u>1,840,531</u>	<u>(187,915)</u>	<u>(2,427,211)</u>	<u>(2,235,499)</u>	<u>453,986</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 to (from) other funds	<u>24,411,862</u>	<u>18,092</u>	<u>(12,776,294)</u>	<u>(13,758,331)</u>	<u>2,104,671</u>
	<u>152,922,490</u>	<u>9,759,454</u>	<u>152,651,644</u>	<u>(9,227,546)</u>	<u>16,001,013</u>
ACCUMULATED SURPLUS	<u>\$ 154,763,021</u>	<u>\$ 9,571,539</u>	<u>\$ 150,224,433</u>	<u>\$ (11,463,046)</u>	<u>\$ 16,454,999</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – PRIOR YEAR SEGMENTED BY FUND

Schedule 2 (continued) As at December 31, 2016

	J MC PUBLIC LIBRARY — BOARD —	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
FINANCIAL ASSETS				
Cash	\$ 358,111	\$ 401,202	-	\$ 10,773,493
Temporary investments	119,481	-	-	119,481
Taxes receivable	-	-	-	3,447,790
Accounts receivable	<u>33,997</u>	<u>3,448</u>	-	<u>13,946,078</u>
	<u>511,589</u>	<u>404,650</u>	-	<u>28,286,842</u>
LIABILITIES				
Accounts payable and accrued liabilities	197,824	4,886	-	10,443,827
Wages and employee benefits payable	-	-	-	4,090,382
Deposits and deferred revenue	-	-	-	2,100,680
Due to local school divisions	-	-	-	660,106
Due to Trusts	-	-	-	10,317
Long-term debt	-	-	-	9,632,941
Vested sick leave	-	-	-	<u>3,191,172</u>
	<u>197,824</u>	<u>4,886</u>	-	<u>30,129,425</u>
	<u>313,765</u>	<u>399,764</u>	-	<u>(1,842,583)</u>
NET FINANCIAL ASSETS (DEBT)				
NON-FINANCIAL ASSETS				
Property acquired for taxes	-	-	-	598,556
Prepaid expenses	14,648	-	-	202,328
Supplies inventory	-	-	-	1,540,877
Land available for sale	-	-	-	4,530,785
Work in progress	-	-	-	11,594,084
Tangible Capital Assets	30,353	808,503	-	304,493,926
Due to (from) other funds	-	-	-	-
	<u>45,001</u>	<u>808,503</u>	-	<u>322,960,556</u>
	<u>\$ 358,766</u>	<u>\$ 1,208,267</u>	-	<u>\$ 321,117,973</u>

ACCUMULATED SURPLUS

See accompanying notes.

CONSOLIDATED STATEMENT OF OPERATIONS SEGMENTED BY FUND

Schedule 3 For the Year Ended December 31, 2017

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

See accompanying notes.

CONSOLIDATED STATEMENT OF OPERATIONS SEGMENTED BY FUND

Schedule 3 (continued) For the Year Ended December 31, 2017

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

See accompanying notes.

CONSOLIDATED STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY FUND

Schedule 4 For the Year Ended December 31, 2016

	GENERAL OPERATING FUND (SCHEDULE 6)	SANITATION OPERATING FUND	WATER UTILITY OPERATING FUND	LAND OPERATING FUND	AIRPORT OPERATING FUND
REVENUE					
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	1,263,191	-	260,052	280,947	10,070
	<u>73,363,741</u>	<u>4,252,913</u>	<u>25,802,428</u>	<u>1,113,542</u>	<u>1,224,027</u>
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	9,340	116,588
Financial charges	90,133	5,744	-	-	767
Grants and donations	2,660,100	142,100	-	-	-
Utilities	2,400,263	31,990	915,262	-	95,722
Interest on long term debt	34,997	-	375,533	76,327	-
Fleet expenses	2,602,485	1,163,906	775,750	-	107,331
Maintenance, material and supplies	6,703,062	471,025	11,092,490	364,030	142,064
Insurance	449,893	3,150	40,266	-	21,415
Bad debt expense	(518,382)	25,775	167,978	1	9,163
Cost of land sales	-	-	-	85,975	-
Amortization	6,037,921	564,745	4,090,501	-	617,755
	<u>68,494,896</u>	<u>4,068,078</u>	<u>25,502,705</u>	<u>664,406</u>	<u>1,440,206</u>
SURPLUS (DEFICIT) OF REVENUE 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	3,033,108	(237,715)	(828,249)	(120,253)	268,100
	<u>5,840,335</u>	<u>(419,343)</u>	<u>1,165,587</u>	<u>11,358</u>	<u>268,100</u>
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.

CONSOLIDATED STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY FUND

Schedule 4 (continued) For the Year Ended December 31, 2016

	EQUIPMENT FUND	J MC PUBLIC LIBRARY BOARD	NORTH CENTRAL SASK WASTE MGMT CORP	CONSOLIDATION ADJUSTMENTS	TOTAL CONSOLIDATED
REVENUE					
Taxation	\$ -	-	-	-	\$ 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
Sundry	-	-	-	-	1,814,261
	<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	-	8,098,617
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)	19,375,292
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 (DEFICIT) OF REVENUE 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.

GENERAL FUND STATEMENT OF OPERATIONS SEGMENTED BY DEPARTMENT

Schedule 5 For the Year Ended December 31, 2017

	GENERAL GOVERNMENT INCLUDING EXTERNAL AGENCIES	PROTECTIVE SERVICES (EMERGENCY COMM. CENTRE)	PROTECTIVE SERVICES (POLICE SERVICE)	PROTECTIVE SERVICES (FIRE SERVICES)	TRANSPORTATION SERVICES (PUBLIC WORKS)	COMMUNITY SERVICES	TOTAL GENERAL FUND
REVENUE							
Taxation	\$ 35,999,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,999,698
User charges and fees	1,332,661	5,741,002	1,282,136	274,142	717,918	4,018,083	13,365,942
Operating grants and donations	6,902,397	-	2,960,186	-	880,523	680,700	11,423,806
Grants-in-lieu-of-taxes	8,284,942	-	-	-	-	-	8,284,942
Interest and penalties	889,497	-	-	-	-	-	889,497
Sundry	537,044	-	-	23,503	148,999	483,754	1,193,300
	<u>53,946,239</u>	<u>5,741,002</u>	<u>4,242,322</u>	<u>297,645</u>	<u>1,747,440</u>	<u>5,182,537</u>	<u>71,157,185</u>
EXPENSES							
Council remuneration	\$ 359,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,001
Salaries, wages and benefits	6,673,645	5,174,267	17,687,136	6,500,593	2,348,278	5,831,099	44,215,018
Contracted and general services	1,380,424	14,142	184,852	47,733	1,998,133	1,645,468	5,270,752
Financial charges	46,192	-	55	-	-	70,355	116,602
Grants and donations	2,667,440	-	2,111	-	-	326,411	2,995,962
Utilities	1,354	-	105,399	35,878	1,067,718	1,220,530	2,430,879
Interest on long term debt	7,984	-	5,605	-	7,388	6,370	27,347
Fleet expenses	59,095	-	639,214	453,569	766,456	838,788	2,757,122
Maintenance, material and supplies	963,731	549,232	1,418,638	355,935	743,339	2,255,179	6,286,054
Insurance	206,581	-	16,368	2,752	16,103	184,076	425,876
Bad debt expense	971,233	-	-	-	-	6	971,239
Amortization	177,951	-	450,483	198,693	4,166,416	1,559,177	6,552,720
	<u>13,514,631</u>	<u>5,737,641</u>	<u>20,509,861</u>	<u>7,595,153</u>	<u>11,113,831</u>	<u>13,937,455</u>	<u>72,408,572</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>40,431,607</u>	<u>3,361</u>	<u>(16,267,539)</u>	<u>(7,297,508)</u>	<u>(9,366,391)</u>	<u>(8,754,918)</u>	<u>(1,251,387)</u>
Capital revenue	-	-	127,378	-	614,617	501,575	1,243,570
Gain (Loss) on disposal of TCA	(1,081)	-	2,945	(20,959)	(43,108)	(16,788)	(78,992)
Interfund transactions	3,446,573	-	-	-	-	-	3,446,573
	<u>3,445,492</u>	<u>-</u>	<u>130,323</u>	<u>(20,959)</u>	<u>571,509</u>	<u>484,787</u>	<u>4,611,151</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ 43,877,099</u>	<u>\$ 3,361</u>	<u>\$ (16,137,216)</u>	<u>\$ (7,318,467)</u>	<u>\$ (8,794,882)</u>	<u>\$ (8,270,131)</u>	<u>\$ 3,359,764</u>

See accompanying notes.

GENERAL FUND STATEMENT OF OPERATIONS – PRIOR YEAR SEGMENTED BY DEPARTMENT

Schedule 6 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
REVENUE							
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	<u>962,472</u>	<u>-</u>	<u>-</u>	<u>58,863</u>	<u>11,978</u>	<u>229,878</u>	<u>1,263,191</u>
	<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	<u>172,018</u>	<u>-</u>	<u>393,522</u>	<u>209,649</u>	<u>3,795,717</u>	<u>1,467,015</u>	<u>6,037,921</u>
	<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 REVENUE OVER EXPENSES BEFORE CAPITAL AND INTERFUND TRANSACTIONS	<u>44,047,489</u>	<u>-</u>	<u>(14,812,026)</u>	<u>(6,788,795)</u>	<u>(8,874,990)</u>	<u>(8,702,833)</u>	<u>4,868,845</u>
Capital revenue	-	-	27,000	-	2,949,500	35,737	3,012,237
Amortization	-	-	-	-	-	(23,020)	(23,020)
Gain (Loss) on disposal of TCA	(8,491)	-	(19,987)	(8,215)	(58,884)	(86,412)	(181,990)
Interfund transactions	<u>3,033,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,033,108</u>
	<u>3,024,617</u>	<u>-</u>	<u>7,013</u>	<u>(8,215)</u>	<u>2,890,616</u>	<u>(73,695)</u>	<u>5,840,335</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ 47,072,106</u>	<u>\$ -</u>	<u>\$ (14,805,013)</u>	<u>\$ (6,797,010)</u>	<u>\$ (5,984,374)</u>	<u>\$ (8,776,528)</u>	<u>\$ 10,709,180</u>

See accompanying notes.

TANGIBLE CAPITAL ASSETS – COST SEGMENTED BY FUND

Schedule 7 For the Year Ended December 31, 2017

	<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	9,667,229	2,022,106	(48,012)	11,641,323
Buildings	51,115,010	349,079	(38,216)	51,425,873
Machinery and equipment	5,392,617	641,696	(169,030)	5,865,283
Fleet	14,189,968	4,247,365	(821,663)	17,615,670
Roads	<u>110,968,927</u>	<u>5,126,729</u>	<u>(1,222,159)</u>	<u>114,873,497</u>
	<u>203,158,422</u>	<u>12,386,975</u>	<u>(2,299,080)</u>	<u>213,246,317</u>
Sanitation Fund				
Land improvements	7,750,231	17,200	-	7,767,431
Buildings	922,335	-	-	922,335
Machinery and equipment	349,446	-	-	349,446
Fleet	<u>3,586,480</u>	<u>922,738</u>	<u>(335,806)</u>	<u>4,173,412</u>
	<u>12,608,492</u>	<u>939,938</u>	<u>(335,806)</u>	<u>13,212,624</u>
Water Utility Fund				
Land	1,492,147	-	-	1,492,147
Land improvements	260,261	-	-	260,261
Buildings	295,237	-	-	295,237
Machinery and equipment	116,405	-	-	116,405
Fleet	3,553,355	352,128	(295,563)	3,609,920
Water, sanitary and storm Sewer infrastructure	<u>257,678,743</u>	<u>5,970,126</u>	<u>(448,301)</u>	<u>263,200,568</u>
	<u>263,396,148</u>	<u>6,322,254</u>	<u>(743,864)</u>	<u>268,974,538</u>
Airport Capital Fund				
Land	6,248,963	-	-	6,248,963
Land improvements	12,462,677	36,571	-	12,499,248
Buildings	943,157	361,288	-	1,304,445
Machinery and equipment	661,263	71,441	-	732,704
Fleet	<u>1,017,498</u>	<u>401,155</u>	<u>-</u>	<u>1,418,653</u>
	<u>21,333,558</u>	<u>870,455</u>	<u>-</u>	<u>22,204,013</u>
Consolidated Entities Capital				
JMC Public Library Board	159,731	57,098	-	216,829
North Central Saskatchewan Waste Management Corporation	<u>1,115,658</u>	<u>29,379</u>	<u>-</u>	<u>1,145,037</u>
	<u>1,275,389</u>	<u>86,477</u>	<u>-</u>	<u>1,361,866</u>
	<u>\$ 501,772,009</u>	<u>\$ 20,606,099</u>	<u>\$ (3,378,750)</u>	<u>\$ 518,999,358</u>

See accompanying notes.

TANGIBLE CAPITAL ASSETS – ACCUMULATED AMORTIZATION SEGMENTED BY FUND

Schedule 7 (continued) For the Year Ended December 31, 2017

	Opening Accumulated Amortization	Amortization	Disposals	Closing Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
General Fund						
Land	\$ -	\$ -	\$ -	\$ -	\$ 11,824,671	\$ 11,824,671
Land improvements	(4,722,427)	(338,627)	46,633	(5,014,421)	6,626,902	4,944,802
Buildings	(18,399,469)	(1,041,330)	28,870	(19,411,929)	32,013,944	32,715,541
Machinery and equipment	(3,142,323)	(489,058)	155,191	(3,476,190)	2,389,093	2,250,294
Fleet	(6,533,921)	(1,046,558)	668,488	(6,911,991)	10,703,679	7,656,047
Roads	(45,726,606)	(3,637,147)	1,191,151	(48,172,602)	66,700,895	65,242,321
	(78,524,746)	(6,552,720)	2,090,333	(82,987,133)	130,259,184	124,633,676
Sanitation Fund						
Land improvements	(1,571,907)	(340,318)	-	(1,912,225)	5,855,206	6,178,324
Buildings	(284,631)	(20,104)	-	(304,735)	617,600	637,704
Machinery and equipment	(300,894)	(12,870)	-	(313,764)	35,682	48,552
Fleet	(1,277,142)	(257,440)	183,320	(1,351,262)	2,822,150	2,309,337
	(3,434,574)	(630,732)	183,320	(3,881,986)	9,330,638	9,173,917
Water Utility Fund						
Land	-	-	-	-	1,492,147	1,492,147
Land improvements	(141,820)	(9,386)	-	(151,206)	109,055	118,441
Buildings	(125,841)	(7,402)	-	(133,243)	161,994	169,396
Machinery and equipment	(88,083)	(8,092)	-	(96,175)	20,230	28,322
Fleet	(1,313,979)	(225,387)	288,169	(1,251,197)	2,358,723	2,239,375
Water, sanitary and storm Sewer infrastructure	(105,747,992)	(3,959,425)	259,855	(109,447,562)	153,753,006	151,930,751
	(107,417,715)	(4,209,692)	548,024	(111,079,383)	157,895,155	155,978,432
Airport Capital Fund						
Land	-	-	-	-	6,248,963	6,248,963
Land improvements	(6,521,307)	(356,412)	-	(6,877,719)	5,621,529	5,941,370
Buildings	(197,345)	(25,118)	-	(222,463)	1,081,982	745,812
Machinery and equipment	(167,468)	(33,446)	-	(200,914)	531,790	493,802
Fleet	(578,395)	(46,445)	-	(624,840)	793,813	439,103
	(7,464,515)	(461,421)	-	(7,925,936)	14,278,077	13,869,050
Consolidated Entities Capital						
JMC Public Library Board	(129,378)	(43,620)	-	(172,998)	43,831	30,353
North Central Saskatchewan Waste Management Corporation	(307,155)	(50,779)	-	(357,934)	787,103	808,503
	(436,533)	(94,399)	-	(530,932)	830,934	838,856
	\$ (197,278,083)	\$ (11,948,964)	\$ 2,821,677	\$ (206,405,370)	\$ 312,593,988	\$ 304,493,926

See accompanying notes.

SCHEDULE OF FUND BALANCES

Schedule 8 For the Year Ended December 31, 2017

	<u>2016 Balance</u>	<u>Surplus (Deficit)</u>	<u>Net allocations</u>	<u>2017 Balance</u>
GENERAL FUND				
General Fund -				
Accumulated Surplus	\$ 13,345,895	\$ 3,359,764	\$ (3,349,369)	\$ 13,356,290
Police Surplus	1,522,973	-	-	1,522,973
Net Investment in Tangible Capital				
Assets - General Fund (Schedule 7)	124,633,671	-	5,625,513	130,259,184
Tangible Capital Assets - Work in Progress	1,760,681	-	3,390,203	5,150,884
Amount to be recovered from future revenues - CIBC Loan	(277,872)	-	(184,872)	(462,744)
Amount to be recovered from future revenues - Equipment Loan	(44,469)	-	25,530	(18,939)
Amount to be recovered from future revenues - Parking Meter Loan	(12,778)	-	-	(12,778)
Police Building Reserve	(172,947)	-	72,152	(100,795)
Amount to be recovered from future revenues - RBC Golf Course Loan	-	-	(2,209,000)	(2,209,000)
Amount to be recovered from future revenues - RBC Transit Loan	-	-	(2,562,000)	(2,562,000)
	<u>140,755,154</u>	<u>3,359,764</u>	<u>808,157</u>	<u>144,923,075</u>
SANITATION FUND				
Net Investment in Tangible Capital Assets -				
Sanitation Utility Fund (Schedule 7)	9,173,920	-	156,718	9,330,638
Sanitation - Work in Progress	567,445	-	(481,004)	86,441
Sanitation Improvement	(206,020)	(89,930)	309,031	13,081
	<u>9,535,345</u>	<u>(89,930)</u>	<u>(15,255)</u>	<u>9,430,160</u>
WATER UTILITY FUND				
Amount to be recovered from future revenues - CMHC Loan	(4,841,630)	-	525,826	(4,315,804)
Amount to be recovered from future revenues - SMFC Loan	(1,598,436)	-	775,939	(822,497)
Amount to be recovered from future revenues - RBC Reservoirs Loan	-	-	(7,000,000)	(7,000,000)
Amount to be recovered from future revenues - RBC Loan	-	-	(6,553,000)	(6,553,000)
Net Investment in Tangible Capital Assets -				
Water Utility Fund (Schedule 7)	155,978,430	-	1,916,725	157,895,155
Waterworks - Work in Progress	9,238,663	-	1,544,805	10,783,468
Waterworks Improvement	(9,551,507)	2,686,756	9,749,477	2,884,726
	<u>149,225,520</u>	<u>2,686,756</u>	<u>959,772</u>	<u>152,872,048</u>

See accompanying notes.

SCHEDULE OF FUND BALANCES

Schedule 8 (continued) For the Year Ended December 31, 2017

	<u>2016 Balance</u>	<u>Surplus (Deficit)</u>	<u>Net allocations</u>	<u>2017 Balance</u>
LAND FUND				
Amount to be recovered from future revenues - CIBC Loan	(2,500,854)	-	(1,663,849)	(4,164,703)
Land Development	<u>(6,698,850)</u>	<u>1,947,609</u>	<u>699,451</u>	<u>(4,051,790)</u>
	<u>(9,199,704)</u>	<u>1,947,609</u>	<u>(964,398)</u>	<u>(8,216,493)</u>
AIRPORT OPERATING FUND				
Airport Improvement	754,851	888,050	(652,487)	990,414
Airport - Work in Progress	27,295	-	5,900	33,195
Net Investment in Tangible Capital Assets - Airport Fund (Schedule 7)	<u>13,869,052</u>	<u>-</u>	<u>409,024</u>	<u>14,278,076</u>
	<u>14,651,198</u>	<u>888,050</u>	<u>(237,563)</u>	<u>15,301,685</u>
CONSOLIDATED ENTITIES				
John M. Cuelenaere Public Library Board	358,767	92,186	-	450,953
North Central Saskatchewan Waste Management Corporation	<u>1,208,262</u>	<u>(66,492)</u>	<u>-</u>	<u>1,141,770</u>
	<u>1,567,029</u>	<u>25,694</u>	<u>-</u>	<u>1,592,723</u>
	<u>\$ 306,534,542</u>	<u>\$ 8,817,943</u>	<u>\$ 550,713</u>	<u>\$ 315,903,198</u>

See accompanying notes.

SCHEDULE OF RESERVES SEGMENTED BY FUND

Schedule 9 For the Year Ended December 31, 2017

	<u>2016 Balance</u>	<u>Net allocations</u>	<u>2017 Balance</u>
GENERAL FUND			
Affordable Housing	\$ 635,422	\$ 79,188	\$ 714,610
AJFH Improvements Reserve	18,000	65,266	83,266
Arena's Improvement Reserve	-	7,181	7,181
Capital Works Committed	1,029,007	1,272,380	2,301,387
Civic Facilities Reserve	3,006,975	945,669	3,952,644
Community Services Building	11,938	15,000	26,938
Community Services Land Fund	468,286	(224,244)	244,042
Community Services - Special			
Events Marketing	59,782	-	59,782
Dedicated Lands	18,401	-	18,401
Destination Marketing Levy			
Reserve	307,194	244,949	552,143
Downtown Improvement Reserve	80,000	40,000	120,000
E A Rawlinson Mechanical			
Equipment	(95,349)	10,000	(85,349)
E A Rawlinson Facility Fee Reserve	204,417	(79,191)	125,226
Equipment and Fleet Reserve	1,084,457	(172,299)	912,158
Fire Equipment	1,140,317	172,701	1,313,018
Future Infrastructure	1,024,512	302,027	1,326,539
Golf Course Improvements	501,365	32,100	533,465
Golf Course Equip and Golf Carts	108,822	(11,049)	97,773
Group Insurance Reserve	623,504	-	623,504
In Lieu of Public Reserve	9,834	-	9,834
Information Technology Reserve	115,694	(53,878)	61,816
Kinsmen Water Park Surcharge			
Reserve	9,777	(3,352)	6,425
Land Development	100,020	-	100,020
Minor Softball	31,217	2,817	34,034
Northern Housing Development	99,043	-	99,043
PA Slo Pitch Reserve	(3,104)	(6,455)	(9,559)
PADBID Operating Reserve	-	31,063	31,063
PAGCC Mechanical Equipment	(42,998)	10,000	(32,998)
Park Development	56,050	-	56,050
Pehonan Parkway	792,871	(421,351)	371,520
Police Capital Reserve	231,615	(55,126)	176,489
Police Equipment Reserve	54,725	66,079	120,804
Police Operating Reserve	500,000	-	500,000
Project Beach Volleyball Courts	25,939	1,464	27,403
Project Triple Play Reserve	(55,066)	(293,718)	(348,784)
Public Art Capital Reserve	-	27,000	27,000
Public Transit Reserve	-	(1,084)	(1,084)
Safety Reserves	250,000	-	250,000
Savings - emergency	1,314,990	(1,000,000)	314,990
Snow Management Reserve	289,201	75,019	364,220
Tourism	1,009	-	1,009
	<u>14,007,867</u>	<u>1,078,156</u>	<u>15,086,023</u>

See accompanying notes.

SCHEDULE OF RESERVES SEGMENTED BY FUND

Scedule 9 (continued) For the Year Ended December 31, 2017

	<u>2016 Balance</u>	<u>Net allocations</u>	<u>2017 Balance</u>
SANITATION FUND			
Sanitation Capital Works	<u>36,194</u>	<u>(36,194)</u>	<u>-</u>
WATER UTILITY FUND			
Waterworks Capital Works	<u>998,912</u>	<u>(528,621)</u>	<u>470,291</u>
LAND FUND			
Development Levies	(3,283,275)	(1,271,491)	(4,554,766)
Future Land Purchases	558,392	40,165	598,557
Planning and Marketing	<u>461,540</u>	<u>(70,289)</u>	<u>391,251</u>
	<u>(2,263,343)</u>	<u>(1,301,615)</u>	<u>(3,564,958)</u>
AIRPORT OPERATING FUND			
Airport Capital Works	39,033	(690)	38,343
Airport Maintenance	10,000	10,000	20,000
Airport - Passenger Facilities Fees	<u>1,754,768</u>	<u>228,251</u>	<u>1,983,019</u>
	<u>1,803,801</u>	<u>237,561</u>	<u>2,041,362</u>
	\$ <u>14,583,431</u>	\$ <u>(550,713)</u>	\$ <u>14,032,718</u>

See accompanying notes.

SCHEDULE OF FUNDS HELD IN TRUST

Schedule 10 As at December 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash	\$ 138,970	\$ 126,753
Temporary investments	-	146,019
Due from City of Prince Albert	<u>4,573</u>	<u>10,317</u>
NET ASSETS	<u>\$ 143,543</u>	<u>\$ 283,089</u>
LIABILITIES		
Trust funds held for others (Schedule 11)	<u>\$ 143,543</u>	<u>\$ 283,089</u>
NET LIABILITIES	<u>\$ 143,543</u>	<u>\$ 283,089</u>

See accompanying notes.

SCHEDULE OF TRUST FUND TRANSACTIONS

Schedule 11 For the Year Ended December 31, 2017

	<u>2016 Balance</u>	<u>Additions</u>	<u>Expenses</u>	<u>2017 Balance</u>
J. Vandale	\$ 2,573	\$ 47	\$ 100	\$ 2,520
Lenore Partridge Estate	146,019	154	146,173	-
Prince Albert Golf and Curling Club	19,277	10,457	-	29,734
Uniting to Heal	455	-	-	455
Veteran's Graves	75,063	1,398	-	76,461
Herschel Davidner Trust Fund	29,702	553	-	30,256
Winterburn Estate	<u>10,000</u>	<u>-</u>	<u>5,883</u>	<u>4,117</u>
	<u>\$ 283,089</u>	<u>\$ 12,609</u>	<u>\$ 152,156</u>	<u>\$ 143,543</u>

See accompanying notes.



1084 Central Avenue, Prince Albert, Sk S6v 7P3

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