

# **CITY OF STEINBACH**

**Consolidated Financial Statements  
Year ended December 31, 2014**

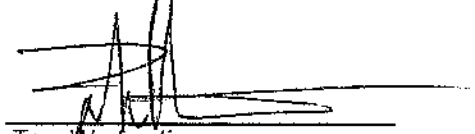
## STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the City of Steinbach and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Chambers Fraser as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Independent Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.

Steinbach, Manitoba



Troy Warkentin  
City Manager

## **INDEPENDENT AUDITOR'S REPORT**

To the Mayor and members of Council of the  
**CITY OF STEINBACH**

We have audited the accompanying financial statements of the City of Steinbach, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstance, 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 financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the City of Steinbach as at December 31, 2014, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2014 in accordance with Canadian public sector accounting standards.



Winnipeg, Canada  
June 16, 2015

Chambers Fraser  
Professional Accountants

**CITY OF STEINBACH**  
**Consolidated Financial Statements**  
**Year ended December 31, 2014**

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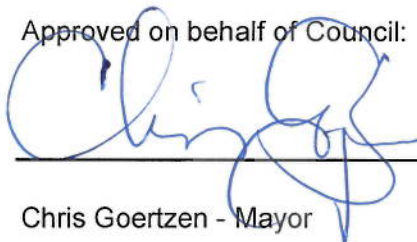
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**CITY OF STEINBACH  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 16,989,170	\$ 19,458,005
Amounts receivable (Note 4)	3,893,434	2,342,474
Portfolio investments (Note 5)	<u>713,136</u>	<u>2,167,136</u>
	<u>\$ 21,595,740</u>	<u>\$ 23,967,615</u>
<b>LIABILITIES</b>		
Temporary Borrowings (Note 6)	\$ -	\$ 38,250
Accounts payable and accrued liabilities (Note 7)	3,392,190	2,440,548
Deferred revenue (Note 8)	3,990,518	3,234,095
Landfill closure and post closure liabilities (Note 9)	2,121,215	1,978,199
Long-term debt (Note 10)	9,527,870	7,269,898
Other liabilities	<u>116,212</u>	<u>134,087</u>
	<u>19,148,005</u>	<u>15,095,077</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 2,447,735</u>	<u>\$ 8,872,538</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	159,013,880	145,230,506
Prepaid expenses	<u>98,766</u>	<u>94,269</u>
	<u>159,112,646</u>	<u>145,324,775</u>
<b>ACCUMULATED SURPLUS (Note 16)</b>	<u>\$161,560,381</u>	<u>\$154,197,313</u>

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

Approved on behalf of Council:

  
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Chris Goertzen - Mayor

  
\_\_\_\_\_  
Michael Zwaagstra - Councillor  
/ Deputy Mayor

**CITY OF STEINBACH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
Year ended December 31, 2014

	<u>2014 Budget (Note 15)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 13,508,687	\$ 13,666,082	\$ 12,703,096
Grants in lieu of taxation	137,657	175,277	137,888
User fees	4,171,841	4,756,204	4,493,752
Permits, licences and fines	621,060	415,566	841,325
Investment income	82,411	399,732	355,707
Contributed infrastructure assets	2,374,274	3,458,019	9,081,228
Other revenue	168,000	2,162,974	1,431,674
Water and sewer	2,904,840	2,873,663	2,787,797
Grants - Province of Manitoba	2,656,754	3,639,263	2,874,793
Grants - other	353,400	227,122	341,927
	<u>26,978,924</u>	<u>31,773,902</u>	<u>35,049,187</u>
Total revenue (Schedules 2, 4 and 5)			
<b>EXPENSES</b>			
General government services	3,448,353	3,124,317	3,073,816
Protective services	3,591,117	3,254,305	3,154,020
Transportation services	5,309,842	6,224,953	5,013,891
Environmental health services	2,279,409	2,552,843	2,344,111
Public health and welfare services	112,017	113,793	108,628
Regional planning and development	319,890	325,317	339,411
Resource conservation and industrial development	79,382	448,502	422,717
Recreation and cultural services	4,013,241	4,008,128	3,901,599
Water and sewer services	4,178,368	4,358,676	4,094,006
	<u>23,331,618</u>	<u>24,410,834</u>	<u>22,452,199</u>
Total expenses (Schedules 3, 4 and 5)			
<b>ANNUAL SURPLUS</b>	<u><u>3,647,306</u></u>	<u>7,363,068</u>	12,596,988
<b>ACCUMULATED SURPLUS BEGINNING OF YEAR</b>		<u>154,197,313</u>	<u>141,600,325</u>
<b>ACCUMULATED SURPLUS END OF YEAR</b>		<u><u>\$ 161,560,381</u></u>	<u><u>\$ 154,197,313</u></u>

**CITY OF STEINBACH**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
Year ended December 31, 2014

	<u>2014 Budget (Note 15)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 3,647,306</b>	<b>\$ 7,363,068</b>	<b>\$ 12,596,988</b>
Acquisition of tangible capital assets	(24,349,274)	(20,562,781)	(13,339,393)
Amortization of tangible capital assets	5,966,470	6,558,570	6,005,329
Gain on sale of tangible capital assets	-	(714,940)	(1,114,537)
Proceeds on sale of tangible capital assets	-	935,777	1,362,390
Increase in prepaid expense	-	(4,497)	(19,767)
	<u>(18,382,804)</u>	<u>(13,787,871)</u>	<u>(7,105,978)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b><u>(14,735,498)</u></b>	<b><u>(6,424,803)</u></b>	<b>5,491,010</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>8,872,538</u>	<u>3,381,528</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u>\$ 2,447,735</u></b>	<b><u>\$ 8,872,538</u></b>

*The accompanying notes are an integral part of this financial statement*

**CITY OF STEINBACH**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 7,363,068	\$ 12,596,988
Changes in non-cash items:		
Amounts receivable	(1,550,960)	(60,615)
Prepays	(4,497)	(19,767)
Accounts payable and accrued liabilities	951,642	(567,707)
Deferred revenue	756,423	909,626
Landfill closure and post closure liabilities	143,016	138,606
Other liabilities	(17,875)	10,415
Gain on sale of tangible capital assets	(714,940)	(1,114,537)
Contributed infrastructure assets revenue	(3,458,019)	(9,081,228)
Amortization	6,558,570	6,005,329
Cash provided by operating transactions	<u>10,026,428</u>	<u>8,817,110</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	935,777	1,362,390
Cash used to acquire tangible capital assets	<u>(17,104,762)</u>	<u>(4,258,165)</u>
Cash applied to capital transactions	<u>(16,168,985)</u>	<u>(2,895,775)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	1,537,064	373,989
Purchase of portfolio investments	<u>(83,064)</u>	<u>(898,047)</u>
Cash provided by (applied to) investing transactions	<u>1,454,000</u>	<u>(524,058)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of temporary borrowing	-	38,250
Temporary borrowing repayment	(38,250)	-
Proceeds of long-term debt	4,965,000	3,722,000
Debt repayment	<u>(2,707,028)</u>	<u>(1,933,934)</u>
Cash provided by financing transactions	<u>2,219,722</u>	<u>1,826,316</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(2,468,835)</b>	<b>7,223,593</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>19,458,005</u></b>	<b><u>12,234,412</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 16,989,170</u></b>	<b><u>\$ 19,458,005</u></b>

*The accompanying notes are an integral part of this financial statement*



**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

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**1. Status of the City of Steinbach**

The incorporated City of Steinbach is a municipal government that was first created as a Town on January 1, 1947 pursuant to the Manitoba Municipal Act. The Municipality continued as a City as of January 1, 1997. The City provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

**a) Reporting Entity**

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Jake Epp Library  
Steinbach Community Development Corporation

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

**b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

**c) Cash and Temporary Investments**

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

**d) Investments**

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

**e) Landfill Closure and Post Closure Liabilities**

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

**f) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

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**g) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition per acceptance by the Municipality. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over its useful life. Assets under construction are not amortized until put into use.

The estimated useful lives are as follows:

**General Tangible Capital Assets**

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years

**Infrastructure Assets**

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 to 30 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	30 to 100 years
Machinery and equipment	10 to 50 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

**h) Leases**

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

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**i) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

Certain government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the acquisition of tangible capital assets. In addition, certain user charges and fees are collected for which the related service has yet to be performed. Revenue is recognized in the fiscal year when the related costs are incurred, services performed or the tangible capital assets are acquired.

In accordance with PSAB guidelines, government transfers, as well as revenue from contributed assets, are required to be recognized as revenue in the consolidated financial statements in the fiscal year in which the tangible capital assets are acquired.

**j) Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

These financial statements include the existence of measurement uncertainty in the accrual of the landfill closure, post closure and environmental liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2014</u>	<u>2013</u>
Cash	\$ 16,989,170	\$ 19,458,005
Temporary Investments	-	-
	<u>\$ 16,989,170</u>	<u>\$ 19,458,005</u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.

Designated Reserve Funds	<u>\$ 3,615,735</u>	<u>\$ 3,576,165</u>
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**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2014</u>	<u>2013</u>
Taxes on roll (Schedule 11)	\$ 1,329,650	\$ 950,566
Government grants	772,865	178,374
Utility customers	773,224	712,190
Accrued interest	18,354	35,777
Organizations and individuals	553,601	348,776
Other governments	449,049	201,893
	<u>3,896,743</u>	<u>2,427,576</u>
Less allowances for doubtful amounts	<u>(3,309)</u>	<u>(85,102)</u>
	<u>\$ 3,893,434</u>	<u>\$ 2,342,474</u>

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**5. Portfolio Investments**

	<u>2014</u>	<u>2013</u>
Marketable securities:		
Province of Manitoba	\$ 100,000	\$ 1,200,000
Other securities	<u>555,880</u>	<u>915,305</u>
	\$ 655,880	\$ 2,115,305
Other investments	<u>57,256</u>	<u>51,831</u>
	<u>\$ 713,136</u>	<u>\$ 2,167,136</u>

The aggregate market value of the marketable securities at December 31, 2014 is **\$661,485** (2013 - \$2,141,909). Portfolio investments earned **\$60,621** in investment income during the year (2013 - \$39,334).

The Municipality has designated the following portfolio investments to reserves for commitments and tangible capital asset acquisitions.

Designated Reserve Funds	<u>\$ 613,537</u>	<u>\$ 1,958,649</u>
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**6. Temporary Borrowings**

Jake Epp Library, a controlled organization, has a unsecured line of credit with Royal Bank of Canada, at prime plus 2%.

	<u>\$ -</u>	<u>\$ 38,250</u>
	<u>\$ -</u>	<u>\$ 38,250</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2014</u>	<u>2013</u>
Accounts payable	\$ 1,474,181	\$ 717,340
Accrued expenses	653,684	678,107
Accrued interest payable	65,450	108,284
School levies (Schedule 13)	521,882	308,876
Other governments	<u>676,993</u>	<u>627,941</u>
	<u>\$ 3,392,190</u>	<u>\$ 2,440,548</u>

**8. Deferred Revenue:**

	<u>2014</u>	<u>2013</u>
Capital Development	\$ 2,701,633	\$ 2,462,955
Federal Gas Tax	784,324	305,579
Handi-Transit	75,137	74,204
Land Dedication	295,392	272,251
Perpetual Care	<u>25,839</u>	<u>25,840</u>
	3,882,325	3,140,829
Other	<u>108,193</u>	<u>93,266</u>
	<u>\$ 3,990,518</u>	<u>\$ 3,234,095</u>

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**9. Landfill Closure and Post Closure Liabilities**

	<u>2014</u>	<u>2013</u>
<b>a) Operating Landfill Site</b>		
The Municipality currently has a permit to operate as a Class 1 landfill site in 2011 issued by the Province of Manitoba. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.		
<b>Landfill West Cell</b>		
Estimated closure and post closure costs over the next 23 years	<u>\$ 2,205,000</u>	<u>\$ 2,205,000</u>
Discount rate	<u>3.35%</u>	<u>3.35%</u>
<b>Discounted costs</b>	<u><b>\$ 1,946,417</b></u>	<u><b>\$ 1,875,893</b></u>
Year capacity reached	<b>2011</b>	2011
Capacity (tonnes):		
Used to date	<b>670,000</b>	670,000
Remaining	<u>-</u>	<u>-</u>
Total	<u><b>670,000</b></u>	<u>670,000</u>
Percent utilized	<u><b>100.00%</b></u>	<u>100.00%</u>
<b>Liability based on percentage</b>	<u><b>\$ 1,946,417</b></u>	<u><b>\$ 1,875,893</b></u>
<b>Landfill East Cell</b>		
Estimated closure and post closure costs over the next 54 years	<u>\$ 7,668,000</u>	<u>\$ 7,668,000</u>
Discount rate	<u>4.50%</u>	<u>4.50%</u>
<b>Discounted costs</b>	<u><b>\$ 2,047,894</b></u>	<u><b>\$ 1,897,777</b></u>
Expected year capacity will be reached	<b>2035</b>	2035
Capacity (tonnes, volume, acreage, years):		
Used to date	<b>95,000</b>	60,000
Remaining	<u><b>1,018,000</b></u>	<u>1,053,000</u>
Total	<u><b>1,113,000</b></u>	<u>1,113,000</u>
Percent utilized	<u><b>8.54%</b></u>	<u>5.39%</u>
<b>Liability based on percentage</b>	<u><b>\$ 174,798</b></u>	<u><b>\$ 102,306</b></u>
<b>b) Closed Landfill Site(s)</b>		
Estimated post closure costs over the next 55 years	<u>\$ -</u>	<u>\$ -</u>
<b>Total landfill closure and post closure liabilities</b>	<u><b>\$ 2,121,215</b></u>	<u><b>\$ 1,978,199</b></u>

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**10. Long Term Debt**

	<u>2014</u>	<u>2013</u>
<b>General Authority:</b>		
Debenture for Acres Drive concrete, at 3.53%, \$266,004 annually including interest, maturing February, 2014	\$ -	\$ 256,933
Debenture for Industrial Road concrete, at 3.20%, \$159,212 annually including interest, maturing December, 2014	-	154,275
Debenture for Jake Epp Library expansion, interest at 3.29%, payable at \$198,149 annually including interest, maturing May, 2016	<b>377,566</b>	557,377
Debenture for Reimer Avenue resurfacing, interest at 3.29%, payable at \$129,898 annually including interest, maturing May, 2016	<b>247,515</b>	365,391
Debenture for a fire truck, interest at 3.29%, payable at \$77,058 annually including interest, maturing May, 2016	<b>146,831</b>	216,758
Debenture for Industrial Road construction, interest at 2.55%, payable at \$364,506 annually including interest, maturing January, 2018	<b>1,369,614</b>	1,691,000
Debenture for Maplewood, Penfeld sidewalk, interest at 2.67%, payable at \$118,966 annually including interest, maturing December, 2018	<b>445,719</b>	550,000
Debenture for fire pumper truck, interest at 2.67%, payable at \$118,966 annually including interest, maturing December, 2018	<b>445,719</b>	550,000
Debenture for Third Street resurfacing, interest at 2.7%, payable at \$183,994 annually including interest, maturing December, 2019	<b>850,000</b>	-
Debenture for Kroeker Avenue, interest at 2.7%, payable at \$149,446 annually including interest, maturing December, 2019	<b>690,400</b>	-
	<b>\$ 4,573,364</b>	<b>\$ 4,341,734</b>
<b>Utility Authority:</b>		
Debenture for pump station phase 1 , at 3.53%, \$110,835 annually including interest, maturing February, 2014	\$ -	\$ 107,056
Debenture for pump station phase 2, at 3.84%, \$201,257 annually including interest, maturing September, 2014	-	193,814
Debenture for lagoon expansion, at 3.84%, \$670,855 annually including interest, maturing September, 2014	-	646,047
Debenture for Henry Street sewer, interest at 2.89%, \$43,534 annually including interest, maturing September, 2015	<b>42,311</b>	83,434
Debenture for Spruce Street sewer, interest at 2.36%, \$95,404 annually including interest, maturing December, 2017	<b>273,207</b>	360,106
Debenture for Spruce Street sewer, interest at 2.36%, \$53,598 annually including interest, maturing December, 2017	<b>153,487</b>	202,307
Debenture for Waste water lagoon expansion, interest at 2.25%, payable at \$106,850 annually including interest, maturing December, 2017	<b>306,649</b>	404,400
Debenture for Industrial Road watermain, interest at 2.55%, \$70,703 annually including interest, maturing January, 2018	<b>265,661</b>	328,000
Debenture for Industrial Road sewer, interest at 2.55%, \$37,291 annually including interest, maturing January, 2018	<b>140,120</b>	173,000

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

Debenture for Lumber Avenue watermain, interest at 2.67%, \$41,668 annually including interest, maturing December, 2018	<b>156,115</b>	192,640
Debenture for Lumber Avenue sewer, interest at 2.67%, \$51,341 annually including interest, maturing December, 2018	<b>192,356</b>	237,360
Debenture for Third Street watermain, interest at 2.7%, \$54,116 annually including interest, maturing December, 2019	<b>250,000</b>	-
Debenture for Third Street sewermain, interest at 2.7%, \$32,470 annually including interest, maturing December, 2019	<b>150,000</b>	-
Debenture for west side trunk sewer, interest at 2.7%, \$438,338 annually including interest, maturing December, 2019	<b>2,025,000</b>	-
Debenture for Kroeker Avenue watermain, interest at 2.7%, \$108,188 annually including interest, maturing December, 2019	<b>499,800</b>	-
Debenture for Kroeker Avenue sewermain, interest at 2.7%, \$108,188 annually including interest, maturing December, 2019	<b>499,800</b>	-
	<u><b>\$ 4,954,506</b></u>	<u>\$ 2,928,164</u>
	<b>\$ 9,527,870</b>	\$ 7,269,898
Less: Owned by Municipality *	<u>\$ -</u>	<u>\$ -</u>
	<u><b>\$ 9,527,870</b></u>	<u>\$ 7,269,898</u>

The debentures of the Municipality have all been issued with a maximum term of five years to maturity.

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

2015	<b>\$ 2,326,838</b>
2016	<b>2,346,763</b>
2017	<b>2,005,607</b>
2018	<b>1,802,137</b>
2019	<b>1,046,525</b>

**11. Commitments**

The Municipality has outstanding contractual obligations of approximately **\$1,331,000** at December 31, 2014 for capital works projects (**\$1,089,000**) and those related to land purchases (**\$242,000**).

**12. Contingencies**

The Municipality has not recognized a liability for certain legal obligations, primarily related to the special handling for the removal and disposal of encapsulated asbestos from facilities and equipment. The fair value of the removal and disposal costs cannot be reasonably estimated.

Lawsuits have been filed against the Municipality for incidents which arise in the ordinary course of operations. In the opinion of management, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

**13. Retirement Benefits**

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$309,057 (2013 - \$335,394) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2013 indicated the plan was 93.3% funded on a going concern basis and had an unfunded solvency liability of \$139.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2013.

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

**14. Financial Instruments**

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

**15. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

**16. Accumulated Surplus**

	<u>2014</u>	<u>2013</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,269,070	\$ 2,150,120
Utility operating fund - Nominal surplus	860,463	812,425
General capital fund - Capital surplus	93,708,545	84,199,369
Utility capital fund - Capital surplus	52,751,773	50,995,642
Reserve funds	<u>14,746,537</u>	<u>18,032,173</u>
	<b>\$ 164,336,388</b>	<b>\$ 156,189,729</b>
Deferred Revenue - Reserves	<u>(3,882,326)</u>	<u>(3,140,829)</u>
Accumulated surplus of municipality unconsolidated	<b>160,454,062</b>	153,048,900
Accumulated surpluses of consolidated entities	<u>1,106,319</u>	<u>1,148,413</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><b>\$ 161,560,381</b></u>	<u><b>\$ 154,197,313</b></u>



**CITY OF STEINBACH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2014**

**17. Public Utilities Board**

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants and revenue from contributed infrastructure assets it has received since 2005 for its utility and amortized them over the useful life of the related tangible capital assets. Management of the Municipality has determined it not to be reasonably cost effective to estimate this revenue prior to 2005.

These financial statements have been prepared on the basis of the revenue recognition policy in note 2 (i).

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Ending Balance</u>
<b>Water services:</b>				
Grants	\$ 868,710	\$ -	\$ 26,326	\$ 842,384
Contributed Assets	<u>6,439,298</u>	<u>613,514</u>	<u>256,638</u>	<u>6,796,174</u>
	<u>\$ 7,308,008</u>	<u>\$ 613,514</u>	<u>\$ 282,964</u>	<u>\$ 7,638,558</u>
<b>Sewer services:</b>				
Grants	\$ 6,825,000		\$ 175,000	\$ 6,650,000
Contributed Assets	<u>9,714,110</u>	<u>619,619</u>	<u>241,973</u>	<u>10,091,756</u>
	<u>\$ 16,539,110</u>	<u>\$ 619,619</u>	<u>\$ 416,973</u>	<u>\$ 16,741,756</u>

**18. Council Indemnities**

<u>Council Members</u>	<u>Taxable Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Goertzan, Chris	\$ 24,167	\$ 28,332	\$ 52,499
Councillor - Fehr, John	9,239	9,464	18,703
Councillor - Funk, Earl	9,272	9,640	18,912
Councillor - Penner, Cari	9,618	9,548	19,166
Councillor - Penner, Susan	9,248	8,875	18,123
Councillor - Siemens, Jac	9,518	10,016	19,534
Councillor - Zwaagstra, Michael	<u>10,705</u>	<u>10,518</u>	<u>21,223</u>
	<u>\$ 81,767</u>	<u>\$ 86,393</u>	<u>\$ 168,160</u>

**19. Comparative Figures**

Certain comparative figures have been revised to conform with current years presentation.

**CITY OF STEINBACH**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year ended December 31, 2014**

**SCHEDULE 1**

	<b>Capital Assets</b>				<b>Infrastructure</b>			<b>Totals</b>	
	<b>Land and Land Improvements</b>	<b>Buildings and Leasehold Improvements</b>	<b>Vehicles and Equipment</b>	<b>Assets Under Construction</b>	<b>Roads, Streets, and Bridges</b>	<b>Water and Sewer</b>	<b>Assets Under Construction</b>	<b>2014</b>	<b>2013</b>
<b>Cost</b>									
Opening costs	16,562,413	46,009,738	10,224,501	742,231	93,270,733	59,805,176	273,293	226,888,085	213,957,453
Additions during the year	619,608	806,023	648,238	7,506,280	4,273,685	5,924,272	784,675	20,562,781	13,339,393
Transfer during the year	7,880	21,902	-	(29,782)	127,035	118,523	(245,558)	-	-
Disposals and write downs	(99,977)	(120,862)	(41,136)	-	-	-	-	(261,975)	(408,761)
Closing costs	<b>17,089,924</b>	<b>46,716,801</b>	<b>10,831,603</b>	<b>8,218,729</b>	<b>97,671,453</b>	<b>65,847,971</b>	<b>812,410</b>	<b>247,188,891</b>	<b>226,888,085</b>
<b>Accumulated Amortization</b>									
Opening accum'd amortization	3,830,449	12,117,588	6,340,993	-	38,568,961	20,799,586	-	81,657,577	75,813,158
Amortization	339,763	1,195,458	577,203	-	2,948,856	1,497,290	-	6,558,570	6,005,329
Transfer during the year	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	(41,136)	-	-	-	-	(41,136)	(160,908)
Closing accum'd amortization	<b>4,170,212</b>	<b>13,313,046</b>	<b>6,877,060</b>	<b>-</b>	<b>41,517,817</b>	<b>22,296,876</b>	<b>-</b>	<b>88,175,011</b>	<b>81,657,579</b>
Net Book Value of Tangible Capital Assets	<b>12,919,712</b>	<b>33,403,755</b>	<b>3,954,543</b>	<b>8,218,729</b>	<b>56,153,636</b>	<b>43,551,095</b>	<b>812,410</b>	<b>159,013,880</b>	<b>145,230,506</b>

Roads, water and sewer infrastructure contributed to the Municipality in 2014 totals \$3,458,019 and were capitalized at their fair value at the time of their receipt.

**CITY OF STEINBACH**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
Year ended December 31, 2014

**SCHEDULE 2**

	<b>2014</b> <b>Actual</b>	2013 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	<b>\$ 12,604,896</b>	\$ 11,449,712
Taxes added	<b>1,061,186</b>	1,253,384
	<b>13,666,082</b>	12,703,096
<b>Grants in lieu of taxation:</b>		
Federal government	<b>21,424</b>	22,591
Provincial government	<b>10,082</b>	9,791
Provincial government enterprises	<b>120,736</b>	81,375
Non-government organizations	<b>23,035</b>	24,131
	<b>175,277</b>	137,888
<b>User fees</b>		
Parking meters	<b>12,429</b>	15,220
Sales of service	<b>3,947,219</b>	3,736,466
Sales of goods	<b>83,828</b>	82,202
Rentals	<b>222,095</b>	205,344
Development charges	<b>490,633</b>	454,520
	<b>4,756,204</b>	4,493,752
<b>Permits, licences and fines</b>		
Permits	<b>327,313</b>	704,085
Licences	<b>33,725</b>	31,395
Fines	<b>54,528</b>	105,845
	<b>415,566</b>	841,325
<b>Investment income:</b>		
Cash and portfolio investments	<b>397,701</b>	353,427
Other	<b>2,031</b>	2,280
	<b>399,732</b>	355,707
<b>Contributed revenue:</b>		
Contributed infrastructure assets	<b>3,458,019</b>	9,081,228
	<b>3,458,019</b>	9,081,228
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	<b>714,940</b>	1,114,537
Penalties and interest	<b>109,432</b>	82,116
Donations	<b>1,243,342</b>	101,426
Miscellaneous	<b>95,260</b>	133,595
	<b>2,162,974</b>	1,431,674
<b>Water and sewer (Schedule 4)</b>	<b>2,873,663</b>	2,787,797
<b>Grants - Province of Manitoba</b>		
General assistance payment	<b>2,145,349</b>	2,145,349
General support grant	<b>112,209</b>	104,657
Municipal program grants ( <i>formerly VLT revenues</i> )	<b>200,881</b>	200,881
Conditional grants	<b>1,180,824</b>	423,906
	<b>3,639,263</b>	2,874,793
<b>Grants - other</b>		
Federal government - gas tax funding	<b>216,943</b>	333,289
Federal government - other	<b>5,779</b>	4,708
Other local governments	<b>3,400</b>	3,400
Non-government organizations	<b>1,000</b>	530
	<b>227,122</b>	341,927
<b>Total revenue</b>	<b>31,773,902</b>	35,049,187

**CITY OF STEINBACH**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**Year ended December 31, 2014**

**SCHEDULE 3**

	<b>2014</b>	2013
	<b>Actual</b>	Actual
<b>General government services:</b>		
Legislative	\$ 186,069	\$ 172,610
General administrative	2,022,958	1,909,947
Other	915,290	991,259
	<u>3,124,317</u>	<u>3,073,816</u>
<b>Protective services:</b>		
Police	1,875,999	1,883,774
Fire	849,551	708,739
Emergency measures	20,014	22,658
Other protection	508,741	538,849
	<u>3,254,305</u>	<u>3,154,020</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	228,651	212,821
Road and street maintenance	5,449,665	4,243,614
Sidewalk and boulevard maintenance	48,898	59,233
Street lighting	281,685	276,527
Other	102,146	114,912
Air transport	39,309	40,407
Public transit	74,599	66,377
	<u>6,224,953</u>	<u>5,013,891</u>
<b>Environmental health services:</b>		
Waste collection and disposal	1,539,353	1,424,374
Recycling	719,725	625,866
Other	293,765	293,871
	<u>2,552,843</u>	<u>2,344,111</u>
<b>Public health and welfare services:</b>		
Public health	94,028	88,863
Social assistance	19,765	19,765
	<u>113,793</u>	<u>108,628</u>
<b>Regional planning and development</b>		
Planning and zoning	124,604	146,109
Beautification and land rehabilitation	157,408	157,026
Urban area weed control	30,405	26,776
Other	12,900	9,500
	<u>325,317</u>	<u>339,411</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	15,000	15,000
Regional development	251,912	222,600
Tourism	181,590	185,117
	<u>448,502</u>	<u>422,717</u>
<b>Recreation and cultural services:</b>		
Administration	261,432	216,972
Swimming pools and beaches	1,535,384	1,537,894
Skating and curling rinks	464,759	491,680
Parks and playgrounds	607,263	568,054
Other recreational facilities	583,912	531,839
Libraries	512,488	509,576
Other cultural facilities	42,890	45,584
	<u>4,008,128</u>	<u>3,901,599</u>
<b>Water and sewer services (Schedule 9)</b>	<u>4,358,676</u>	<u>4,094,006</u>
<b>Total expenses</b>	<u><u>24,410,834</u></u>	<u><u>22,452,199</u></u>

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year ended December 31, 2014

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>REVENUE</b>										
Property taxes	\$11,591,634	\$ 10,815,059	\$ -	\$ -	\$ -	\$ -	\$ 527,400	\$ 497,718	\$ -	\$ -
Grants in lieu of taxation	172,037	134,729	-	-	-	-	3,240	3,159	-	-
User fees	376,707	365,127	506,791	497,363	76,152	84,130	1,868,240	1,737,017	114,325	123,518
Permits, licences and fines	7,448	10,030	52,243	100,610	3,190	3,230	-	-	-	-
Investment income	287,247	232,120	-	-	76,792	81,695	5,926	3,665	4,960	5,913
Contributed infrastructure assets	-	-	-	-	2,224,886	5,284,750	-	-	-	-
Gain (Loss) on sale of assets	714,940	1,139,703	-	-	-	-	-	-	-	-
Other revenue	1,433,902	297,942	-	-	-	-	-	-	-	-
Water and sewer										
Prov of MB - Unconditional Grants	2,458,439	2,450,887	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	30,862	47,388	-	-	998,866	211,538	-	-	-	-
Grants - other	-	-	-	-	216,943	333,289	-	-	-	-
<b>Total revenue</b>	<b>\$ 17,073,216</b>	<b>\$ 15,492,985</b>	<b>\$ 559,034</b>	<b>\$ 597,973</b>	<b>\$ 3,596,829</b>	<b>\$ 5,998,632</b>	<b>\$ 2,404,806</b>	<b>\$ 2,241,559</b>	<b>\$ 119,285</b>	<b>\$ 129,431</b>
<b>EXPENSES</b>										
Personnel services	\$ 1,227,399	\$ 1,216,414	\$ 729,131	\$ 658,538	\$ 890,507	\$ 848,128	\$ 723,990	\$ 702,451	\$ 58,998	\$ 52,020
Contract services	661,904	538,214	2,134,594	2,093,531	1,061,164	373,384	1,320,148	1,115,629	37,941	38,241
Utilities	433,162	417,230	73,947	67,486	412,305	389,393	42,045	45,835	3,276	3,105
Maintenance materials and supplies	76,915	80,513	81,315	78,551	455,801	551,752	172,896	186,325	6,089	6,217
Grants and contributions	308,355	309,207	-	-	-	-	-	-	-	-
Amortization	85,104	96,965	162,055	192,041	3,339,787	2,778,914	293,765	293,871	7,489	9,045
Interest on long term debt	-	-	20,283	7,874	65,389	72,321	-	-	-	-
Other	331,473	415,274	52,980	56,000	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 3,124,312</b>	<b>\$ 3,073,817</b>	<b>\$ 3,254,305</b>	<b>\$ 3,154,021</b>	<b>\$ 6,224,953</b>	<b>\$ 5,013,892</b>	<b>\$ 2,552,844</b>	<b>\$ 2,344,111</b>	<b>\$ 113,793</b>	<b>\$ 108,628</b>
<b>Surplus (Deficit)</b>	<b>\$ 13,948,904</b>	<b>\$ 12,419,168</b>	<b>\$ (2,695,271)</b>	<b>\$ (2,556,048)</b>	<b>\$ (2,628,124)</b>	<b>\$ 984,740</b>	<b>\$ (148,038)</b>	<b>\$ (102,552)</b>	<b>\$ 5,492</b>	<b>\$ 20,803</b>

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



## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year ended December 31, 2014

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,547,048	\$ 1,390,319	\$ 13,666,082	\$ 12,703,096
Grants in lieu of taxation	-	-	-	-	-	-	-	-	175,277	137,888
User fees	491,246	452,441	19,074	21,415	1,303,668	1,212,741	-	-	4,756,203	4,493,752
Permits, licences and fines	23,630	29,080	329,055	698,375	-	-	-	-	415,566	841,325
Investment income	-	-	-	-	24,806	32,314	-	-	399,731	355,707
Contributed infrastructure assets	-	-	-	-	-	-	1,233,133	3,796,478	3,458,019	9,081,228
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	(25,166)	714,940	1,114,537
Other revenue	-	2,700	-	-	14,134	16,495	-	-	1,448,036	317,137
Water and sewer	-	-	-	-	-	-	2,873,663	2,787,797	2,873,663	2,787,797
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,458,439	2,450,887
Prov of MB - Conditional Grants	-	33,000	-	-	151,096	131,980	-	-	1,180,824	423,906
Grants - other	-	-	-	-	10,179	8,638	-	-	227,122	341,927
<b>Total revenue</b>	<b>\$ 514,876</b>	<b>\$ 517,221</b>	<b>\$ 348,129</b>	<b>\$ 719,790</b>	<b>\$ 1,503,883</b>	<b>\$ 1,402,168</b>	<b>\$ 5,653,844</b>	<b>\$ 7,949,428</b>	<b>\$ 31,773,902</b>	<b>\$ 35,049,187</b>
<b>EXPENSES</b>										
Personnel services	\$ 70,971	\$ 75,566	\$ 675	\$ -	\$ 2,142,349	\$ 2,060,096	\$ 968,394	\$ 892,035	\$ 6,812,414	\$ 6,505,248
Contract services	183,802	214,535	198,667	210,672	578,463	607,787	650,046	534,407	6,826,729	5,726,400
Utilities	635	835	249,160	212,045	399,082	368,465	296,058	266,486	1,909,670	1,770,880
Maintenance materials and supplies	69,909	48,474	-	-	256,935	285,389	295,015	190,695	1,414,875	1,427,916
Grants and contributions	-	-	-	-	-	-	-	-	308,355	309,207
Amortization	-	-	-	-	603,084	545,380	2,067,284	2,089,115	6,558,568	6,005,331
Interest on long term debt	-	-	-	-	14,394	20,247	66,957	97,535	167,023	197,977
Other	-	-	-	-	13,823	14,234	14,924	23,732	413,200	509,240
<b>Total expenses</b>	<b>\$ 325,317</b>	<b>\$ 339,410</b>	<b>\$ 448,502</b>	<b>\$ 422,717</b>	<b>\$ 4,008,130</b>	<b>\$ 3,901,598</b>	<b>\$ 4,358,678</b>	<b>\$ 4,094,005</b>	<b>\$ 24,410,834</b>	<b>\$ 22,452,199</b>
<b>Surplus (Deficit)</b>	<b>\$ 189,559</b>	<b>\$ 177,811</b>	<b>\$ (100,373)</b>	<b>\$ 297,073</b>	<b>\$ (2,504,247)</b>	<b>\$ (2,499,430)</b>	<b>\$ 1,295,166</b>	<b>\$ 3,855,423</b>	<b>\$ 7,363,068</b>	<b>\$ 12,596,988</b>

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year ended December 31, 2014

	Core Government		Controlled Entities		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUE</b>						
Property taxes	\$ 13,666,082	\$ 12,703,096	\$ -	\$ -	\$ 13,666,082	\$ 12,703,096
Grants in lieu of taxation	175,277	137,888	-	-	175,277	137,888
User fees	4,655,038	4,395,164	101,165	98,588	4,756,203	4,493,752
Permits, licences and fines	415,566	841,325	-	-	415,566	841,325
Investment income	397,700	353,427	2,031	2,280	399,731	355,707
Contributed infrastructure assets	3,458,019	9,081,228	-	-	3,458,019	9,081,228
Gain (Loss) on sale of assets	714,940	1,114,537	-	-	714,940	1,114,537
Other revenue	1,433,902	297,942	14,134	19,195	1,448,036	317,137
Water and sewer	2,873,663	2,787,797	-	-	2,873,663	2,787,797
Prov of MB - Unconditional Grants	2,458,439	2,450,887	-	-	2,458,439	2,450,887
Prov of MB - Conditional Grants	1,054,728	299,926	126,096	123,980	1,180,824	423,906
Grants - other	217,943	333,819	9,179	8,108	227,122	341,927
Total revenue	\$ 31,521,297	\$ 34,797,036	\$ 252,605	\$ 252,151	\$ 31,773,902	\$ 35,049,187
<b>EXPENSES</b>						
Personnel services	\$ 6,527,285	\$ 6,233,942	\$ 285,129	\$ 271,306	\$ 6,812,414	\$ 6,505,248
Contract services	6,797,678	5,689,886	29,051	36,514	6,826,729	5,726,400
Utilities	1,655,792	1,554,543	253,878	216,337	1,909,670	1,770,880
Maintenance materials and supplies	1,323,182	1,318,061	91,693	109,855	1,414,875	1,427,916
Grants and contributions	308,355	309,207	-	-	308,355	309,207
Amortization	6,521,077	5,966,471	37,491	38,860	6,558,568	6,005,331
Interest on long term debt	167,023	197,977	-	-	167,023	197,977
Other	399,377	495,006	13,823	14,234	413,200	509,240
Total expenses	\$ 23,699,769	\$ 21,765,093	\$ 711,065	\$ 687,106	\$ 24,410,834	\$ 22,452,199
<b>Surplus (Deficit)</b>	\$ 7,821,528	\$ 13,031,943	\$ (458,460)	\$ (434,955)	\$ 7,363,068	\$ 12,596,988



## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year ended December 31, 2014

	2014							Committed Expenditures
	General	Machinery Replacement	Land & Facility	Capital Development	Environmental	Aquatic Centre	Perpetual Care	
<b>REVENUE</b>								
Investment income	\$ 12,629	\$ 7,014	\$ 36,508	\$ 66,503	\$ 5,926	\$ 2,516	\$ 4,960	\$ 45,994
Total revenue	<u>12,629</u>	<u>7,014</u>	<u>36,508</u>	<u>66,503</u>	<u>5,926</u>	<u>2,516</u>	<u>4,960</u>	<u>45,994</u>
<b>TRANSFERS</b>								
Transfers from general operating	-	-	660,000	714,458	282,818	-	22,875	1,293,107
Transfers to general operating	-	-	-	-	-	-	-	(364,507)
Transfers from utility operating	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	(2,494,900)	(792,142)	(152,457)	-	-	(1,720,198)
<b>CHANGE IN RESERVE FUND BALANCES</b>	<u>12,629</u>	<u>7,014</u>	<u>(1,798,392)</u>	<u>(11,181)</u>	<u>136,288</u>	<u>2,516</u>	<u>27,835</u>	<u>(745,603)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>901,466</u>	<u>595,954</u>	<u>2,676,994</u>	<u>5,029,808</u>	<u>488,569</u>	<u>119,927</u>	<u>374,896</u>	<u>3,647,827</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 914,095</u>	<u>\$ 602,968</u>	<u>\$ 878,602</u>	<u>\$ 5,018,627</u>	<u>\$ 624,857</u>	<u>\$ 122,443</u>	<u>\$ 402,732</u>	<u>\$ 2,902,224</u>

CITY OF STEINBACH  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
Year ended December 31, 2014

SCHEDULE 6

	2014						2013
	Land Dedication	Gas Tax	Handi Transit	Recreation	Utility Replacement	Total	Total
<b>REVENUE</b>							
Investment income	\$ 4,221	\$ 5,657	\$ 933	\$ 20,670	\$ 24,842	\$ 238,374	\$ 230,112
Total revenue	4,221	5,657	933	20,670	24,842	-	238,374
<b>TRANSFERS</b>							
Transfers from general operating	18,920	695,688	-	929,763	-	4,617,628	6,202,048
Transfers to general operating	-	-	-	-	-	(364,507)	(12,733)
Transfers from utility operating	-	-	-	-	507,994	507,994	707,994
Transfers to utility operating	-	-	-	-	(107,994)	(107,994)	-
Acquisition of tangible capital assets	-	(222,600)	-	(1,882,200)	(912,635)	(8,177,132)	(1,494,803)
<b>CHANGE IN RESERVE FUND BALANCES</b>	23,141	478,745	933	(931,767)	(487,793)	-	(3,285,636)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	272,251	305,579	74,204	1,644,163	1,900,533	18,032,173	12,399,555
<b>FUND SURPLUS, END OF YEAR</b>	\$ 295,392	\$ 784,324	\$ 75,137	\$ 712,396	\$ 1,412,740	\$ -	\$ 14,746,537

**CITY OF STEINBACH**  
**SCHEDULE OF TRUST FUNDS**  
**Year ended December 31, 2014**

**SCHEDULE 7**

	Total	
	2014	2013
<b>ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Portfolio investments	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Due to Municipality	\$ -	\$ -
Fund balance	-	-
	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUES</b>		
Contributions and donations	\$ -	\$ -
Investment income	-	-
	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>		
Cemetery maintenance	-	-
Distribution to beneficiaries	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>

CITY OF STEINBACH  
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
 Year ended December 31, 2014

**SCHEDULE 8**

	2014	Total 2013
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 773,224	\$ 712,190
Due from other funds	<u>177,954</u>	<u>81,852</u>
	<u>\$ 951,178</u>	<u>\$ 794,042</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 101,258	\$ 106,131
Long-term debt (Note 10)	<u>4,954,506</u>	<u>2,928,164</u>
	<u>5,055,764</u>	<u>3,034,295</u>
<b>NET DEBT</b>	<u>\$ (4,104,586)</u>	<u>\$ (2,240,253)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	\$ 57,701,523	\$ 54,033,937
Prepaid expenses	<u>15,298</u>	<u>14,383</u>
	<u>57,716,821</u>	<u>54,048,320</u>
<b>FUND SURPLUS</b>	<u>\$ 53,612,235</u>	<u>\$ 51,808,067</u>

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

CITY OF STEINBACH  
SCHEDULE OF UTILITY OPERATIONS  
Year ended December 31, 2014

SCHEDULE 9

	2014 Budget	2014 Actual	2013 Actual
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 1,817,200	1,775,762	\$ 1,691,553
sub-total- water	<u>1,817,200</u>	<u>1,775,762</u>	<u>1,691,553</u>
<b>Sewer</b>			
Sewer fees	941,500	879,601	913,013
sub-total- sewer	<u>941,500</u>	<u>879,601</u>	<u>913,013</u>
<b>Property taxes</b>	<u>1,483,336</u>	<u>1,547,048</u>	<u>1,390,319</u>
<b>Other</b>			
Hydrant rentals	71,760	71,760	70,850
Connection charges	-	42,500	5,000
Installation service	52,000	62,692	76,362
Penalties	7,690	10,886	9,610
Contributed infrastructure assets	849,736	1,233,133	3,796,478
Gain (Loss) on sale of tangible capital assets	-	-	(25,166)
Other income	14,690	30,462	21,409
sub-total- other	<u>995,876</u>	<u>1,451,433</u>	<u>3,954,543</u>
<b>Total revenue</b>	<u>5,237,912</u>	<u>5,653,844</u>	<u>7,949,428</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	286,480	285,532	284,360
Billing and collection	10,050	10,188	8,016
Interest on short term debt	-	14,924	13,614
sub-total- general	<u>296,530</u>	<u>310,644</u>	<u>305,990</u>
<b>Water</b>			
Purification and treatment	199,770	167,790	187,817
Transmission and distribution	566,060	572,224	527,287
Service and other supply costs	233,990	363,836	249,014
sub-total- water general	<u>999,820</u>	<u>1,103,850</u>	<u>964,118</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	911,782	989,350	870,685
Interest on long term debt	25,829	26,011	34,478
sub-total- water amortization & interest	<u>937,611</u>	<u>1,015,361</u>	<u>905,163</u>
<b>Sewer</b>			
Collection system costs	334,920	325,900	304,457
Treatment and disposal cost	378,640	272,121	189,523
Lift Station costs	197,120	211,920	143,268
sub-total- sewer general	<u>910,680</u>	<u>809,941</u>	<u>637,248</u>
<b>Sewer Amortization &amp; Interest</b>			
Amortization	993,420	1,077,934	1,218,430
Interest on long term debt	40,307	40,946	63,057
sub-total- sewer amortization & interest	<u>1,033,727</u>	<u>1,118,880</u>	<u>1,281,487</u>
<b>Total expenses</b>	<u>4,178,368</u>	<u>4,358,676</u>	<u>4,094,006</u>
<b>NET REVENUES</b>	<u>1,059,544</u>	<u>1,295,168</u>	<u>3,855,422</u>
<b>TRANSFERS</b>			
Transfers (to) from reserve funds	(400,000)	(400,000)	(707,994)
Transfer for capital purposes (to) from general capital funds	-	(3,635)	187,548
Transfer for capital purposes from reserve funds	-	912,635	200,000
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>659,544</u>	<u>1,804,168</u>	<u>3,534,976</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>51,808,067</u>	<u>48,273,091</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 53,612,235</u>	<u>\$ 51,808,067</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year ended December 31, 2014

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Municipality Budget	Consolidated Entities	PSAB Budget
<b>REVENUE</b>									
Property taxes	\$ 13,508,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,508,687	\$ -	\$ 13,508,687
Grants in lieu of taxation	137,657	-	-	-	-	-	137,657	-	137,657
User fees	4,603,767	-	(370,000)	-	(140,000)	-	4,093,767	78,074	4,171,841
Permits, licences and fines	621,060	-	-	-	-	-	621,060	-	621,060
Investment income	80,000	-	-	-	-	-	80,000	2,411	82,411
Contributed infrastructure assets	-	-	2,374,274	-	-	-	2,374,274	-	2,374,274
Other revenue	133,000	-	-	-	-	-	133,000	35,000	168,000
Water and sewer	-	2,904,840	-	-	-	-	2,904,840	-	2,904,840
Grants - Province of Manitoba	2,532,700	-	-	-	-	-	2,532,700	124,054	2,656,754
Grants - other	600,000	-	(250,000)	-	-	-	350,000	3,400	353,400
Transfers from General	-	1,483,336	-	-	(1,483,336)	-	-	-	-
Transfers from reserves	384,506	107,994	-	-	(492,500)	-	-	-	-
Total revenue	<u>\$ 22,601,377</u>	<u>\$ 4,496,170</u>	<u>\$ 1,754,274</u>	<u>\$ -</u>	<u>\$ (2,115,836)</u>	<u>\$ -</u>	<u>\$ 26,735,985</u>	<u>\$ 242,939</u>	<u>\$ 26,978,924</u>
<b>EXPENSES</b>									
General government services	\$ 3,808,086	\$ -	\$ 76,956	\$ 12,480	\$ (449,169)	-	\$ 3,448,353	\$ -	\$ 3,448,353
Protective services	3,424,295	-	146,539	20,283	-	-	3,591,117	-	3,591,117
Transportation services	2,224,400	-	3,020,021	65,421	-	-	5,309,842	-	5,309,842
Environmental health services	1,905,535	-	265,639	-	-	108,235	2,279,409	-	2,279,409
Public health and welfare services	105,245	-	6,772	-	-	-	112,017	-	112,017
Regional planning and development	319,890	-	-	-	-	-	319,890	-	319,890
Resource cons and industrial dev	67,800	-	-	-	-	-	67,800	11,582	79,382
Recreation and cultural services	3,053,340	-	545,342	14,394	-	-	3,613,076	400,165	4,013,241
Water and sewer services	-	2,207,030	1,905,202	66,136	-	-	4,178,368	-	4,178,368
Fiscal services:									
Transfer to capital	1,397,400	282,000	(1,679,400)	-	-	-	-	-	-
Debt charges	1,432,759	1,483,336	-	(2,916,095)	-	-	-	-	-
Transfer to Utility	1,483,336	-	-	-	(1,483,336)	-	-	-	-
Short term interest	67,480	15,810	-	(83,290)	-	-	-	-	-
Transfer to reserves	3,204,269	507,994	-	-	(3,712,263)	-	-	-	-
Allowance for tax assets	107,542	-	-	-	(107,542)	-	-	-	-
Total expenses	<u>\$ 22,601,377</u>	<u>\$ 4,496,170</u>	<u>\$ 4,287,070</u>	<u>\$ (2,820,671)</u>	<u>\$ (5,752,310)</u>	<u>\$ 108,235</u>	<u>\$ 22,919,871</u>	<u>\$ 411,747</u>	<u>\$ 23,331,618</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,532,796)</u>	<u>\$ 2,820,671</u>	<u>\$ 3,636,474</u>	<u>\$ (108,235)</u>	<u>\$ 3,816,114</u>	<u>\$ (168,808)</u>	<u>\$ 3,647,306</u>

**CITY OF STEINBACH  
ANALYSIS OF TAXES ON ROLL  
Year ended December 31, 2014**

**SCHEDULE 11**

	<u>2014</u>	<u>2013</u>
<b>Balance, beginning of year</b>	<b>\$ 950,566</b>	<b>\$ 817,808</b>
<b>Add:</b>		
Tax levy (Schedule 12)	26,231,647	24,173,769
Taxes added	1,061,186	1,251,349
Penalties or interest	109,432	82,116
Other accounts added	128,581	148,273
Tax Adjustments (specify)      Taxes Overpaid	134,336	119,437
<b>Sub-total</b>	<b><u>27,665,182</u></b>	<b><u>25,774,944</u></b>
<b>Deduct:</b>		
Cash collections - current	24,154,137	22,751,628
Cash collections - arrears	768,450	717,186
Writeoffs	219,333	81,884
M.P.T.C. - cash advance	2,144,178	2,091,488
<b>Sub-total</b>	<b><u>27,286,098</u></b>	<b><u>25,642,186</u></b>
<b>Balance, end of year</b>	<b><u>\$ 1,329,650</u></b>	<b><u>\$ 950,566</u></b>

CITY OF STEINBACH  
ANALYSIS OF TAX LEVY  
Year ended December 31, 2014

SCHEDULE 12

	2014			2013
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage	Various	Various	\$ 676,878	\$ 685,906
L.I.D. General District	846,471,190	0.965	816,845	668,329
At large Utility District	747,422,690	0.610	455,928	414,861
Waste Water District	826,643,230	1.130	934,107	885,966
Georgetown Sidewalk District	44,707,280	1.330	59,461	-
sub-total - Debt charges			<u>2,943,219</u>	<u>2,655,062</u>
Reserves:				
Recreation	738,264,520	1.241	<u>916,186</u>	<u>799,585</u>
General Municipal	738,264,520	6.354	<u>4,690,933</u>	<u>4,463,116</u>
Special levies:				
Waste & Disposal	-	-	527,400	497,718
Section 312 M.A.	846,471,190	4.000	<u>3,385,885</u>	<u>2,905,779</u>
sub-total -Special levies			<u>3,913,285</u>	<u>3,403,497</u>
Business tax	25,116,400	0.500	125,582	114,148
Business fees	-	-	15,920	14,164
sub-total - Business			<u>141,502</u>	<u>128,312</u>
Adjustments from school levy below			<u>(229)</u>	<u>140</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>12,604,896</b></u>	<u>11,449,712</u>
Education support levy	233,095,290	11.390	2,654,955	2,426,954
Special levy:				
Hanover SD#15	703,621,290	15.593	10,971,567	10,297,243
Adjustments of school levy to municipal taxes			<u>229</u>	<u>(140)</u>
<b>Total education taxes</b>			<u><b>13,626,751</b></u>	<u>12,724,057</u>
			<u><b>\$ 26,231,647</b></u>	<u>\$ 24,173,769</u>



CITY OF STEINBACH  
ANALYSIS OF SCHOOL ACCOUNTS  
Year ended December 31, 2014

SCHEDULE 13

	2014				2013
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 70,649	\$ 2,752,068	\$ (2,701,626)	\$ 121,091	\$ 70,649
Special levies					
Hanover SD#15	<u>238,227</u>	<u>11,141,838</u>	<u>(10,979,274)</u>	<u>400,791</u>	<u>238,227</u>
<b>Total</b>	<b><u>\$ 308,876</u></b>	<b><u>\$ 13,893,906</u></b>	<b><u>\$ (13,680,900)</u></b>	<b><u>\$ 521,882</u></b>	<b><u>\$ 308,876</u></b>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

Year ended December 31, 2014

	2014 Actual	2013 Actual
<b>General government services:</b>		
Legislative	\$ 186,069	\$ 172,610
General administrative	2,022,958	1,909,947
Other	1,471,656	1,512,921
	<u>3,680,683</u>	<u>3,595,478</u>
<b>Protective services:</b>		
Police	1,875,999	1,883,774
Fire	849,551	708,739
Emergency measures	20,014	22,658
Other protection	508,741	538,849
	<u>3,254,305</u>	<u>3,154,020</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	228,651	212,821
Road and street maintenance	5,449,665	4,243,614
Sidewalk and boulevard maintenance	48,898	59,233
Street lighting	281,685	276,527
Other	102,146	114,912
Air transport	39,309	40,407
Public transit	74,599	66,377
	<u>6,224,953</u>	<u>5,013,891</u>
<b>Environmental health services:</b>		
Waste collection and disposal	1,539,353	1,424,374
Recycling	719,725	625,866
Other	293,765	293,871
	<u>2,552,843</u>	<u>2,344,111</u>
<b>Public health and welfare services:</b>		
Public health	94,028	88,863
Social assistance	19,765	19,765
	<u>113,793</u>	<u>108,628</u>
<b>Regional planning and development</b>		
Planning and zoning	124,604	146,109
Beautification and land rehabilitation	157,408	157,026
Urban area weed control	30,405	26,776
Other	12,900	9,500
	<u>325,317</u>	<u>339,411</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	15,000	15,000
Regional development	675	-
Tourism	181,590	185,117
	<u>197,265</u>	<u>200,117</u>
<b>Recreation and cultural services:</b>		
Administration	261,432	216,972
Swimming pools and beaches	1,535,384	1,537,894
Skating and curling rinks	464,759	491,680
Parks and playgrounds	607,263	568,054
Other recreational facilities	583,912	531,839
Libraries	52,660	45,070
Other cultural facilities	42,890	45,584
	<u>3,548,300</u>	<u>3,437,093</u>
<b>Total expenses</b>	<u><u>19,897,459</u></u>	<u><u>18,192,749</u></u>

CITY OF STEINBACH  
SCHEDULE OF DEBENTURES PENDING  
Year ended December 31, 2014

SCHEDULE 15

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Authority	Purpose	Source of Funds	Authorized	Expended
2046	Street renewal		\$ 2,380,000	\$ 68,978
			<u>\$ 2,380,000</u>	<u>\$ 68,978</u>

**CITY OF STEINBACH**  
**RECONCILIATION OF ANNUAL SURPLUS**  
**December 31, 2014**

**SCHEDULE 16**

	<b>General</b>	<b>2014 Utility</b>	<b>Total</b>	<b>2013 Total</b>
<b>MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ 118,952	\$ 48,036	\$ 166,988	\$ 221,182
<b>Adjustments for reporting under public sector accounting standards</b>				
Capital :				
Increase revenue - contributed infrastructure / other donated assets	2,224,885	1,233,134	<b>3,458,019</b>	9,129,416
Increase revenue - capital grants and other revenue	2,190,742	-	<b>2,190,742</b>	213,205
Eliminate revenue - proceeds on disposal of assets (net of gain (loss) and trade-ins)	(220,840)	-	<b>(220,840)</b>	(247,854)
Decrease expense - contribution to capital (net of recoveries)	1,334,296	283,025	<b>1,617,321</b>	1,260,332
Decrease expense - principal portion of debenture debt	1,308,771	1,398,257	<b>2,707,028</b>	1,960,912
Increase expense - amortization of tangible capital assets	(4,453,794)	(2,067,284)	<b>(6,521,078)</b>	(5,966,470)
Reserve:				
Increase revenue - reserve funds interest (net of deferral)	233,220	-	<b>233,220</b>	222,951
Eliminate expense - appropriations to reserves	4,617,628	507,994	<b>5,125,622</b>	6,910,042
Eliminate revenue - transfers from reserves to operating funds	(364,507)	(107,994)	<b>(472,501)</b>	(12,733)
Deferred Revenue:				
Eliminate revenue - deferral of grants and restricted fees	(736,343)	-	<b>(736,343)</b>	(902,096)
Other:				
Increase expense - landfill liability	(143,016)	-	<b>(143,016)</b>	(138,606)
	<b>6,109,994</b>	<b>1,295,168</b>	<b>7,405,162</b>	<b>12,650,281</b>
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(42,094)	-	<b>(42,094)</b>	(53,293)
<b>NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 6,067,900</b>	<b>\$ 1,295,168</b>	<b>\$ 7,363,068</b>	<b>\$ 12,596,988</b>