

THE CITY OF PRINCE ALBERT



**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006**

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The management of The City of Prince Albert is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and judgments of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

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

City Council fulfils responsibility for financial reporting through its Financial Services Committee. The Financial Services Committee, consisting of the Mayor and three Councilors, meet bi-weekly to discuss the City's financial matters. The committee fulfils its responsibilities by reviewing financial information prepared by management and discussing relevant matters with management and external auditors. The Financial Services Committee reviews the financial statements and recommends approval to City Council.

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



Roman Martiuk
City Manager



Tammy McKay, CA
Acting Director of Financial Services



TO HIS WORSHIP THE MAYOR AND MEMBERS OF CITY COUNCIL

We have audited the consolidated statement of financial position of The City of Prince Albert as at December 31, 2006 and the consolidated statements of financial activities, fund balance and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The City of Prince Albert as at December 31, 2006 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

Chartered Accountants
Prince Albert, Saskatchewan
April 20, 2007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At December 31, 2006

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Cash	\$ 7,278,467	\$ 5,574,835
Temporary investments	116,343	105,413
Taxes receivable	2,213,008	1,519,435
Accounts receivable (Note 2)	7,475,676	7,122,081
Property acquired for taxes (Note 3)	734,573	608,861
Land available for sale	4,254,312	3,909,442
Long term investments (Note 4)	222,101	227,431
Loans receivable (Note 5)	<u>33,178</u>	<u>48,998</u>
	<u>22,327,658</u>	<u>19,116,496</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	8,933,348	7,919,385
Wages and vacation payable	773,574	1,227,553
Deposits and deferred revenue	1,738,512	1,593,547
Due to local school districts (Note 7)	1,025,116	932,812
Long term debt (Note 8)	7,309,417	7,718,172
Vested sick leave	1,754,365	1,597,189
Due to related parties	<u>16,166</u>	<u>10,000</u>
	<u>21,550,498</u>	<u>20,998,658</u>
NET FINANCIAL ASSETS (LIABILITIES)	<u>777,160</u>	<u>(1,882,162)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	82,581	66,024
Supplies inventory	<u>978,908</u>	<u>965,379</u>
	<u>1,061,489</u>	<u>1,031,403</u>
NET ASSETS (LIABILITIES)	<u>\$ 1,838,649</u>	<u>\$ (850,759)</u>
MUNICIPAL POSITION		
Reserves (Schedule 20)	\$ 8,605,012	\$ 6,237,190
Amounts to be recovered from future revenues (Note 8)	(7,309,417)	(7,718,172)
Fund balance at end of year	<u>543,054</u>	<u>630,223</u>
NET MUNICIPAL POSITION	<u>\$ 1,838,649</u>	<u>\$ (850,759)</u>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE

For the year ended December 31, 2006

	Budget	2006	2005
REVENUES			
Taxation	\$ 18,521,760	\$ 18,421,394	\$ 18,347,654
User charges and fees	17,341,650	17,849,794	17,768,279
Grants and donations	7,517,250	7,760,957	5,240,129
Grants in lieu of taxes	6,173,580	6,114,793	7,010,160
Interest and penalties	1,056,700	1,247,690	1,095,537
Land sales	-	1,453,589	1,233,151
Cost recovery	989,580	1,279,366	1,598,081
Sundry	<u>259,930</u>	<u>395,663</u>	<u>601,687</u>
	<u>51,860,450</u>	<u>54,523,246</u>	<u>52,894,678</u>
EXPENDITURES			
Protective services	13,838,050	13,960,092	13,196,385
Community services	6,620,410	7,961,981	8,021,637
Water utility services	5,625,570	5,291,870	5,182,355
Transportation services	5,181,900	4,866,726	5,146,173
General government services	5,012,740	6,044,668	5,501,841
Environmental services	2,069,380	1,825,521	2,092,918
Planning and economic development services	514,970	573,395	525,344
Land Operating Fund cost of sales and sundry	-	1,195,163	654,144
Change in share of consolidated entities	-	54,214	6,270
Capital expenditures	14,899,720	9,605,418	9,713,173
Loan interest	<u>463,100</u>	<u>454,960</u>	<u>478,558</u>
	<u>54,225,840</u>	<u>51,834,008</u>	<u>50,518,798</u>
NET EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,365,390)</u>	<u>2,689,238</u>	<u>2,375,880</u>
Loan principal repaid	(408,800)	(408,755)	(385,618)
Transfers from reserves and other funds	6,984,820	8,672,817	6,372,608
Transfers to reserves and other funds	<u>(4,210,630)</u>	<u>(11,040,469)</u>	<u>(8,347,553)</u>
	<u>2,365,390</u>	<u>(2,776,407)</u>	<u>(2,360,563)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (87,169)</u>	<u>\$ 15,317</u>
Fund Balance, beginning of Year		\$ <u>630,223</u>	\$ <u>614,906</u>
FUND BALANCE, END OF YEAR		<u>\$ 543,054</u>	<u>\$ 630,223</u>

See accompanying notes

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CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

As At December 31, 2006

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net excess of revenues over (under) expenditures	\$ <u>2,689,238</u>	\$ <u>2,375,880</u>
Change in non-working capital		
Taxes receivable	(693,403)	190,429
Accounts receivable	(353,595)	191,960
Property acquired for taxes	(125,712)	(227,454)
Land available for sale	(344,870)	(455,558)
Loans receivable	15,820	16,340
Due to (from) related parties	6,166	-
Accounts payable and accrued liabilities	1,013,963	979,901
Wages and vacation payable	(453,979)	296,128
Deposits and deferred revenue	144,965	(669,269)
Due to local school districts	92,304	(89,304)
Vested sick leave	157,176	(419,750)
Prepaid expenses	(16,557)	1,335
Supplies inventory	(13,529)	(56,005)
	<u>(571,251)</u>	<u>(241,247)</u>
	<u>2,117,987</u>	<u>2,134,633</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan principal repaid	<u>(408,755)</u>	<u>(385,618)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term investments	<u>5,330</u>	<u>(61,642)</u>
NET INCREASE IN CASH	1,714,562	1,687,373
CASH AND TEMPORARY INVESTMENTS, AT BEGINNING OF YEAR	<u>5,680,248</u>	<u>3,992,875</u>
CASH AND TEMPORARY INVESTMENTS, AT END OF YEAR	\$ <u>7,394,810</u>	\$ <u>5,680,248</u>
CONSISTING OF:		
Cash	\$ 7,278,467	\$ 5,574,835
Temporary Investments	<u>116,343</u>	<u>105,413</u>
	\$ <u>7,394,810</u>	\$ <u>5,680,248</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The City of Prince Albert (the City) are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

Reporting Entity and Basis of Consolidation

These financial statements consolidate the financial position, financial activities, and changes in financial position of the General, Sanitation Utility, Land, Water Utility, and Airport Operating Funds of the City as well as the corresponding Capital Fund for each operation.

The following organizations are also consolidated in these statements based on the City's control or ownership of the organization (see Schedule 19).

Art Hauser Centre Board Inc.
John M. Cuelenaere Public Library Board
North Central Saskatchewan Waste Management Corp. (proportionate)
Wapiti Regional Library (proportionate)

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

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon cost of goods and services consumed.

Use of Estimates

The preparation of financial statements requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

Cash

Cash and cash equivalents consist of cash on hand, balances with banks and temporary investments.

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.

Physical Assets

The historical cost and accumulated amortization for physical assets are not recorded for municipal purposes. Physical assets are reported as expenditures in the year of acquisition. The proceeds from debt issues for those physical assets financed by long-term indebtedness are reported as amounts to be recovered from future revenues.

Deposits and Deferred Revenue

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Vested Sick Leave

Sick leave is earned by employees through a monthly allotment. Unused sick leave is accumulated and vests with the employee after five years of continuous service and is paid out upon termination of employment. Payment calculations are limited by 194 days (148 or 158 for the Fire Department) of accumulated sick time and a maximum of 30 years of employment. The value of the vested sick leave reflects the future value of employees' earnings combined with the present value of this future liability. Management hired after 1992 are not eligible for this payout unless otherwise noted in the individual contract.

Pension

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

Members' contributions are a percentage of salary. Police and Firefighters contribute 7.3% of their salary. All other members contribute 5.4% to the plan. The City matches all the employees' contributions to the plan. Pension expense for the year included in the Salaries, Wages and Benefits object expenditures is \$1,275,400 (2005 - \$1,162,162).

Supplies Inventory

Inventory is valued at the lower of cost and market value.

Trust Funds

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the trust funds' statement of financial position (Schedule 21) and statement of continuity (Schedule 22).

2. ACCOUNTS RECEIVABLE

Accounts receivable have been reported net of an allowance for doubtful accounts of \$674,778 (2005 - \$596,500). The allowances have been determined through an annual review of outstanding amounts.

3. PROPERTY ACQUIRED FOR TAXES

Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of cost (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 \$1,494,200 (2005 - \$1,613,800) for unsaleable properties calculated through an annual review of cost and market value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2006

4. LONG TERM INVESTMENTS

Through the proportionate consolidation with Wapiti Regional Library, long term investments are recorded. The gross investments (before proportionate consolidation) consist of the following:

CIBC non-redeemable GICs:	
3.95%, maturing June 6, 2007	\$ 54,806
2.05%, maturing June 6, 2008	106,939
2.05%, maturing June 6, 2010	106,939
Manulife non-redeemable GICs:	
3.75%, maturing April 26, 2007	29,633
2.75%, maturing April 26, 2008	29,009
3.20%, maturing April 26, 2010	<u>29,009</u>
	<u>\$356,335</u>

5. LOANS RECEIVABLE

	<u>2006</u>	<u>2005</u>
General Capital Fund		
Prince Albert Mintos Hockey Club, monthly payments of \$1,510 including interest at 5.5%, due August 2009.	\$ <u>33,178</u>	\$ <u>48,998</u>
Total Loans Receivable	\$ <u>33,178</u>	\$ <u>48,998</u>

Portion receivable in each of the next three years is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 5,469	\$ 571	\$ 6,040
2008	17,021	1,099	18,120
2009	<u>10,688</u>	<u>203</u>	<u>10,891</u>
	\$ <u>33,178</u>	\$ <u>1,873</u>	\$ <u>35,051</u>

6. BANK INDEBTEDNESS

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 a hypothecation of taxes and grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2006

7. DUE TO LOCAL SCHOOL DISTRICTS

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 2006</u>	<u>Total 2005</u>
Taxes payable	\$ 1,371,423	\$ 334,721	\$ 1,706,144	\$ 1,624,668
Allowance for doubtful accounts	<u>(629,235)</u>	<u>(51,792)</u>	<u>(681,028)</u>	<u>(691,856)</u>
Net taxes payable	<u>\$ 742,188</u>	<u>\$ 282,929</u>	<u>\$ 1,025,116</u>	<u>\$ 932,812</u>

8. LONG TERM DEBT

	<u>2006</u>	<u>2005</u>
Water Utility Capital Fund		
Loan payable - Saskatchewan Municipal Financing Corporation, yearly payments of \$871,846 including interest at 6%, due September 1, 2018.	\$ <u>7,309,417</u>	\$ <u>7,718,172</u>
Total Long Term Debt	<u>\$ 7,309,417</u>	<u>\$ 7,718,172</u>

As the long term debt is repaid, the Amounts to be Recovered from Future Revenues, which has a negative balance in the Municipal Position, is reduced by the amount of principal payment.

Portion due in each of the next five years is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 433,280	\$ 438,565	\$ 871,845
2008	459,277	412,569	871,846
2009	486,834	385,012	871,846
2010	516,044	355,802	871,846
2011	547,007	324,839	871,846
Remainder	<u>4,866,975</u>	<u>1,235,947</u>	<u>6,102,922</u>
	<u>\$ 7,309,417</u>	<u>\$ 3,152,734</u>	<u>\$ 10,462,151</u>

9. CONTINGENT LIABILITIES

The City has received a statement of claim for economic losses incurred by land owners with respect to alleged former landfill sites. The outcome and economic impact of the losses, if any, are currently not determinable and no provision has been made in these financial statements.

The City will be starting negotiations with three unions whose contracts expired on December 31, 2006, and one union whose contract will expire on June 30, 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2006

10. 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 when cell capacity is reached at an estimated cost of \$60,000 per cell, for a total cost of \$480,000.

The calculation of the liability is based on the cumulative capacity used at December 31, 2006 compared to the total estimated landfill capacity at the same date. The estimated capacity of the site is 3,841,680 cubic metres, of which 224,400 cubic metres have been used to date (5.84%). The existing landfill site is expected to reach capacity in approximately 2105.

The liability recognized in the financial statement is subject to measurement uncertainty. In 2005 the capacity of the landfill site was based on tonnage and known compaction. The calculation included all material going through the landfill, such as brush, concrete and other re-cyclable materials that are actually diverted into other areas, not into the landfill cells. As a result, the decision was made to base the longevity of the landfill on the available volume capacity of the site. The recognized amounts are based on the City's best information and judgment. Amounts could change by more than a material amount in the long-term.

11. COMMITMENTS

At the end of 2006, a number of capital projects were in progress and will be completed in the year to follow or subsequent years. The unexpended appropriation related to these projects is \$3,154,427. This amount has been transferred to the Capital Works Committed Reserve for later use.

The City has various ongoing commitments regarding Northern Housing Development with the Sask Housing Corporation. The current balance of potential commitments that are funded through the Northern Housing Development Reserve is \$294,500.

12. EXPENDITURES BY OBJECT

The following is a summary of the expenditures reported on the Consolidated Statement of Financial Activities by object of expenditures:

	<u>2006</u>	<u>2005</u>
Salaries, wages and benefits	\$ 25,094,402	\$ 24,148,084
Contracted and general services	6,824,846	6,398,583
Materials, goods, supplies, and utilities	5,461,448	5,817,482
Financial charges	1,361,521	1,204,035
Grants and donations	2,236,996	2,529,593
Capital expenditures	9,605,418	9,713,173
Land Operating Fund cost of sales	<u>1,195,163</u>	<u>701,578</u>
	<u>\$ 51,779,794</u>	<u>\$ 50,512,528</u>

13. COMPARATIVE FIGURES

Certain 2005 comparative figures have been reclassified to conform to 2006 statement presentation.

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Cash	\$ 5,757,518	\$ 4,276,801
Taxes receivable	2,213,008	1,519,435
Accounts receivable	2,865,534	2,970,318
Property acquired for taxes (Note 3)	<u>734,573</u>	<u>608,861</u>
	<u>11,570,633</u>	<u>9,375,415</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	8,167,023	7,685,331
Wages and vacation payable	662,565	1,093,124
Deposits and deferred revenue	889,720	584,610
Due to local school districts (Note 7)	1,025,116	932,812
Vested sick leave	1,321,769	1,188,583
Due to related parties	<u>16,166</u>	<u>10,000</u>
	<u>12,082,359</u>	<u>11,494,460</u>
NET FINANCIAL LIABILITIES	<u>(511,726)</u>	<u>(2,119,045)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	76,795	63,386
Supplies inventory	<u>937,118</u>	<u>943,859</u>
	<u>1,013,913</u>	<u>1,007,245</u>
NET ASSETS (LIABILITIES)	<u>\$ 502,187</u>	<u>\$ (1,111,800)</u>
MUNICIPAL POSITION		
Reserves (Schedule 20)	\$ 7,924,372	\$ 5,933,371
Due from other funds	<u>(7,422,185)</u>	<u>(7,045,171)</u>
NET MUNICIPAL POSITION	<u>\$ 502,187</u>	<u>\$ (1,111,800)</u>

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
REVENUES			
Taxation	\$ 18,521,760	\$ 18,438,611	\$ 18,362,529
User charges and fees	6,927,110	6,984,842	7,416,265
Grants in lieu of taxes	6,173,580	6,114,793	7,010,160
Grants and donations	3,810,130	3,873,429	3,657,576
Interest and penalties	770,000	935,277	779,107
Sundry	<u>117,330</u>	<u>116,227</u>	<u>65,711</u>
	<u>36,319,910</u>	<u>36,463,179</u>	<u>37,291,348</u>
EXPENDITURES			
Protective services	13,838,050	13,960,092	13,196,385
Community services	6,620,410	6,708,733	7,234,267
General government services	5,012,740	6,044,669	5,501,841
Transportation services	4,747,050	4,456,024	4,690,658
Planning and economic development services	<u>514,970</u>	<u>573,395</u>	<u>525,344</u>
	<u>30,733,220</u>	<u>31,742,913</u>	<u>31,148,495</u>
NET EXCESS OF REVENUES OVER EXPENDITURES			
	<u>5,586,690</u>	<u>4,720,266</u>	<u>6,142,853</u>
Transfers from reserves and other funds	1,258,880	1,363,684	1,177,777
Transfers to reserves and other funds	<u>(6,845,570)</u>	<u>(6,083,950)</u>	<u>(7,320,630)</u>
	<u>(5,586,690)</u>	<u>(4,720,266)</u>	<u>(6,142,853)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Accounts receivable	\$ <u>134,768</u>	\$ <u>130,757</u>
FINANCIAL LIABILITIES		
Wages and vacation payable	7,632	12,486
Vested sick leave	<u>64,044</u>	<u>57,371</u>
NET ASSETS	\$ <u>63,092</u>	\$ <u>60,900</u>
MUNICIPAL POSITION		
Reserves (Schedule 20)	\$ 435,432	\$ 211,308
Due from other funds	<u>(372,340)</u>	<u>(150,408)</u>
NET MUNICIPAL POSITION	\$ <u>63,092</u>	\$ <u>60,900</u>

Schedule 4 **STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE**
SANITATION UTILITY OPERATING FUND
For the year ended December 31, 2006

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
REVENUES			
User charges and fees	\$ 2,307,900	\$ 2,317,751	\$ 2,376,746
Interest and penalties	-	2,555	171
Sundry	<u>2,600</u>	<u>1,284</u>	<u>197,968</u>
	<u>2,310,500</u>	<u>2,321,590</u>	<u>2,574,885</u>
EXPENDITURES			
Environmental services	<u>2,069,380</u>	<u>1,814,144</u>	<u>1,863,088</u>
NET EXCESS OF REVENUES OVER EXPENDITURES			
	241,120	507,446	711,797
Transfers to reserves and other funds	<u>(241,120)</u>	<u>(507,446)</u>	<u>(711,797)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Accounts receivable	\$ <u>1,630,135</u>	\$ <u>1,587,414</u>
FINANCIAL LIABILITIES		
Wages and vacation payable	41,005	69,093
Deposits and deferred revenue	687,408	846,844
Vested sick leave	<u>291,188</u>	<u>277,642</u>
	<u>1,019,601</u>	<u>1,193,579</u>
NET FINANCIAL ASSETS	610,534	393,835
NON-FINANCIAL ASSETS		
Supplies inventory	<u>28,514</u>	<u>10,511</u>
NET ASSETS	<u>\$ 639,048</u>	<u>\$ 404,346</u>
MUNICIPAL POSITION		
Reserves (Schedule 20)	\$ (694,017)	\$ (820,635)
Due to other funds	<u>1,333,065</u>	<u>1,224,981</u>
NET MUNICIPAL POSITION	<u>\$ 639,048</u>	<u>\$ 404,346</u>

Schedule 6 **STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE**
WATER UTILITY OPERATING FUND
For the year ended December 31, 2006

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
REVENUES			
User charges and fees	\$ 7,808,770	\$ 7,808,395	\$ 7,376,164
Sundry	60,000	64,047	61,878
Interest and penalties	<u>160,300</u>	<u>170,042</u>	<u>187,004</u>
	8,029,070	8,042,484	7,625,046
EXPENDITURES			
Water utility services	<u>5,625,570</u>	<u>5,291,870</u>	<u>5,182,355</u>
NET EXCESS OF REVENUES OVER EXPENDITURES			
	2,403,500	2,750,614	2,442,691
Transfers to reserves and other funds	<u>(2,403,500)</u>	<u>(2,750,614)</u>	<u>(2,442,691)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Accounts receivable	\$ 190,263	\$ 377,608
Land available for sale	<u>4,254,312</u>	<u>3,909,442</u>
	<u>4,444,575</u>	<u>4,287,050</u>
FINANCIAL LIABILITIES		
Deposits and deferred revenue	<u>2,000</u>	<u>158,877</u>
NET ASSETS	<u>\$ 4,442,575</u>	<u>\$ 4,128,173</u>
MUNICIPAL POSITION		
Reserves (Schedule 20)	\$ 265,338	\$ -
Due to other funds	<u>4,177,237</u>	<u>4,128,173</u>
NET MUNICIPAL POSITION	<u>\$ 4,442,575</u>	<u>\$ 4,128,173</u>

Schedule 8 **STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE**
LAND OPERATING FUND
For the year ended December 31, 2006

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
REVENUES			
User charges and fees	\$ -	\$ 15,699	\$ 16,205
Interest and penalties	-	-	9
Land sales	<u>-</u>	<u>1,453,589</u>	<u>1,233,151</u>
	<u>-</u>	<u>1,469,288</u>	<u>1,249,365</u>
EXPENDITURES			
Cost of sales	-	1,126,143	634,785
Operating costs	<u>-</u>	<u>69,020</u>	<u>19,358</u>
	<u>-</u>	<u>1,195,163</u>	<u>654,143</u>
NET EXCESS OF REVENUES OVER EXPENDITURES	-	274,125	595,222
Transfers to reserves and other funds	<u>-</u>	<u>(274,125)</u>	<u>(595,222)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Cash	\$ 913,146	\$ 913,146
Accounts receivable	<u>41,547</u>	<u>29,243</u>
	<u>954,693</u>	<u>942,389</u>
FINANCIAL LIABILITIES		
Wages and vacation payable	5,516	5,772
Vested sick leave	<u>40,355</u>	<u>34,079</u>
	<u>45,871</u>	<u>39,851</u>
NET ASSETS	<u>\$ 908,822</u>	<u>\$ 902,538</u>
MUNICIPAL POSITION		
Reserves (Schedule 20)	\$ 673,887	\$ 913,146
Due to other funds	<u>234,935</u>	<u>(10,608)</u>
NET MUNICIPAL POSITION	<u>\$ 908,822</u>	<u>\$ 902,538</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Accounts receivable	\$ 2,268,208	\$ 1,705,441
Loans receivable (Note 5)	<u>33,178</u>	<u>48,998</u>
	<u>2,301,386</u>	<u>1,754,439</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	185,389	-
Deposits and deferred revenue	<u>135,412</u>	<u>-</u>
NET ASSETS	<u>\$ 1,980,585</u>	<u>\$ 1,754,439</u>
MUNICIPAL POSITION		
Due to other funds	\$ <u>1,980,585</u>	\$ <u>1,754,439</u>
NET MUNICIPAL POSITION	<u>\$ 1,980,585</u>	<u>\$ 1,754,439</u>

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE
Schedule 12 **GENERAL CAPITAL FUND**
For the year ended December 31, 2006

	Budget	2006	2005
REVENUES			
Sundry	\$ 80,000	\$ 14,644	\$ 131,425
Cost recovery	989,580	1,279,366	1,598,081
Grants and donations	2,947,120	2,881,921	708,371
Interest and penalties	99,400	91,108	97,827
	4,116,100	4,267,039	2,535,704
EXPENDITURES			
Buildings and improvements	2,626,800	1,786,744	4,148,623
Computer hardware	59,200	41,168	175,083
Computer software	1,275,540	656,694	189,148
Land and improvements	818,880	793,913	-
Licensed vehicles	457,900	226,618	328,152
Office equipment	190,000	11,635	25,904
Office furniture	3,430	-	26,842
Outdoor facilities	362,250	65,954	62,099
Play equipment	522,320	592,404	-
Small equipment and tools	147,900	77,038	82,356
Surface works	5,330,170	3,166,872	3,540,222
Unlicensed large equipment	422,700	228,405	91,550
Other and consulting	415,880	107,475	49,312
	12,632,970	7,754,920	8,719,291
NET EXCESS OF EXPENDITURES OVER REVENUE			
	(8,516,870)	(3,487,881)	(6,183,587)
Transfers from reserves and other funds	8,686,870	6,846,751	9,545,102
Transfers to reserves and other funds	(170,000)	(3,358,870)	(3,361,515)
	8,516,870	3,487,881	6,183,587
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -

	<u>2006</u>	<u>2005</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>10,833</u>	\$ <u>7,222</u>
NET LIABILITIES	\$ <u>(10,833)</u>	\$ <u>(7,222)</u>
 MUNICIPAL POSITION		
Due from other funds	\$ <u>(10,833)</u>	\$ <u>(7,222)</u>
NET MUNICIPAL POSITION	\$ <u>(10,833)</u>	\$ <u>(7,222)</u>

Schedule 14 **STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE**
SANITATION UTILITY CAPITAL FUND
For the year ended December 31, 2006

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
REVENUES			
Grants and donations	\$ -	\$ -	\$ 4,856
EXPENDITURES			
Landfill	8,000	3,611	3,611
Small equipment and tools	-	-	4,098
Other	-	-	139,073
	<u>8,000</u>	<u>3,611</u>	<u>146,782</u>
NET EXCESS OF EXPENDITURES OVER REVENUE	(8,000)	(3,611)	(141,926)
Transfers from reserves and other funds	<u>8,000</u>	<u>3,611</u>	<u>141,926</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Accounts receivable	\$ <u>-</u>	\$ <u>4,500</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	145,387	153,518
Long term debt (Note 8)	<u>7,309,417</u>	<u>7,718,172</u>
	<u>7,454,804</u>	<u>7,871,690</u>
NET LIABILITIES	\$ <u>(7,454,804)</u>	\$ <u>(7,867,190)</u>
 MUNICIPAL POSITION		
Due from other funds	\$ (145,387)	\$ (149,018)
Amounts to be recovered from future revenues	<u>(7,309,417)</u>	<u>(7,718,172)</u>
NET MUNICIPAL POSITION	\$ <u>(7,454,804)</u>	\$ <u>(7,867,190)</u>

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE
Schedule 16 **WATER UTILITY CAPITAL FUND**
For the year ended December 31, 2006

	Budget	2006	2005
REVENUES			
Grants and donations	\$ -	\$ -	\$ 4,500
EXPENDITURES			
Buildings and improvements	-	-	46,040
Computer hardware	-	-	7,986
Computer software	-	-	34,432
Office equipment	-	-	125,014
Small equipment and tools	10,000	-	-
Underground infrastructure	1,252,350	1,166,578	358,611
Loan and debenture interest	463,100	454,960	478,558
Other capital expenditures	-	-	20,182
	<u>1,725,450</u>	<u>1,621,538</u>	<u>1,070,823</u>
NET EXCESS OF EXPENDITURES OVER REVENUE			
	<u>(1,725,450)</u>	<u>(1,621,538)</u>	<u>(1,066,323)</u>
Loan and debenture principal	(408,800)	(408,755)	(385,618)
Transfers from reserves and other funds	2,134,250	2,105,504	1,478,198
Transfers to reserves and other funds	-	(75,211)	(26,257)
	<u>1,725,450</u>	<u>1,621,538</u>	<u>1,066,323</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Accounts receivable	\$ <u>224,924</u>	\$ <u>254,834</u>
NET ASSETS	<u>\$ 224,924</u>	<u>\$ 254,834</u>
MUNICIPAL POSITION		
Due to other funds	\$ <u>224,924</u>	\$ <u>254,834</u>
NET MUNICIPAL POSITION	<u>\$ 224,924</u>	<u>\$ 254,834</u>

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE
Schedule 18 **AIRPORT CAPITAL FUND**
For the year ended December 31, 2006

	Budget	2006	2005
REVENUES			
Grants and donations	\$ <u>760,000</u>	\$ <u>393,677</u>	\$ <u>254,834</u>
EXPENDITURES			
Buildings and improvements	800,000	488,124	-
Licensed vehicles	-	-	59,739
Unlicensed large equipment	-	-	195,095
Taxiway	136,400	147,911	-
Parking Lot	60,000	40,834	-
Other capital expenditures	<u>-</u>	<u>3,440</u>	<u>-</u>
	<u>996,400</u>	<u>680,309</u>	<u>254,834</u>
NET EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(236,400)	(286,632)	-
Transfers from reserves and other funds	<u>236,400</u>	<u>286,632</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATEMENT OF FINANCIAL POSITION AND ACTIVITIES
ORGANIZATIONS CONSOLIDATED**

Schedule 19

As At December 31, 2006

	<u>2006</u>	<u>2005</u>
Art Hauser Centre Board Inc. (Full Consolidation)		
Financial Assets	\$ 214,202	\$ -
Financial Liabilities	(323,745)	-
Equity Position	<u>8,081</u>	<u>-</u>
	<u>\$ (101,462)</u>	<u>\$ -</u>
Revenues	\$ (771,591)	\$ -
Expenditures	<u>873,053</u>	<u>-</u>
	<u>\$ 101,462</u>	<u>\$ -</u>
John M. Cuelenaere Public Library Board (Full Consolidation)		
Financial Assets	\$ 165,562	\$ 129,593
Financial Liabilities	(75,926)	(26,676)
Equity Position	<u>(102,917)</u>	<u>(119,005)</u>
	<u>\$ (13,281)</u>	<u>\$ (16,088)</u>
Revenues	\$ (239,882)	\$ (240,101)
Expenditures	<u>253,163</u>	<u>256,189</u>
	<u>\$ 13,281</u>	<u>\$ 16,088</u>
John M. Cuelenaere Public Library Board Trust Accounts		
These trust funds held for others have not been included in the consolidated financial statements.		
Financial Assets	\$ 263,084	\$ 242,765
Equity Position	<u>(263,084)</u>	<u>(242,765)</u>
	<u>\$ -</u>	<u>\$ -</u>
North Central Saskatchewan Waste Management Corp.		
Included on a proportionate consolidation basis as other municipalities contribute 14% of the revenue to the organization (14% in 2005).		
Financial Assets	\$ 110,226	\$ 130,907
Financial Liabilities	(45,805)	(46,304)
Non-Financial Assets	3,977	4,139
Equity Position	<u>(88,655)</u>	<u>(82,471)</u>
	<u>\$ (20,257)</u>	<u>\$ 6,271</u>
Revenues	\$ (210,246)	\$ (452,886)
Expenditures	<u>230,503</u>	<u>446,615</u>
	<u>\$ 20,257</u>	<u>\$ (6,271)</u>
Wapiti Regional Library		
Included on a proportionate consolidation basis as other municipalities contribute 38% of gross revenue to the organization (36% in 2005).		
Financial Assets	\$ 582,341	\$ 521,836
Financial Liabilities	(97,077)	(90,141)
Non-Financial Assets	9,300	6,870
Equity Position	<u>(425,931)</u>	<u>(407,164)</u>
	<u>\$ 68,633</u>	<u>\$ 31,401</u>
Revenues	\$ (1,824,915)	\$ (1,814,022)
Expenditures	<u>1,756,282</u>	<u>1,782,621</u>
	<u>\$ (68,633)</u>	<u>\$ (31,401)</u>

See accompanying notes

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Schedule 20

SCHEDULE OF RESERVE TRANSACTIONS

For the year ended December 31, 2006

	<u>2005 Balance</u>	<u>Additions</u>	<u>Expenditures</u>	<u>2006 Balance</u>
GENERAL OPERATING FUND				
Capital Levy	\$ -	\$ 170,000	\$ -	\$ 170,000
Capital Works Committed	3,011,247	2,619,427	3,011,247	2,619,427
Capital Works Uncommitted	115,902	465,123	-	581,025
Cemetery Improvements	28,581	-	-	28,581
Centennial Legacy Reserve	23,300	-	-	23,300
Civic Facilities	1,200,093	47,644	-	1,247,737
Community Clubs Mech Equip	79,543	-	-	79,543
Community Services Building	62,819	14,890	-	77,709
Community Services Crescent Acres Land Fund	64,767	-	64,767	-
Community Services Equipment	93,793	27,678	-	121,471
Community Services Land Fund	101,148	78,863	-	180,011
Community Services Mech Equip	69,398	-	69,398	-
Dedicated Lands	14,485	3,916	-	18,401
E.A. Rawlinson Mech Equip	29,970	10,000	-	39,970
Fiscal Stabilization				
Fiscal Stabilization	1,939,646	53,117	739,883	1,252,880
Unfunded Adjustments	(1,334,398)	500,000	-	(834,398)
Funding from future budgets	<u>(3,190,659)</u>	<u>3,190,659</u>	<u>2,021,441</u>	<u>(2,021,441)</u>
Net Fiscal Stabilization	(2,585,411)	3,743,776	2,761,324	(1,602,959)
Golf Course Improvements	37,928	40,000	-	77,928
In Lieu of Public Reserve	9,834	-	-	9,834
Land Development	100,000	-	-	100,000
Little Red River	9,510	-	-	9,510
Minor Softball	29,073	3,500	-	32,573
Northern Housing Development	241,841	49,601	-	291,442
PAGCC Mechanical Equipment	28,782	10,000	-	38,782
Park Development	47,050	9,000	-	56,050
Pehonan Parkway	198,000	135,000	-	333,000
Public Works Equipment	2,714,590	839,484	370,164	3,183,910
Summer Games Legacy	31,265	-	-	31,265
Tourism	1,009	-	-	1,009
Vested Sick Leave	<u>174,854</u>	<u>-</u>	<u>-</u>	<u>174,854</u>
	5,933,371	8,267,902	6,276,900	7,924,373
WATER UTILITY OPERATING FUND				
Waterworks Improvement	(820,635)	2,232,122	2,105,504	(694,017)
LAND OPERATING FUND				
Land Development	-	265,338	-	265,338
SANITATION UTILITY OPERATING FUND				
Sanitation Improvement	211,308	227,734	3,611	435,431
AIRPORT OPERATING FUND				
Airport Improvement	<u>913,146</u>	<u>47,373</u>	<u>286,632</u>	<u>673,887</u>
	<u>\$ 6,237,190</u>	<u>\$ 11,040,469</u>	<u>\$ 8,672,647</u>	<u>\$ 8,605,012</u>

See accompanying notes

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	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Cash	\$ 121,301	\$ 107,021
Temporary investments	<u>131,754</u>	<u>127,357</u>
NET ASSETS	<u>\$ 253,055</u>	<u>\$ 234,378</u>
 MUNICIPAL POSITION		
Trust funds held for others (Schedule 22)	\$ 269,221	\$ 244,378
Due from other funds	<u>(16,166)</u>	<u>(10,000)</u>
NET MUNICIPAL POSITION	<u>\$ 253,055</u>	<u>\$ 234,378</u>

	<u>2005 Balance</u>	<u>Additions</u>	<u>Expenditures</u>	<u>2006 Balance</u>
J. Vandale [1], [3]	\$ 3,917	\$ 156	\$ 100	\$ 3,973
Lenore Partridge Estate [1]	127,357	4,397	-	131,754
PAGCC [2]	41,457	11,769	-	53,226
Uniting to Heal [1],	-	70,706	64,540	6,166
Veteran's Graves [1]	61,647	2,455	-	64,102
Winterburn Estate	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 244,378</u>	<u>\$ 89,483</u>	<u>\$ 64,640</u>	<u>\$ 269,221</u>

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

[2] Transfer from General Operating Fund of \$10,000 plus Bank Account interest of \$1,769

[3] Payment of John Vandale Memorial Award