

**Annual Financial Statements
And Supporting Schedules**

**City of Melfort
For the Year Ended December 31, 2006**

MANAGEMENT'S RESPONSIBILITY

His Worship The Mayor and Council
City of Melfort, Saskatchewan

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

Council is composed entirely of Aldermen who are neither management nor employees of the City. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the City's external auditors.

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

March 8, 2007



Commissioner



Treasurer

AUDITORS' REPORT

His Worship The Mayor and Council
City of Melfort, Saskatchewan

We have audited the consolidated statement of financial position of the City of Melfort as at December 31, 2006 and the consolidated statement of financial activities, statement of changes in unappropriated fund balance, statement of general and utility fund equity in funded reserves and statement of cash flows 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 the City, as well as evaluating the overall financial statement presentation.

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

The additional information as listed in the accompanying schedules has been taken from the books and records of the City. The specific allocations of this information have not been independently checked by us other than in the normal course of our examination of the financial statements to the extent necessary to allow us to render an opinion thereon.

Melfort, Saskatchewan

March 8, 2007

Meyus Morris Penny LLP

Chartered Accountants

CITY OF MELFORT

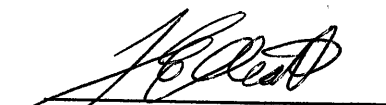
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2006

	2006 \$	2005 \$
FINANCIAL ASSETS		
Current Financial Assets		
Cash and short-term investments	8,711,328	6,935,380
Accounts receivable (Note 2)	697,824	612,505
Accrued interest receivable	187,081	62,265
Taxes receivable (Note 3)	148,953	190,469
Inventory	101,802	95,506
Prepaid expenses	-	4,320
Work in progress	-	25,211
	<u>9,846,988</u>	<u>7,925,656</u>
Long-term investments (Note 4)	2,740,160	3,830,060
Land for resale (Note 9)	783,149	829,346
Tax title property (Note 5)	417,795	396,990
Local improvements receivable (Note 6)	185,226	181,509
Loans receivable	30,950	82,221
	<u>14,004,269</u>	<u>13,245,782</u>
FINANCIAL LIABILITIES AND EQUITY		
Current Financial Liabilities		
Accounts payable and accrued liabilities	252,204	289,329
Deferred revenue	-	85,934
Prepayments and deposits	147,839	137,454
	<u>400,043</u>	<u>512,717</u>
EQUITY		
Appropriated		
Capital trust fund equity (Note 8)	4,130,908	3,707,413
Reserve fund (Note 7)	6,040,622	5,870,050
Land development fund (Note 9)	1,762,943	1,762,943
Unappropriated fund balance, end of year	1,669,756	1,392,660
	<u>13,604,227</u>	<u>12,733,065</u>
	<u>14,004,271</u>	<u>13,245,782</u>

Approved on behalf of City Council:


Mayor


Deputy Mayor

The accompanying notes are an integral part of the consolidated financial statements.

CITY OF MELFORT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		Operating \$	Capital \$	Total 2006 \$	Total 2005 \$
REVENUES					
Operational					
2,835,626	Taxation	2,845,528	-	2,845,528	2,663,383
450,983	Grants in lieu of taxes	476,000	-	476,000	475,038
469,847	Government grants	469,847	-	469,847	364,115
964,227	Fiscal revenues	1,106,254	-	1,106,254	887,251
883,821	Program revenues	960,799	-	960,799	940,604
1,618,226	Utility fees	1,641,393	-	1,641,393	1,590,120
Capital					
145,100	Government grants	-	276,219	276,219	359,528
6,500	Sale of assets	-	1,836	1,836	14,000
50,400	Frontage assessment	-	57,294	57,294	186,959
-	Other capital revenue	-	68,861	68,861	45,604
<u>7,424,730</u>		<u>7,499,821</u>	<u>404,211</u>	<u>7,904,032</u>	<u>7,526,602</u>
EXPENDITURES					
Operational					
778,001	General government services	722,731	-	722,731	757,969
794,274	Protective services	723,411	-	723,411	698,252
924,616	Transportation services	968,132	-	968,132	875,847
158,276	Environmental health services	193,870	-	193,870	156,464
31,976	Public health services	35,409	-	35,409	33,287
179,183	Environmental development services	163,655	-	163,655	232,549
1,717,621	Recreation and culture services	1,713,931	-	1,713,931	1,567,786
1,474,814	Utilities	1,457,483	-	1,457,483	1,426,795
Capital					
6,000	General government services	-	6,805	6,805	12,872
257,021	Protective services	-	271,383	271,383	68,232
334,800	Transportation services	-	303,204	303,204	618,245
122,186	Recreation and culture services	-	196,773	196,773	151,704
255,800	Utilities	-	276,085	276,085	379,320
<u>7,034,568</u>		<u>5,978,622</u>	<u>1,054,249</u>	<u>7,032,871</u>	<u>6,979,322</u>
<u>390,162</u>	EXCESS OF REVENUES OVER EXPENDITURES	<u>1,521,199</u>	<u>(650,039)</u>	<u>871,161</u>	<u>547,280</u>
(236,495)	Transfer to capital trust fund	(423,495)	-	(423,495)	(414,637)
(903,555)	Transfer to reserves	(700,840)	(125,471)	(826,311)	(612,420)
773,807	Transfer from reserves	-	789,059	789,059	613,096
<u>23,919</u>	INCREASE IN FUND BALANCE	<u>396,864</u>	<u>13,549</u>	<u>410,414</u>	<u>133,319</u>

The accompanying notes are an integral part of the consolidated financial statements.

CITY OF MELFORT

STATEMENT OF CHANGES IN UNAPPROPRIATED FUND BALANCE

Year ended December 31, 2006

	2006	2005
	\$	\$
BALANCE, BEGINNING OF YEAR	1,392,660	1,511,867
SOURCES		
Excess of revenues over expenditures:		
General operating fund	1,337,290	1,008,237
Utility operating fund	183,910	163,325
Capital fund	(650,039)	(624,282)
Transfers from reserves	789,059	613,096
Transfers from reserves for prior year's deficit	-	-
	1,660,221	1,160,376
USES		
Transfer to capital trust fund	(423,495)	(414,637)
Transfer to reserves	(826,311)	(612,420)
Transfer to land development fund	-	-
Transfer to reserves from prior's years excess	(133,319)	(252,527)
	(1,383,125)	(1,279,584)
BALANCE, END OF YEAR	1,669,756	1,392,660

The accompanying notes are an integral part of the consolidated financial statements.

CITY OF MELFORT

STATEMENT OF GENERAL AND UTILITY FUND EQUITY IN FUNDED RESERVES
Year ended December 31, 2006

	2006	2005
	\$	\$
BALANCE, BEGINNING OF YEAR	<u>5,870,050</u>	<u>5,618,199</u>
TRANSFER TO RESERVES		
General operating fund	589,811	375,920
Utility operating fund	236,500	236,500
Transfer from prior years excess	<u>133,319</u>	<u>252,527</u>
	<u>959,630</u>	<u>864,947</u>
TRANSFERS FROM RESERVES		
General capital fund	(538,102)	(405,222)
Utility capital fund	<u>(250,957)</u>	<u>(207,874)</u>
	<u>(789,059)</u>	<u>(613,096)</u>
BALANCE, END OF YEAR	<u><u>6,040,622</u></u>	<u><u>5,870,050</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

CITY OF MELFORT**STATEMENT OF CASH FLOWS**Year ended December 31, 2006

	2006 \$	2005 \$
OPERATING ACTIVITIES		
Excess of revenue over expenditures	871,161	547,280
CHANGES IN NON-CASH WORKING CAPITAL		
(Increase) decrease in accounts receivable	(85,319)	55,390
(Increase) decrease in accrued interest receivable	(124,816)	(12,979)
(Increase) decrease in taxes receivable	41,516	71,215
(Increase) decrease in inventory	(6,296)	(554)
(Increase) decrease in prepaid expenses	4,320	-
(Increase) decrease in work in progress	25,211	(25,211)
Increase (decrease) in accounts payable and accrued liabilities	(37,125)	13,080
Increase (decrease) in deferred revenue	(85,934)	14,934
Increase (decrease) in prepayments and deposits	10,385	(250,376)
	<u>613,103</u>	<u>412,779</u>
INVESTING ACTIVITIES		
(Increase) decrease in long-term investments	1,089,900	2,658,300
(Increase) decrease in land for resale	46,197	-
(Increase) decrease in tax title property	(20,805)	41,284
(Increase) decrease in local improvement receivable	(3,717)	(16,745)
(Increase) decrease in loans receivable	51,271	(54,278)
	<u>1,162,846</u>	<u>2,628,561</u>
NET CHANGE IN CASH AND SHORT-TERM INVESTMENTS	1,775,949	3,041,340
OPENING CASH AND SHORT-TERM INVESTMENTS	6,935,380	3,894,040
CLOSING CASH AND SHORT-TERM INVESTMENTS	<u>8,711,329</u>	<u>6,935,380</u>

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The City follows the normal practice for local government accounting according to the principles of fund accounting. Under this practice the financial resources are segregated into various funds used for specific activities or to meet certain objectives. A fund may contain assets, liabilities, equity, revenues, expenditures, gains and losses. The City consolidates the General Fund, Water and Sewer Utility Fund, Land Development Fund, Reserve Funds, and the Capital Trust Fund in these financial statements.

All interfund loans, other than normal trade accounts payable/receivable, have been eliminated through consolidation.

Basis of Accounting

The consolidated financial statements of the City have been prepared by management in accordance with generally accepted accounting principles and include the following accounting policies.

(i) Capital outlay financed by long-term debt

That portion of asset acquisitions financed from current operations is included in current expenditures of the operating funds. Asset acquisitions financed by long-term debt are capitalized in an amount equal to the principal portion of the long-term debt and are reduced by amounts equal to the principal repayments.

(ii) Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the Melfort Board of Education, are not reflected in the municipal fund balances of these financial statements.

(iii) Land for resale

Costs associated with property for resale are capitalized to specific developments and proceeds from the sale of these properties are credited to the specific development. No income from developments is recorded until all costs have been recovered.

(iv) Long-term debt

Interest on long-term debt is not accrued, but is included in current expenditures when paid.

(v) Reserve funds

Transfers to and from reserves are not included in revenues and expenditures, but are shown as transfers of equity balances.

(vi) Utility revenue

Water and sewer utility consumers are billed on a cyclical basis and may include estimates. No accrual is made for revenues not billed at the year end.

Inventory

Inventory of stock and supplies for internal use is valued at the lower of cost and replacement cost.

Investments

Investments are recorded at the lower of cost or market value. There is a clearly demonstrated intention to hold all investments until maturity; therefore, cost is not impaired by the current market value.

Work in Progress

Relates to expenditures for unfinished capital projects. The entire project costs and revenue sources will be reported in the period in which it is completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2006

	2006 \$	2005 \$
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued		
Revenue Recognition		
Revenues are accounted for in the period in which the transactions or events occurred that give rise to the revenues.		
Property tax levies are recognized as revenue in the year in which they are levied.		
Government transfers are recognized as revenues in the period that the event giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality and reasonable estimates for the amounts can be made. Revenue received in advance of the related expenditures is deferred to the period when the expenditures are incurred.		
2. ACCOUNTS RECEIVABLE		
Government grants - federal	106,180	106,180
Government grants - provincial	62,538	59,435
Saskatchewan Power and Energy	117,531	106,028
Goods and services tax	37,062	29,681
	<u>323,311</u>	<u>301,323</u>
Trade accounts	204,606	128,297
Less allowance for doubtful accounts	(29)	(9,532)
	<u>204,577</u>	<u>118,766</u>
Water and sewage receivables	188,237	210,716
Less allowance for doubtful accounts	(18,300)	(18,300)
	<u>169,937</u>	<u>192,416</u>
	<u><u>697,824</u></u>	<u><u>612,505</u></u>
3. TAXES RECEIVABLE		
Taxes receivable - municipal portion	195,212	236,728
Less general allowance for doubtful accounts	(46,259)	(46,259)
	<u>148,953</u>	<u>190,469</u>

The City of Melfort is also responsible for assessing and collecting taxes on behalf of other organizations under the Cities Act. As of December 31, 2006, \$141,029 (\$179,174 at December 31, 2005) in property taxes were collectible on behalf of these organizations. As well \$289,975 (\$285,747 at December 31, 2005) worth of tax title property is being administered on their behalf.

CITY OF MELFORT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2006

	2006 \$	2005 \$
4. LONG-TERM INVESTMENTS		
Long-term investments	9,005,537	8,769,640
Less investments maturing within one year	<u>(6,265,377)</u>	<u>(4,939,580)</u>
	<u>2,740,160</u>	<u>3,830,060</u>
<p>Long-term investments are recorded at amortized cost and have a market value of \$2,742,921 (\$3,960,000 at December 31, 2005). These investments may include any combination of bonds, commercial paper, or bankers acceptance and consist of term to maturity from 1 to 7 years at interest rates from 4.5% to 6.69%.</p>		
5. TAX TITLE PROPERTY		
Tax title property	679,476	659,612
Less allowance for market value adjustment	<u>(261,681)</u>	<u>(262,622)</u>
	<u>417,795</u>	<u>396,990</u>
6. LOCAL IMPROVEMENT RECEIVABLE		
Local improvements are financed by the municipality and then charged to the individual taxpayers over a period of five to seven years. These loans bear interest at rates set in accordance with the universal rate bylaw.	<u>185,226</u>	<u>181,509</u>
7. RESERVE FUND		
General operating fund		
Operating reserves	621,235	550,183
Capital reserves	4,350,343	4,263,191
Utility operating fund		
Capital reserves	<u>1,069,044</u>	<u>1,056,676</u>
	<u>6,040,622</u>	<u>5,870,050</u>

CITY OF MELFORT**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
8. CAPITAL TRUST FUND		
The fund represents a pool of capital that enables internal financing of capital projects on an interest free basis. Cash reserves for the fund are held by the General Fund.		
Approved fund equity - general	1,400,000	1,400,000
Approved fund equity - utility	4,100,000	4,100,000
	<u>5,500,000</u>	<u>5,500,000</u>
Less:		
Internally financed loans	1,369,092	1,792,587
Fund balance	<u>4,130,908</u>	<u>3,707,413</u>

LOANS FINANCED FROM CAPITAL TRUST FUND**City Hall funding:**

Non-interest bearing loan payable to Capital Trust Fund repayable in 15 equal annual installments of \$80,000 from 1996 to 2010

245,000	325,000
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Parkland replacement:

Interest bearing loan payable to Capital Trust Fund repayable in 11 installments at a 6% interest rate from 2003 to 2013. In 2006, Council decided to accelerate the Parkland repayment using the former Palace payment of \$187,000 to reduce payment term from 2013 to 2009.

1,124,092	1,467,587
<u>1,369,092</u>	<u>1,792,587</u>

Internally financed loans

In consideration of Capital Trust Fund Utility Equity being used for non-utility purposes, Council has agreed to transfer \$100,000 (prior to 1999 \$150,200) annually from the operating fund to the utility fund in lieu of interest.

CITY OF MELFORT**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
9. LAND DEVELOPMENT FUND		
The City has allocated funds for the purchasing and servicing of land for resale. Revenue from the sale of lots will be used to offset the development costs of each subdivision on a cost recovery basis. Once all costs are recovered any excess is reported as capital revenue and transferred to the Land Development Fund.		
Fund balance, beginning of year	1,762,943	1,762,943
Fund balance, end of year	<u>1,762,943</u>	<u>1,762,943</u>
Funded by:		
Land for resale	783,149	829,346
Cash and short-term investments	<u>979,794</u>	<u>933,597</u>
	<u>1,762,943</u>	<u>1,762,943</u>
10. CAPITAL ASSETS		
The City of Melfort owns the capital assets with which it carries out its operations in various departments. The land is stated at market value where as the Machinery, Equipment and Buildings are stated at insurance replacement value.		
Machinery and Equipment	7,493,151	4,358,185
Buildings	35,064,600	29,670,000
Land (264 acres)	9,240	14,420
	<u>42,566,991</u>	<u>34,042,605</u>
11. FINANCIAL INSTRUMENTS		
The City of Melfort, as part of its operations, carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these instruments except as otherwise disclosed.		
All significant financial assets, financial liabilities and equity instruments of the City are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.		

CITY OF MELFORT**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2006

12. EXPENSES BY OBJECT

	2006 Budget	Operating Fund	Utility Fund	Capital Fund	2006 Total	2005 Total
Salaries and benefits	1,869,710	1,623,597	217,806	30,184	1,871,587	1,742,522
Other personnel	318,562	287,443	6,910	-	294,353	303,541
General services	1,572,499	1,268,238	150,385	125,318	1,543,941	1,554,597
Internal allocations	-	-	-	83,951	83,951	274,534
Goods	1,599,930	379,086	1,021,342	110,385	1,510,813	1,920,525
Utilities	675,815	633,695	36,908	-	670,603	615,034
Fixed assets	670,086	-	-	-	-	193,598
Grants, donations, subsidies	292,720	301,902	-	704,413	1,006,315	278,498
Financial charges	35,246	27,176	24,134	-	51,310	95,344
	<u>7,034,568</u>	<u>4,521,137</u>	<u>1,457,485</u>	<u>1,054,251</u>	<u>7,032,873</u>	<u>6,978,193</u>

13. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The City's activities include waste disposal operations. The City is responsible for waste collection, landfill operations and future site restoration costs. Future site restoration costs are recognized based on assumptions, engineering studies and estimates to the costs of future removal and site restoration. Changes to the underlying assumptions or legislative change in the future could have a material impact on the statements. As these costs are not readily determinable, the City has not provided for future site restoration costs.

14. CONTINGENCY LIABILITY

The City has guaranteed the indebtedness of two organizations to a maximum of \$320,911. The two organizations are the Melfort Chamber of Commerce and the Melfort Golf Club.

15. MEASUREMENT UNCERTAINTY

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

17. BUDGET

Budget figures provided are for information purposes only and have not been audited.

CITY OF MELFORT

SCHEDULE OF WATER AND SEWER UTILITY OPERATING FUND

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		Actual 2006 \$	Actual 2005 \$
REVENUES			
1,574,976	Sale of water	1,601,699	1,559,547
43,250	Other water revenues	39,694	30,573
<u>1,618,226</u>		<u>1,641,393</u>	<u>1,590,121</u>
EXPENDITURES			
132,515	Administration	130,451	130,492
50,868	Meter reading	48,625	46,835
964,500	Treated water purchase - Sask. Water	946,310	887,426
27,775	Water treatment	21,879	22,866
59,727	Water distribution	43,051	67,549
65,992	Tools and equipment	94,285	67,580
93,360	Sewage collection	66,595	83,169
52,870	Sewage pump stations	52,670	58,046
11,877	Sewage lagoons	17,057	11,866
15,330	Utility service connections	12,426	14,061
-	Bad debt recoveries	24,134	36,906
<u>1,474,814</u>		<u>1,457,483</u>	<u>1,426,798</u>
143,412	EXCESS OF REVENUE OVER EXPENDITURES	183,910	163,323
100,000	Interest payment from general fund	100,000	100,000
(236,500)	Transfers to capital reserves	(236,500)	(236,500)
<u>6,912</u>	INCREASE IN FUND BALANCE	<u>47,410</u>	<u>26,823</u>

CITY OF MELFORT

SCHEDULE OF GENERAL OPERATING REVENUES

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		Actual 2006 \$	Actual 2005 \$
TAXATION			
2,875,973	Property levy	2,886,219	2,703,948
3,500	Mobile trailer license fees	3,156	3,282
(43,847)	Less other jurisdictional requests		
<u>2,835,626</u>	Sask. Assessment Management Agency	<u>(43,847)</u>	<u>(43,847)</u>
		<u>2,845,528</u>	<u>2,663,382</u>
GRANTS IN LIEU OF TAXES			
8,485	Federal	10,170	6,368
	Provincial		
196,163	S.P.C. Electric	203,162	191,159
195,800	Sask Energy Gas	210,315	214,348
50,535	Other provincial	52,353	63,163
<u>450,983</u>		<u>476,000</u>	<u>475,038</u>
<u>469,847</u>	PROVINCIAL GRANT - REVENUE SHARING	<u>469,847</u>	<u>364,115</u>
FISCAL REVENUES			
403,865	S.P.C. electric surcharge	421,179	398,580
50,000	Licenses and permits	36,313	43,829
18,258	Property rentals	13,367	18,258
392,104	Return on investments	506,669	375,527
30,000	Tax penalties	35,113	45,044
-	Hectrage assessment	18,730	-
70,000	Other	74,883	6,013
<u>964,227</u>		<u>1,106,254</u>	<u>887,252</u>
PROGRAM REVENUES			
<u>6,900</u>	General government	<u>6,184</u>	<u>6,856</u>
Protective services:			
35,500	Police protection	37,893	36,629
40,000	Fire protection	33,505	34,837
5,900	Mosquito control	7,456	4,424
1,300	Other protective services	642	460
<u>82,700</u>		<u>79,496</u>	<u>76,350</u>
Transportation services:			
12,000	Mechanic and shop charges	13,805	12,259
6,500	Roads and streets	17,483	5,205
11,276	Air transportation	7,674	9,431
32,925	Disabled transit	33,158	33,619
<u>62,701</u>		<u>72,120</u>	<u>60,514</u>

CITY OF MELFORT

SCHEDULE OF GENERAL OPERATING REVENUES

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		Actual 2006 \$	Actual 2005 \$
136,850	Waste collection	137,534	137,948
33,500	Waste disposal	73,018	33,793
34,000	Cemetery	35,270	39,078
22,900	Environmental development	25,152	82,544
227,250		270,975	293,363
	Recreation:		
1,000	Community leadership	740	860
30,400	Trust initiative program	37,630	34,900
-	Rec GEG grant	1,200	-
-	Playgrounds	6	55
	Northern Lights Palace		
121,970	Arena	125,245	127,819
177,950	Leisure pool	166,708	163,843
19,300	Concession	16,718	19,615
11,300	Lobby	15,973	6,977
39,650	Main Arena	41,258	37,421
56,200	North East Leisure Centre	88,757	62,274
1,000	Parks	1,031	3,610
7,500	Sports fields	7,011	6,794
38,000	Heritage grant	29,748	39,350
504,270		532,025	503,521
883,821	TOTAL PROGRAM REVENUES	960,799	940,603
5,604,504	TOTAL REVENUES	5,858,428	5,330,390

CITY OF MELFORT

SCHEDULE OF GENERAL OPERATING EXPENDITURES

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		Actual 2006 \$	Actual 2005 \$
GENERAL GOVERNMENT			
204,988	Legislative	192,526	158,006
449,271	Finance and administration	426,203	469,629
6,000	Contract review services	6,161	-
35,246	Debt charges	27,028	59,679
82,496	City hall	70,814	70,655
<u>778,001</u>		<u>722,731</u>	<u>757,969</u>
PROTECTIVE SERVICES			
612,371	Police protection	559,439	545,330
85,136	Fire protection	75,878	84,222
8,949	911 System	8,647	9,044
41,589	Building inspection	38,940	37,044
11,954	Pest control	9,825	10,811
9,860	Mosquito control	5,242	9,537
21,390	Bylaw enforcement	21,560	-
3,025	Other protective services	3,880	2,264
<u>794,274</u>		<u>723,411</u>	<u>698,252</u>
TRANSPORTATION SERVICES			
97,664	Administration	105,863	81,831
114,515	Workshop	113,225	106,688
	Roads and streets		
14,514	Patching	13,902	14,232
3,885	Crack filling	115	3,748
265,821	General	274,211	249,368
24,873	Dust control	27,259	14,141
36,838	Snow and ice removal	50,355	30,555
28,542	Sidewalks	16,183	27,429
164,349	Street lighting and traffic services	131,829	166,064
22,958	Air transportation	21,278	23,938
104,817	Vehicle and equipment pool	163,106	115,010
45,840	Disabled transit	50,806	42,844
<u>924,616</u>		<u>968,132</u>	<u>875,850</u>
ENVIRONMENTAL HEALTH SERVICES			
106,719	Waste collection	105,221	104,753
51,557	Waste disposal	88,649	51,711
<u>158,276</u>		<u>193,870</u>	<u>156,465</u>

CITY OF MELFORT

SCHEDULE OF GENERAL OPERATING EXPENDITURES

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		Actual 2006 \$	Actual 2005 \$
PUBLIC HEALTH SERVICES			
31,976	Cemetery	35,409	33,287
<u>31,976</u>		<u>35,409</u>	<u>33,287</u>
ENVIRONMENTAL DEVELOPMENT SERVICES			
23,949	Community planning	23,208	22,663
32,600	Community development	38,325	101,349
122,634	Economic development	102,122	108,536
<u>179,183</u>		<u>163,655</u>	<u>232,549</u>
RECREATION AND CULTURE SERVICES			
174,738	Administration	180,030	98,957
103,685	Heritage	91,325	109,413
40,000	Trust initiative program	36,130	38,067
	Northern Lights Palace		
293,180	Arena	308,581	287,594
458,350	Leisure pool	477,526	410,413
39,490	Lobby	38,457	39,846
98,735	Main Arena	101,354	103,658
127,950	North East Leisure Centre	117,624	119,249
161,940	Municipal and regional parks	165,938	155,374
13,480	Campgrounds	5,095	7,133
27,054	Sports fields	15,996	21,281
19,800	Playgrounds	16,521	22,184
47,578	Vehicle pool and storage	54,644	49,876
111,641	Libraries (Wapiti and Local)	104,710	104,742
<u>1,717,621</u>		<u>1,713,931</u>	<u>1,567,788</u>
<u>4,583,947</u>	EXPENDITURES	<u>4,521,139</u>	<u>4,322,159</u>
1,020,557	EXCESS OF REVENUES OVER EXPENDITURES	1,337,290	1,008,231
(100,000)	Interest payment to utility fund	(100,000)	(100,000)
(236,495)	Transfer to capital trust fund	(423,495)	(414,637)
(667,055)	Transfer to operating reserves	(464,340)	(375,920)
<u>17,007</u>	INCREASE IN FUND BALANCE	<u>349,455</u>	<u>117,674</u>

CITY OF MELFORT

SCHEDULE OF CAPITAL OPERATIONS

Year ended December 31, 2006

Budget 2006 \$ (unaudited)		General \$	Utilities \$	Total 2006 \$	Total 2005 \$
REVENUES					
145,100	Government grants	276,219	-	276,219	359,528
6,500	Sale of assets	1,836	-	1,836	14,000
50,400	Frontage assessment	57,294	-	57,294	186,959
-	Other capital revenue	43,733	25,128	68,861	45,604
<u>202,000</u>		<u>379,083</u>	<u>25,128</u>	<u>404,211</u>	<u>606,091</u>
EXPENDITURES					
6,000	General government services	6,805	-	6,805	12,872
257,021	Protective services	271,383	-	271,383	68,232
334,800	Transportation services	303,204	-	303,204	618,245
122,186	Recreation and culture services	196,773	-	196,773	151,704
255,800	Utilities	-	276,085	276,085	379,320
<u>975,807</u>		<u>778,164</u>	<u>276,085</u>	<u>1,054,249</u>	<u>1,230,373</u>
<u>(773,807)</u>	EXCESS OF REVENUE OVER EXPENDITURES	<u>(399,082)</u>	<u>(250,957)</u>	<u>(650,039)</u>	<u>(624,282)</u>
773,807	Transfer from reserves	538,102	250,957	789,059	613,096
-	Transfer to reserves	(125,471)	-	(125,471)	-
<u>-</u>	INCREASE (DECREASE) IN FUND BALANCE	<u>13,549</u>	<u>-</u>	<u>13,549</u>	<u>(11,186)</u>

CITY OF MELFORT

SCHEDULE OF RESERVES

Year ended December 31, 2006

	Balance, Beginning of Year \$	Transfers from Operations \$	Transfer (to) from Equity \$	Transfers for Capital Purposes \$	Balance, End of Year \$
A. GENERAL FUND					
OPERATING RESERVES					
Mill rate stabilization	439,000	-	71,052	-	510,052
Economic development study	111,183	-	-	-	111,183
	<u>550,183</u>	<u>-</u>	<u>71,052</u>	<u>-</u>	<u>621,235</u>
CAPITAL RESERVES					
General government:					
Computer equipment and software	32,212	17,758	-	(6,805)	43,165
Protective services:					
Fire trucks	349,060	26,336	-	(214,362)	161,034
Fire hall and equipment	598	-	-	-	598
Police/EMO equipment	193,067	-	-	(57,021)	136,046
Transportation services:					
Transportation machinery/equipment	603,585	61,248	-	(23,861)	640,972
Workshop equipment	24,809	84,971	35,442	-	145,222
Airport equipment/site/facilities	93,472	50,913	-	-	144,385
Special needs transit van	20,024	1,837	-	-	21,861
Local improvements	1,113,507	32,519	-	(49,109)	1,096,917
Prepaid flankage	5,962	-	-	-	5,962
General street upgrades	367,109	22,059	-	(67,571)	321,597
Sidewalks	118,590	30,627	-	(10,370)	138,847
Environmental health services:					
Waste disposal site building	49,850	2,455	-	-	52,305
Public health services:					
Cemetery site	20,639	-	-	-	20,639
Recreation and culture services:					
Administration	13,200	-	-	-	13,200
Playgrounds	30,121	2,143	-	-	32,264
Parks	35,331	6,128	-	(12,169)	29,290
Parks equipment - replacement	298,140	39,810	-	(25,386)	312,564
Northern Lights Palace	219,764	24,806	-	-	244,570
City facilities	674,151	186,201	-	(71,448)	788,904
	<u>4,263,191</u>	<u>589,811</u>	<u>35,442</u>	<u>(538,102)</u>	<u>4,350,343</u>
TOTAL GENERAL RESERVES	<u>4,813,374</u>	<u>589,811</u>	<u>106,494</u>	<u>(538,102)</u>	<u>4,971,578</u>

CITY OF MELFORT

SCHEDULE OF RESERVES

Year ended December 31, 2006

	Balance, Beginning of Year \$	Transfers from Operations \$	Transfer (to) from Equity \$	Transfers for Capital Purposes \$	Balance, End of Year \$
B. UTILITY FUND					
Water conservation program	67,669	20,000	-	(26,794)	60,875
Utility equipment	400,091	80,000	-	(187,645)	292,446
Water distribution system	231,988	116,500	-	(30,862)	317,626
Water rate stabilization	166,725	-	26,825	-	193,550
Sewage disposal system	190,203	20,000	-	(5,656)	204,547
TOTAL UTILITY RESERVES	1,056,676	236,500	26,825	(250,957)	1,069,044
TOTAL RESERVES	5,870,050	826,311	133,319	(789,059)	6,040,622