

TOWN OF THE PAS

**Consolidated Financial Statements
For the Year Ended December 31, 2019**

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of the Council of
The Town of The Pas

Opinion

We have audited the accompanying consolidated financial statements of the Town of The Pas, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of The Pas and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town of The Pas in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town of The Pas's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town of The Pas or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town of The Pas's financial reporting process.

(continued.....)

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of The Pas's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town of The Pas's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town of The Pas to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly HMA LLP

Chartered Professional Accountants

The Pas, Manitoba
February 22, 2021

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of The Pas 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.

Council of the Town met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Baker Tilly HMA LLP as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The 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 Town in accordance with Canadian public sector accounting standards.



Graham Kahler, CPA, CA, CMMA
Chief Administrative Officer

TOWN OF THE PAS

Consolidated Financial Statements

For the Year Ended December 31, 2019

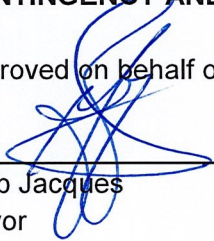
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TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 8,315,978	\$ 7,020,554
Amounts receivable (Note 4)	2,054,952	2,153,027
Real estate properties held for sale	248,480	236,404
Other inventories for sale (Note 5)	<u>106,846</u>	<u>154,856</u>
	<u>\$ 10,726,256</u>	<u>\$ 9,564,841</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 2,128,633	\$ 1,719,963
Severance and sick leave payable	44,868	43,133
Unearned revenue (Note 7)	3,442,223	2,995,568
Landfill closure and post closure liabilities (Note 8)	312,870	289,125
Long-term debt (Note 9)	3,172,047	3,710,827
Other liabilities	<u>80,332</u>	<u>74,792</u>
	<u>9,180,973</u>	<u>8,833,408</u>
NET FINANCIAL ASSETS	<u>\$ 1,545,283</u>	<u>\$ 731,433</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 27,810,066	\$ 28,911,074
Inventories (Note 5)	359,867	276,350
Prepaid expenses	<u>92,111</u>	<u>65,197</u>
	<u>28,262,044</u>	<u>29,252,621</u>
ACCUMULATED SURPLUS	<u><u>\$ 29,807,327</u></u>	<u><u>\$ 29,984,054</u></u>

CONTINGENCY AND COMMITMENTS (NOTES 11 AND 12)

Approved on behalf of Council:


 Herb Jacques
 Mayor


 Carrie Atkinson
 Deputy Mayor and Councillor

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
REVENUE			
Property taxes	\$ 6,307,654	\$ 6,148,696	\$ 5,969,406
Grants in lieu of taxation	943,300	943,300	904,721
User fees	2,782,673	2,190,753	2,542,296
Permits, licences and fines	127,500	120,060	136,792
Investment income	125,000	131,652	107,861
Other revenue	463,563	1,041,538	979,385
Water and sewer	2,045,600	2,347,915	1,955,078
Grants - Province of Manitoba	1,242,792	1,252,552	1,540,328
Grants - other	523,994	421,152	1,044,369
Total revenue (Schedules 2, 4 and 5)	14,562,076	14,597,618	15,180,236
EXPENSES			
General government services	1,767,753	1,585,379	1,578,422
Protective services	3,111,691	2,949,555	2,906,714
Transportation services	3,053,470	2,979,823	3,070,920
Environmental health services	701,456	665,033	635,274
Public health and welfare services	100,149	80,864	101,097
Regional planning and development	19,200	4,706	8,260
Resource conservation and industrial development	726,940	781,305	704,986
Recreation and cultural services	3,060,287	3,157,168	2,968,677
Water and sewer services	2,292,214	2,570,512	2,470,666
Total expenses (Schedules 3, 4 and 5)	14,833,160	14,774,345	14,445,016
ANNUAL SURPLUS (DEFICIT)	\$ (271,084)	(176,727)	735,220
ACCUMULATED SURPLUS, BEGINNING OF YEAR		29,984,054	29,248,834
ACCUMULATED SURPLUS, END OF YEAR		\$ 29,807,327	\$ 29,984,054

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)
For the Year Ended December 31, 2019

	<div> <div>2019</div> <div>Budget</div> <div>(Note 15)</div> </div>	<div> <div>2019</div> <div>Actual</div> </div>	<div> <div>2018</div> <div>Actual</div> </div>
ANNUAL SURPLUS (DEFICIT)	\$ (271,084)	\$ (176,727)	\$ 735,220
Acquisition of tangible capital assets	(716,708)	(716,708)	(1,937,922)
Amortization of tangible capital assets	1,817,716	1,817,716	1,697,793
Loss on sale of tangible capital assets			
Proceeds on sale of tangible capital assets			
Decrease (increase) in inventories	(83,517)	(83,517)	(16,441)
Decrease (increase) in prepaid expense	(26,914)	(26,914)	158
	990,577	990,577	(256,412)
CHANGE IN NET FINANCIAL ASSETS	\$ 719,493	813,850	478,808
NET FINANCIAL ASSETS, BEGINNING OF YEAR		731,433	252,625
NET FINANCIAL ASSETS, END OF YEAR		\$ 1,545,283	\$ 731,433

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ (176,727)	\$ 735,220
Changes in non-cash items:		
Amounts receivable	98,075	362,312
Inventories	(35,507)	(53,164)
Prepays	(26,914)	158
Accounts payable and accrued liabilities	408,670	(234,750)
Severance and sick leave payable	1,735	(21,278)
Landfill closure and post closure liabilities	23,745	21,514
Unearned revenue	446,655	396,269
Other liabilities	5,540	15,117
Loss on sale of tangible capital asset	-	-
Amortization	1,817,716	1,697,793
	<u>2,562,988</u>	<u>2,919,191</u>
Cash provided by operating transactions		
	<u>2,562,988</u>	<u>2,919,191</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	(716,708)	(1,937,922)
	<u>(716,708)</u>	<u>(1,937,922)</u>
Cash applied to capital transactions		
	<u>(716,708)</u>	<u>(1,937,922)</u>
INVESTING TRANSACTIONS		
Disposal (acquisition) of real estate properties	(12,076)	(11,612)
	<u>(12,076)</u>	<u>(11,612)</u>
Cash applied to investing transactions		
	<u>(12,076)</u>	<u>(11,612)</u>
FINANCING TRANSACTIONS		
Net (repayments) borrowings from revolving line of credit	-	-
Proceeds of long-term debt	-	-
Debt repayment	(538,780)	(512,766)
	<u>(538,780)</u>	<u>(512,766)</u>
Cash applied to financing transactions		
	<u>(538,780)</u>	<u>(512,766)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	1,295,424	456,891
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,020,554</u>	<u>6,563,663</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 8,315,978</u></u>	<u><u>\$ 7,020,554</u></u>

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

1. Status of the Town of The Pas

The incorporated Town of The Pas ("the Town") is a municipal government that was created in 1912 pursuant to the Manitoba Municipal Act. The Town provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Town owns a 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 public sector accounting standards 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 Town. 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 Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Sam Waller Museum
The Pas Regional Library
The Pas Community Development (1996) Corporation

As of January 1, 2017, Kelsey Recreation Commission was disbanded and became the Town of The Pas Recreation Department. Prior to this date Kelsey Recreation Commission and The Pas Wellness Centre were accounted for as controlled organizations.

The Municipality has partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Kelsey Planning District (50%) (2018 - 50%)

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

Trust funds and their related operations administered by the Town are not consolidated in these financial statements. The trust funds administered by the Town are detailed in the notes to consolidated 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) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

f) 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.

g) 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.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) 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. 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 Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	10 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 to 15 years
Machinery, equipment and furniture	5 to 15 years
Maintenance and road construction equipment	10 to 15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Water and Sewer	
Land	Indefinite
Land improvements	10 to 30 years
Buildings	10 to 40 years
Underground networks	50 years
Machinery and equipment	10 to 15 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 Town, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or 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.

j) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Unearned revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

l) 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.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure 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>2019</u>	<u>2018</u>
Cash	\$ 8,302,428	\$ 7,007,222
Temporary investments	<u>13,550</u>	<u>13,332</u>
	<u><u>\$ 8,315,978</u></u>	<u><u>\$ 7,020,554</u></u>

Temporary investments are comprised of guaranteed investment certificates which have a market value approximating cost.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 1,050,991	\$ 875,115
Government grants	36,856	747,448
Utility customers	698,808	484,362
Organizations and individuals	424,286	318,021
Other governments	37,700	17,556
Debenture proceeds	-	-
Other (miscellaneous)	<u>174,465</u>	<u>81,486</u>
	<u>2,423,106</u>	<u>2,523,988</u>
Less allowances for doubtful amounts	<u>(368,154)</u>	<u>(370,961)</u>
	<u><u>\$ 2,054,952</u></u>	<u><u>\$ 2,153,027</u></u>

5. Inventories

Inventories for sale:

	<u>2019</u>	<u>2018</u>
Aviation fuel	\$ 65,706	\$ 83,690
Other	<u>41,140</u>	<u>71,166</u>
	<u><u>\$ 106,846</u></u>	<u><u>\$ 154,856</u></u>

Inventories for use:

	<u>2019</u>	<u>2018</u>
Fuel	\$ 46,558	\$ 20,375
Aggregate	142,713	81,622
Other supplies (general inventories)	<u>170,596</u>	<u>174,353</u>
	<u>\$ 359,867</u>	<u>\$ 276,350</u>

6. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 589,800	\$ 963,325
Accrued expenses	1,269,914	537,000
School levies	<u>268,919</u>	<u>219,638</u>
	<u>\$ 2,128,633</u>	<u>\$ 1,719,963</u>

7. Unearned Revenue

	<u>2019</u>	<u>2018</u>
Gas Tax balance, beginning of year	\$ 2,403,535	\$ 2,177,568
Funding received during the year	575,918	311,914
Interest earned	66,612	51,437
Recognized as revenue during the year	<u>(68,500)</u>	<u>(137,384)</u>
Gas Tax balance, end of year	2,977,565	2,403,535
Other deferred revenue	<u>464,658</u>	<u>592,033</u>
	<u>\$ 3,442,223</u>	<u>\$ 2,995,568</u>

8. Landfill Closure and Post Closure Liabilities
a) Operating Landfill Site

The Town is currently operating a Class 1 landfill site. 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.

	<u>2019</u>	<u>2018</u>
Estimated closure and post closure costs over the next 20 years	\$ 339,628	\$ 334,576
Discount rate	<u>5.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 323,456</u>	<u>\$ 303,471</u>
Expected year capacity will be reached	2020	2020
Capacity (ha):		
Used to date	5.32	5.24
Remaining	0.18	0.26
Total	5.50	5.50
Percent utilized	<u>96.73%</u>	<u>95.27%</u>
Liability based on percentage	<u>\$ 312,870</u>	<u>\$ 289,125</u>

At the time of initial recognition of the landfill closure and post closure liability the Town expected that the landfill would reach its capacity in 2015. As a result of improvements in waste management practices, including compaction and additional recycling, the expected closure date for the facility has been extended to 2020.

9. Long Term Debt

	2019	2018
General Authority:		
Debenture, interest at 5.75%, payable at \$150,918 annually including interest, maturing December 1, 2019	\$ -	\$ 142,713
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	841,400	956,685
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	1,061,407	1,211,968
Debenture, interest at 4.375%, payable at \$191,447 annually including interest, maturing December 31, 2027	1,269,240	1,399,461
	<u>\$ 3,172,047</u>	<u>\$ 3,710,827</u>

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

2020	415,213
2021	435,294
2022	456,358
2023	478,453
2024	501,630
Thereafter	885,099

Schedule of Debentures Pending

Authority	Purpose	Amount Authorized
By-Law No. 4607	Lagoon Upgrade	\$ 4,800,000

10. Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The municipality:
 - is directly responsible; or
 - accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

The Town does not believe that it is currently liable for contaminated sites which meet the criteria for recognition.

11. Contingency

In common with other municipalities the Town is subject to possible or actual claims from time to time. Management reviews the status of these matters as required and exercises judgement in resolving them in such manner as is believed to be in the Town's best interests. Management considers that the aggregate liability, to the extent that it is able to be assessed, will not be material to the Town's financial position or results of operations.

The Town owns properties which may require future site reclamation. The amount of any such obligation is not determinable.

12. Commitments

Lakefront Subdivision

The Town has committed to developing a lakefront subdivision. Budgeted capital expenditures are \$846,052 of which \$549,152 has been incurred.

Airport Management Contract

On October 11, 2016, the Town entered into a five year agreement to purchase airport management services. The total cost of the agreement over the five year term is anticipated to be \$394,035 plus travel, meals and accommodations. The agreement can be terminated by either party with 90 days written notice.

Forestry Stabilization Grant

On May 8, 2017, the Council passed a bylaw to provide conditional financial assistance to the registered owner of certain properties containing a major local industrial facility which had previously been slated for permanent closure. This financial assistance will be conditionally provided in the years 2017, 2018 and 2019 in an amount equal to the municipal and debenture taxes levied on the properties in the given year. The amount of assistance provided in 2019 was \$543,004. (2018 - \$436,482)

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.

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 \$274,628 (2018 - \$257,051) 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, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 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, 2018.

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 Town as part of its operations carries a number of financial instruments. It is management's opinion the Town 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 Town 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 budget figures used in these financial statements have been approved by council.

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>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (380,954)	\$ (107,643)
Utility operating fund - Nominal surplus	(361,578)	(385,594)
TCA net of related borrowings	24,630,671	25,192,343
Reserve funds	<u>5,641,044</u>	<u>5,128,205</u>
Accumulated surplus of Town unconsolidated	29,529,183	29,827,311
Accumulated surpluses of consolidated entities	<u>278,144</u>	<u>156,743</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 29,807,327</u>	<u>\$ 29,984,054</u>

17. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2019:

- a) Compensation paid to members of council amounted to \$88,651 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Herb Jaques	\$ 18,636	\$ 1,408	\$ 20,044
Councillor - Carrie Atkinson	10,973	778	11,751
Councillor - Larry Forster	13,589	4,637	18,226
Councillor - Trevor Lane	10,523	-	10,523
Councillor - Andre Murphy	12,011	277	12,288
Councillor - Bill Ward	12,381	2,691	15,072
Councillor - Chad Zolinski	10,538	-	10,538
	<u>\$ 88,651</u>	<u>\$ 9,791</u>	<u>\$ 98,442</u>

To view the Town's comprehensive disclosure report please contact the Town of The Pas and request the audited Public Sector Compensation Disclosure Report.

18. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

For information purposes, the Municipality has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related capital asset.

No capital grants have been deferred and amortized in these financial statements.

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Ending Balance
Water treatment study	\$ 8,374	\$ -	\$ 837	\$ 7,537
Lagoon study	33,375	-	2,086	31,289
Sewage lagoon	1,500	-	125	1,375
Bell Ave. lift station	294,000	-	19,600	274,400
Water treatment plant	271,862	-	20,913	250,949
LaRose Ave. renewal	1,220,020	-	66,667	1,153,353
Water treatment plant	1,077,260	-	82,866	994,394
	<u>\$ 2,906,391</u>	<u>\$ -</u>	<u>\$ 193,094</u>	<u>\$ 2,713,297</u>

19. Trust Funds

The Town administers the following trusts:

	Balance, beg. of the year	Excess of Receipts over Disbursements	Balance, end of the year
Handivan	<u>\$ 74,792</u>	<u>\$ 5,540</u>	<u>\$ 80,332</u>

20. Contingent assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

For the years ended December 31, 2019 and 2018 the Town did not have any contingent assets.

21. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

They arise out of a contract or agreement that is binding between two or more parties, has clear economic consequences and is enforceable by law.

Contractual rights arise from, but are not limited to:

- Sales contracts;
- Lease contracts;
- License agreements;
- Sales contracts;

In considering which contractual rights to disclose the Town applies judgement and considers the duration of rights as well as the relationship to its financial position and normal municipal operations.

For the years ended December 31, 2019 and 2018 the Town did not have any contractual rights which meet its criteria for disclosure.

22. Related party disclosures

A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members and the entities they control.

Related Party Transactions are transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Disclosure is generally required when:

- A transaction occurs between related parties at a value different from that which would have been arrived at if the parties were unrelated; and
- The transaction has or could have a material financial effect on the financial statements.

Determining which items to disclose is based on an assessment of the terms and conditions underlying the transactions, the financial materiality of the transactions, relevance of the information to the decisions of users, and the need for the information to enable users' understanding of the financial statements and for making comparisons to other entities.

For the years ended December 31, 2019 and 2018 the Town did not have any related party transactions which met its criteria for disclosure.

23. Comparative Figures

Certain comparative figures for the prior year have been reclassified in order to conform with the financial statement presentation adopted for the current year.

24. Subsequent Events

Sewage Lagoon Upgrade

The Town has commenced the process of undertaking a sewage lagoon upgrade project. The estimated project cost is \$17,400,000, with \$10,480,000 of this amount being funded by the Manitoba Water Stewardship Board. The remaining amount will be funded \$2,120,000 from the Utility Reserve account and also through a new \$4,800,000 debenture.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, reduced demand, increased government regulations or interventions, all of which may negatively impact the financial conditions or operating results of the Town. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

TOWN OF THE PAS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2019

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2019	2018
Cost										
Opening costs	\$ 2,324,815	\$ 18,352,605	\$ 6,716,498	\$ 352,434	\$ 33,961	\$ 8,962,271	\$ 18,883,123	\$ 4,525,388	60,151,095	\$ 58,213,173
Additions during the year	268,500	10,558	298,044	18,596	47,526	2,288,172	2,249,373	34,686	5,215,455	1,937,922
Disposals and write downs	-	-	(1,103,829)	(271,804)	-	-	-	(4,498,747)	(5,874,380)	-
Closing costs	<u>2,593,315</u>	<u>18,363,163</u>	<u>5,910,713</u>	<u>99,226</u>	<u>81,487</u>	<u>11,250,443</u>	<u>21,132,496</u>	<u>61,327</u>	<u>59,492,170</u>	60,151,095
Accumulated Amortization										
Opening accum'd amortization	(373,784)	(7,117,361)	(3,958,826)	(310,343)	-	(6,994,976)	(12,484,731)	-	(31,240,021)	(29,542,228)
Amortization	(44,214)	(431,286)	(413,566)	(25,446)	-	(329,606)	(573,598)	-	(1,817,716)	(1,697,793)
Disposals and write downs	-	-	1,103,829	271,804	-	-	-	-	1,375,633	-
Closing accum'd amortization	<u>(417,998)</u>	<u>(7,548,647)</u>	<u>(3,268,563)</u>	<u>(63,985)</u>	<u>-</u>	<u>(7,324,582)</u>	<u>(13,058,329)</u>	<u>-</u>	<u>(31,682,104)</u>	(31,240,021)
Net Book Value of Tangible Capital Assets	<u>\$ 2,175,317</u>	<u>\$ 10,814,516</u>	<u>\$ 2,642,150</u>	<u>\$ 35,241</u>	<u>\$ 81,487</u>	<u>\$ 3,925,861</u>	<u>\$ 8,074,167</u>	<u>\$ 61,327</u>	<u>\$ 27,810,066</u>	<u>\$ 28,911,074</u>

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,142,233	\$ 5,919,548
Taxes added (cancelled)	6,463	49,858
Tax discount	-	-
	<u>6,148,696</u>	<u>5,969,406</u>
Grants in lieu of taxation:		
Federal government	80,205	76,388
Federal government enterprises	5,897	5,697
Provincial government	223,744	217,265
Provincial government enterprises	633,454	605,371
	<u>943,300</u>	<u>904,721</u>
User fees		
Sales of service	1,128,573	935,691
Sales of goods	478,888	1,039,981
Facility use fees	583,292	566,624
	<u>2,190,753</u>	<u>2,542,296</u>
Permits, licences and fines		
Permits	41,940	41,031
Fines	78,120	95,761
	<u>120,060</u>	<u>136,792</u>
Investment income:		
Cash and temporary investments	<u>131,652</u>	<u>107,861</u>
Other revenue:		
Miscellaneous	899,439	838,709
Penalties and interest	142,099	140,676
	<u>1,041,538</u>	<u>979,385</u>
Water and sewer		
Municipal utility (Schedule 9)	<u>2,347,915</u>	<u>1,955,078</u>
Grants - Province of Manitoba		
Municipal operating grants	516,285	370,732
Other unconditional grants	603,629	603,629
Conditional grants	132,638	565,967
	<u>1,252,552</u>	<u>1,540,328</u>
Grants - other		
Federal government - gas tax funding	68,500	136,383
Federal government - other	43,379	649,093
Other municipal governments	309,273	258,893
	<u>421,152</u>	<u>1,044,369</u>
Total revenue	<u><u>\$ 14,597,618</u></u>	<u><u>\$ 15,180,236</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 82,865	\$ 79,077
General administrative	1,015,580	1,036,367
Other (miscellaneous)	486,934	462,978
	<u>1,585,379</u>	<u>1,578,422</u>
Protective services:		
Police	2,413,810	2,389,238
Fire	467,598	446,882
Emergency measures	34,769	36,830
Other (animal control)	33,378	33,764
	<u>2,949,555</u>	<u>2,906,714</u>
Transportation services:		
Road transport		
Administration and engineering	340,034	333,706
Road and street maintenance	831,233	804,672
Street lighting	108,016	148,135
Other (signage, marking and festive lighting)	244,344	165,483
Air transport	1,456,196	1,618,924
	<u>2,979,823</u>	<u>3,070,920</u>
Environmental health services:		
Waste collection and disposal	374,322	386,584
Recycling	155,826	129,664
Other (miscellaneous)	134,885	119,026
	<u>665,033</u>	<u>635,274</u>
Public health and welfare services:		
Public health	<u>80,864</u>	<u>101,097</u>
Regional planning and development		
Urban area weed control	<u>4,706</u>	<u>8,260</u>
Resource conservation and industrial development		
Regional development	749,402	677,729
Tourism	31,903	27,257
	<u>781,305</u>	<u>704,986</u>
Recreation and cultural services:		
Administration	171,593	157,737
Swimming pools and beaches	608,101	588,515
Skating and curling rinks	443,068	388,387
Parks and playgrounds	199,388	167,111
Other recreational facilities	1,125,146	1,074,403
Museums	325,880	312,377
Libraries	283,992	280,147
	<u>3,157,168</u>	<u>2,968,677</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	<u>2,570,512</u>	<u>2,470,666</u>
Total expenses	<u><u>\$ 14,774,345</u></u>	<u><u>\$ 14,445,016</u></u>

TOWN OF THE PAS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ 6,148,696	\$ 5,969,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	943,300	904,721	-	-	-	-	-	-	-	-
User fees	138,613	83,262	131,730	104,392	981,354	1,338,945	182,787	231,477	57,883	46,009
Grants - other	74,652	541,911	-	-	-	209,677	-	-	-	-
Permits, licences and fines	120,060	136,792	-	-	-	-	-	-	-	-
Investment income	131,652	107,727	-	-	-	-	-	-	-	-
Other revenue	905,572	859,817	-	-	991	1,998	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,119,914	974,361	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	25,546	426,297	-	-	-	-	-	-	-	-
Total revenue	9,608,005	10,004,294	131,730	104,392	982,345	1,550,620	182,787	231,477	57,883	46,009
EXPENSES										
Personnel services	724,175	731,322	255,257	239,463	1,022,536	917,042	327,474	336,737	64,311	86,859
Contract services	158,359	151,283	2,413,994	2,389,238	167,812	163,796	36,765	33,843	1,632	-
Utilities	108,676	100,947	42,307	47,467	238,459	280,593	4,908	4,934	-	-
Maintenance materials and supplies	75,825	66,841	153,990	139,255	680,084	896,352	42,884	41,820	9,503	8,821
Grants and contributions	223,281	162,009	-	-	-	-	155,826	129,664	-	-
Amortization	22,180	20,711	66,912	65,387	659,578	589,308	23,390	23,396	5,418	5,418
Interest on long term debt	179,331	205,313	-	-	-	-	-	-	-	-
Other	93,552	139,996	17,095	25,904	211,354	223,830	73,786	64,879	-	-
Total expenses	1,585,379	1,578,422	2,949,555	2,906,714	2,979,823	3,070,921	665,033	635,273	80,864	101,098
Surplus (Deficit)	\$ 8,022,626	\$ 8,425,872	\$ (2,817,825)	\$ (2,802,322)	\$ (1,997,478)	\$ (1,520,301)	\$ (482,246)	\$ (403,796)	\$ (22,981)	\$ (55,089)

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

TOWN OF THE PAS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,148,696	\$ 5,969,406
Grants in lieu of taxation	-	-	-	-	-	-	-	-	943,300	904,721
User fees	-	-	-	-	698,386	738,211	-	-	2,190,753	2,542,296
Grants - other	-	-	105,277	61,872	241,223	230,909	-	-	421,152	1,044,369
Permits, licences and fines	-	-	-	-	-	-	-	-	120,060	136,792
Investment income	-	-	-	-	-	134	-	-	131,652	107,861
Other revenue	-	-	500	4,714	134,475	112,856	-	-	1,041,538	979,385
Water and sewer	-	-	-	-	-	-	2,347,915	1,955,078	2,347,915	1,955,078
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,119,914	974,361
Prov of MB - Conditional Grants	-	-	-	-	107,092	139,670	-	-	132,638	565,967
Total revenue	-	-	105,777	66,586	1,181,176	1,221,780	2,347,915	1,955,078	14,597,618	15,180,236
EXPENSES										
Personnel services	-	-	45,986	83,118	1,832,696	1,652,064	944,938	855,141	5,217,373	4,901,746
Contract services	1,631	4,500	59,032	28,759	79,722	94,203	32,335	64,960	2,951,282	2,930,582
Utilities	-	-	3,563	3,423	348,976	351,054	364,129	369,700	1,111,018	1,158,118
Maintenance materials and supplies	2,416	3,511	4,062	3,476	171,267	175,919	661,058	648,556	1,801,089	1,984,551
Grants and contributions	-	-	543,004	442,944	-	-	-	-	922,111	734,617
Amortization	-	-	53,383	46,649	440,242	434,342	546,614	512,583	1,817,717	1,697,794
Interest on long term debt	-	-	-	-	-	-	-	-	179,331	205,313
Other	659	249	72,275	96,618	284,265	261,092	21,438	19,727	774,424	832,295
Total expenses	4,706	8,260	781,305	704,987	3,157,168	2,968,674	2,570,512	2,470,667	14,774,345	14,445,016
Surplus (Deficit)	\$ (4,706)	\$ (8,260)	\$ (675,528)	\$ (638,401)	\$ (1,975,992)	\$ (1,746,894)	\$ (222,597)	\$ (515,589)	\$ (176,727)	\$ 735,220

TOWN OF THE PAS

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

	Core Government		Controlled Entities		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Property taxes	\$ 6,148,696	\$ 5,969,406		\$ -	\$ -	\$ -	\$ 6,148,696	5,969,406
Grants in lieu of taxation	943,300	904,721		-	-	-	943,300	904,721
User fees	2,159,288	2,508,216	31,465	34,080	-	-	2,190,753	2,542,296
Grants - other	219,625	902,177	201,527	142,192	-	-	421,152	1,044,369
Permits, licences and fines	120,060	136,792		-	-	-	120,060	136,792
Investment income	131,652	107,727		134	-	-	131,652	107,861
Other revenue	1,015,134	935,352	26,404	44,033	-	-	1,041,538	979,385
Water and sewer	2,347,915	1,955,078		-	-	-	2,347,915	1,955,078
Prov of MB - Unconditional Grants	1,119,914	974,361		-	-	-	1,119,914	974,361
Prov of MB - Conditional Grants	32,455	462,273	100,183	103,694	-	-	132,638	565,967
Total revenue	14,238,039	14,856,103	359,579	324,133	-	-	14,597,618	15,180,236
EXPENSES								
Personnel services	4,825,824	4,508,734	391,549	393,012	-	-	5,217,373	4,901,746
Contract services	2,870,381	2,888,407	80,901	42,175	-	-	2,951,282	2,930,582
Utilities	1,056,669	1,104,542	54,349	53,576	-	-	1,111,018	1,158,118
Maintenance materials and supplies	1,730,042	1,912,231	71,047	72,320	-	-	1,801,089	1,984,551
Grants and contributions	922,111	734,617		-	-	-	922,111	734,617
Amortization	1,813,739	1,693,277	3,978	4,517	-	-	1,817,717	1,697,794
Interest on long term debt	179,331	205,313		-	-	-	179,331	205,313
Other	669,368	686,521	105,056	145,774	-	-	774,424	832,295
Total expenses	14,067,465	13,733,642	706,880	711,374	-	-	14,774,345	14,445,016
Surplus (Deficit)	\$ 170,574	\$ 1,122,461	\$ (347,301)	\$ (387,241)	\$ -	\$ -	\$ (176,727)	\$ 735,220

TOWN OF THE PAS

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2019

SCHEDULE 6

	2019							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	\$ 1,755	\$ 18,299	\$ 1,253	\$ 6,075	\$ 2	\$ 282	\$ 2,019	\$ 718
Other income	-	-	-	-	-	-	-	-
Total revenue	1,755	18,299	1,253	6,075	2	282	2,019	718
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	1,755	18,299	1,253	6,075	2	282	2,019	718
TRANSFERS								
Transfers to reserve fund	-	106,000	11,035	65,571	5,000	-	10,935	10,000
Transfers from reserve fund	(26,790)	(278,675)	-	(33,448)	(4,822)	-	(9,025)	(2,604)
CHANGE IN RESERVE FUND BALANCES	(25,035)	(154,376)	12,288	38,198	180	282	3,929	8,114
FUND SURPLUS, BEGINNING OF YEAR	83,378	816,321	44,442	226,263	(3)	11,245	79,592	24,928
FUND SURPLUS, END OF YEAR	<u>\$ 58,343</u>	<u>\$ 661,945</u>	<u>\$ 56,730</u>	<u>\$ 264,461</u>	<u>\$ 177</u>	<u>\$ 11,527</u>	<u>\$ 83,521</u>	<u>\$ 33,042</u>

TOWN OF THE PAS
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2019

SCHEDULE 6

	2019							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetary Improvement
REVENUE								
Investment income	\$ 36,138	\$ 19,779	\$ 3,251	\$ 10,712	\$ 1,151	\$ -	\$ 2,045	\$ 300
Other income	-	-	-	-	-	-	-	-
Total revenue	36,138	19,779	3,251	10,712	1,151	-	2,045	300
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	36,138	19,779	3,251	10,712	1,151	-	2,045	300
TRANSFERS								
Transfers to reserve fund	300,000	300,000	-	25,000	5,000	3	-	-
Transfers from reserve fund	(21,978)	(2,462)	(8,024)	(43,714)	(3,654)	-	-	-
CHANGE IN RESERVE FUND BALANCES	314,160	317,317	(4,773)	(8,002)	2,497	3	2,045	300
FUND SURPLUS, BEGINNING OF YEAR	1,302,578	640,229	133,718	436,691	45,244	(3)	81,594	11,955
FUND SURPLUS, END OF YEAR	<u>\$ 1,616,738</u>	<u>\$ 957,546</u>	<u>\$ 128,945</u>	<u>\$ 428,689</u>	<u>\$ 47,741</u>	<u>\$ -</u>	<u>\$ 83,639</u>	<u>\$ 12,255</u>

TOWN OF THE PAS
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2019

SCHEDULE 6

	2019							
		Columbarium	Parks and Playgrounds	Waste Dispo- sal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask River Waterfront
REVENUE								
Investment income	\$ -	\$ 456	\$ 1,049	\$ 18,854	\$ 423	\$ 6,369	\$ 265	\$ 1,023
Other income	-	-	-	-	-	-	-	-
Total revenue	-	456	1,049	18,854	423	6,369	265	1,023
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	456	1,049	18,854	423	6,369	265	1,023
TRANSFERS								
Transfers to reserve fund	-	-	-	117,811	96,140	41,589	9,400	-
Transfers from reserve fund	-	(1,632)	-	-	(156,447)	(141,946)	(19,368)	-
CHANGE IN RESERVE FUND BALANCES	-	(1,176)	1,049	136,665	(59,884)	(93,988)	(9,703)	1,023
FUND SURPLUS, BEGINNING OF YEAR	-	19,009	41,865	693,204	58,797	303,288	15,559	40,817
FUND SURPLUS, END OF YEAR	\$ -	\$ 17,833	\$ 42,914	\$ 829,869	\$ (1,087)	\$ 209,300	\$ 5,856	\$ 41,840

TOWN OF THE PAS
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2019

SCHEDULE 6

	2019						2018
	Municipal Election	Sam Waller Museum	Rec Infrastructure			Total	Total
REVENUE							
Investment income	\$ 142	\$ 682	\$ 55	\$ -	\$ -	\$ -	\$ 109,013
Other income	-	-	-	-	-	-	-
Total revenue	142	682	55	-	-	-	109,013
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	142	682	55	-	-	-	109,013
TRANSFERS							
Transfers to reserve fund	2,000	28,847	40,951	-	-	-	1,132,432
Transfers from reserve fund	-	-	(40,951)	-	-	-	(1,065,505)
CHANGE IN RESERVE FUND BALANCES	2,142	29,529	55	-	-	-	175,940
FUND SURPLUS, BEGINNING OF YEAR	4,676	12,772	46	-	-	-	4,952,265
FUND SURPLUS, END OF YEAR	\$ 6,818	\$ 42,301	\$ 101	\$ -	\$ -	\$ -	\$ 5,128,205

TOWN OF THE PAS
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2019

SCHEDULE 7

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		-	-

TOWN OF THE PAS
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
December 31, 2019

SCHEDULE 8

	2019						2018
	Water and Sewer					Total	Total
FINANCIAL ASSETS							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	484,362	-	-	-	-	484,362	478,492
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
	<u>\$ 484,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,362</u>	<u>\$ 478,492</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-
Long-term debt (Note 8)	-	-	-	-	-	-	-
Due to other funds	1,487,674	-	-	-	-	1,487,674	1,500,705
	<u>1,487,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,487,674</u>	<u>1,500,705</u>
NET FINANCIAL ASSETS	<u>\$ (1,003,312)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,003,312)</u>	<u>\$ (1,022,213)</u>
NON-FINANCIAL ASSETS							
Tangible capital assets (Schedule 1)	8,135,492	-	-	-	-	8,135,492	8,676,990
FUND SURPLUS	<u>\$ 7,132,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,132,180</u>	<u>\$ 7,654,777</u>

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2019

	Budget	2019	2018
REVENUE			
Water			
Water fees	\$ 1,474,270	\$ 1,748,587	\$ 1,419,958
Bulk water sales	-	10,749	6,833
sub-total- water	1,474,270	1,759,336	1,426,791
Sewer			
Sewer fees	478,765	534,678	457,066
Lagoon tipping fees	-	4,815	4,815
sub-total- sewer	478,765	539,493	461,881
Recovery			
Recovery	148,472	148,472	303,005
sub-total- recovery	148,472	148,472	303,005
Government transfers			
Capital	-	-	400,418
sub-total- government transfers	-	-	400,418
Other			
Hydrant rentals	26,700	26,700	26,700
Penalties	39,245	22,267	38,856
Other income (miscellaneous)	26,620	119	850
sub-total- other	92,565	49,086	66,406
Total revenue	2,194,072	2,496,387	2,658,501

TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
EXPENSES			
General			
Administration	\$ 345,871	\$ 321,382	\$ 321,544
Training costs	-	905	884
Billing and collection	12,928	24,871	30,174
sub-total- general	<u>358,799</u>	<u>347,158</u>	<u>352,602</u>
Water General			
Purification and treatment	391,200	600,500	749,840
Transmission and distribution	760,419	741,989	548,313
sub-total- water general	<u>1,151,619</u>	<u>1,342,489</u>	<u>1,298,153</u>
Water Amortization & Interest			
Amortization	391,446	391,446	354,696
sub-total- water amortization & interest	<u>391,446</u>	<u>391,446</u>	<u>354,696</u>
Sewer General			
Collection system costs	80,548	167,458	93,746
Treatment and disposal cost	68,940	61,734	103,026
Lift Station costs	85,694	105,059	110,556
sub-total- sewer general	<u>235,182</u>	<u>334,251</u>	<u>307,328</u>
Sewage Amortization & Interest			
Amortization	155,168	155,168	157,887
sub-total- sewer amortization & interest	<u>155,168</u>	<u>155,168</u>	<u>157,887</u>
Total expenses	<u>2,292,214</u>	<u>2,570,512</u>	<u>2,470,666</u>
NET OPERATING DEFICIT	(98,142)	(74,125)	187,835
TRANSFERS			
Transfers from (to) operating fund	(148,472)	(148,472)	(256,820)
Transfers from (to) reserve funds	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (546,614)</u>	(522,597)	(368,985)
FUND SURPLUS, BEGINNING OF YEAR		<u>7,654,777</u>	<u>8,023,762</u>
FUND SURPLUS, END OF YEAR		<u>\$ 7,132,180</u>	<u>\$ 7,654,777</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2019

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 6,307,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,307,654
Grants in lieu of taxation	943,300	-	-	-	-	-	-	943,300
User fees	2,760,821	-	-	-	-	-	21,852	2,782,673
Permits, licences and fines	127,500	-	-	-	-	-	-	127,500
Investment income	125,000	-	-	-	-	-	-	125,000
Other revenue	420,815	-	-	-	-	-	42,748	463,563
Water and sewer	-	2,045,600	-	-	-	-	-	2,045,600
Grants - Province of Manitoba	1,158,914	-	-	-	-	-	83,878	1,242,792
Grants - other	308,941	-	-	-	-	-	215,053	523,994
Transfers from accumulated surplus	-	148,472	-	-	(148,472)	-	-	-
Transfers from reserves	718,606	372,100	-	-	(1,090,706)	-	-	-
Total revenue	12,871,551	2,566,172	-	-	(1,239,178)	-	363,531	14,562,076
EXPENSES								
General government services	\$ 1,566,274	\$ -	\$ 22,180	\$ 179,299	\$ -	\$ -	\$ -	\$ 1,767,753
Protective services	3,044,779	-	66,912	-	-	-	-	3,111,691
Transportation services	2,393,892	-	659,578	-	-	-	-	3,053,470
Environmental health services	654,321	-	23,390	-	-	23,745	-	701,456
Public health and welfare services	94,731	-	5,418	-	-	-	-	100,149
Regional planning and development	19,200	-	-	-	-	-	-	19,200
Resource cons and industrial dev	543,004	-	53,383	-	-	-	130,553	726,940
Recreation and cultural services	2,387,067	-	440,242	-	-	-	232,978	3,060,287
Water and sewer services	-	1,745,600	546,614	-	-	-	-	2,292,214
Fiscal services:								
Transfer to capital	-	372,100	-	-	(372,100)	-	-	-
Debt charges	718,079	-	-	(718,079)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Deficit recovery	-	148,472	-	-	(148,472)	-	-	-
Transfer to reserves	1,438,445	300,000	-	-	(1,738,445)	-	-	-
Allowance for tax assets	11,759	-	-	-	(11,759)	-	-	-
Total expenses	12,871,551	2,566,172	1,817,717	(538,780)	(2,270,776)	23,745	363,531	14,833,160
Surplus (Deficit)	\$ -	\$ -	\$ (1,817,717)	\$ 538,780	\$ 1,031,598	\$ (23,745)	\$ -	\$ (271,084)

TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2019

SCHEDULE 11

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 875,115	\$ 996,455
Add:		
Tax levy (Schedule 12)	9,389,478	9,191,533
Taxes added	24,268	49,858
Penalties or interest	111,703	80,710
Other accounts added	-	576
Municipal fees	-	-
Other added to taxes	2,549	17,851
Water added to taxes	135,032	81,534
Tax overpaid refunds	1,404	-
Sub-total	9,664,434	9,422,062
Deduct:		
Cash collections - current	8,091,414	8,269,436
Cash collections - arrears	541,317	406,626
Tax cancelled	8,491	(8,568)
Tax discounts	16,637	10,008
E.P.T.C. - cash advance	830,699	865,900
Other credits	-	-
Sub-total	9,488,558	9,543,402
Balance, end of year	\$ 1,050,991	\$ 875,115

TOWN OF THE PAS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2019

SCHEDULE 12

	2019			2018
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ 190,905,390	\$ 0.70	\$ 133,634	\$ 133,688
LI.D. #4381	\$ 190,905,390	\$ 0.78	148,906	148,967
LI.D. #4435	\$ 190,905,390	\$ 0.95	181,360	181,434
LI.D. #4486	\$ 190,905,390	\$ 0.88	167,997	168,065
sub-total- Debt charges			631,897	632,154
Reserves:				
Infrastructure	\$ 166,996,080	\$ 1.55	258,844	216,302
Machinery equip. repl.	\$ 166,996,080	\$ 0.52	86,838	173,042
Municipal election	\$ 166,996,080	\$ 0.01	1,670	1,664
Computer	\$ 166,996,080	\$ 0.03	5,010	4,992
Arena reserve	\$ 166,996,080	\$ 0.05	8,350	8,319
Museum	\$ 166,996,080	\$ 0.03	5,010	3,328
Wellness equip.	\$ 166,996,080	\$ -	-	21,630
Winton pool	\$ 166,996,080	\$ 0.05	8,350	8,319
Civic Centre	\$ 166,996,080	\$ 0.05	8,350	6,655
Library	\$ 166,996,080	\$ 0.03	5,010	4,992
			387,432	449,243
General municipal	\$ 166,996,080	\$ 30.62	5,113,420	4,718,719
Deficit recovery	\$ 166,996,080	\$ -	-	106,487
At large			-	-
Business fees			9,484	12,945
Total municipal taxes (Schedule 2)			6,142,233	5,919,548
Education support levy			460,364	460,374
Special levies:				
Kelsey School Division #45			2,786,881	2,811,611
Total education taxes			3,247,245	3,271,985
Total tax levy (Schedule 11)			\$ 9,389,478	\$ 9,191,533

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ending December 31, 2019

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 82,865	\$ 79,077
General administrative	1,015,580	1,036,367
Other (miscellaneous)	512,212	462,977
	<u>1,610,657</u>	<u>1,578,421</u>
Protective services:		
Police	2,413,810	2,389,238
Fire	467,598	446,882
Emergency measures	34,769	36,830
Other (animal control)	33,378	33,764
	<u>2,949,555</u>	<u>2,906,714</u>
Transportation services:		
Road transport		
Administration and engineering	340,034	333,706
Road and street maintenance	831,233	804,672
Street lighting	108,016	148,135
Other (signage, marking and festive lighting)	244,344	165,483
Air transport	1,456,196	1,618,924
	<u>2,979,823</u>	<u>3,070,920</u>
Environmental health services:		
Waste collection and disposal	374,322	386,584
Recycling	155,826	129,664
Other (miscellaneous)	134,884	119,026
	<u>665,032</u>	<u>635,274</u>
Public health and welfare services:		
Public health	80,864	101,097
Regional planning and development		
Urban area weed control	4,706	8,260
Resource conservation and industrial development		
Regional development	582,194	497,932
Tourism	30,745	16,889
	<u>612,939</u>	<u>514,821</u>
Recreation and cultural services:		
Other recreational facilities	2,547,296	2,431,388
Museums	190,794	184,690
Libraries	147,868	143,742
	<u>2,885,958</u>	<u>2,759,820</u>
Total expenses	<u>\$ 11,789,534</u>	<u>\$ 11,575,327</u>

TOWN OF THE PAS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2019

SCHEDULE 14

	2019			2018
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (273,311)	\$ 24,017	\$ (249,294)	\$ (184,290)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	875,282	300,000	1,175,282	1,132,432
Eliminate revenue - transfers from reserves	(795,540)	-	(795,540)	(1,065,505)
Decrease revenue - loss on disposal of TCA	-	-	-	-
Increase revenue - reserve funds interest	133,097	-	133,097	109,013
Increase revenue - Net surplus (deficit) of consolidated entities	117,979	-	117,979	(102,859)
Eliminate revenue - transfer from / to nominal surpluses	-	-	-	123,852
Increase expense - amortization of tangible capital assets	(1,267,125)	(546,614)	(1,813,739)	(1,693,277)
Decrease expense - principal portion of debenture debt	538,780	-	538,780	512,766
Eliminate expense - acquisitions of tangible capital assets	716,708	-	716,708	1,903,088
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 45,870	\$ (222,597)	\$ (176,727)	\$ 735,220