

# **TOWN OF THE PAS**

**Consolidated Financial Statements  
For the Year Ended December 31, 2016**

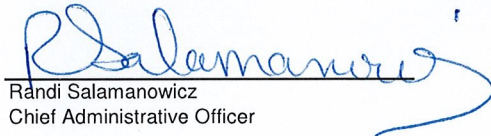
## STATEMENT OF RESPONSIBILITY

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.

Collins Barrow 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.



Randi Salamanowicz  
Chief Administrative Officer

## **INDEPENDENT AUDITORS' REPORT**

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

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, 2016, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town of The Pas as at December 31, 2016, and the results of its operations, change in net financial debt, and cash flows for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow HMA LLP*  
Chartered Professional Accountants

The Pas, Manitoba  
March 19, 2018

**TOWN OF THE PAS**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

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**TOWN OF THE PAS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 7,572,342	\$ 6,354,715
Amounts receivable (Note 4)	1,651,737	2,250,057
Real estate properties held for sale	224,792	35,499
Other inventories for sale (Note 5)	70,425	85,461
	<u>\$ 9,519,296</u>	<u>\$ 8,725,732</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 1,617,617	\$ 1,816,971
Deferred revenue (Note 7)	2,681,035	2,293,567
Landfill closure and post closure liabilities (Note 8)	249,838	234,194
Long-term debt (Note 9)	4,711,618	5,176,112
Other liabilities	87,603	43,581
	<u>9,347,711</u>	<u>9,564,425</u>
<b>NET ASSETS (DEBT)</b>	<u>\$ 171,585</u>	<u>\$ (838,693)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 27,236,172	\$ 28,108,521
Inventories (Note 5)	315,631	272,859
Prepaid expenses	63,773	71,535
	<u>27,615,576</u>	<u>28,452,915</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 27,787,161</u>	<u>\$ 27,614,222</u>

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

Approved on behalf of Council:

  
 \_\_\_\_\_  
 James Scott  
 Mayor

  
 \_\_\_\_\_  
 Alan Gibb  
 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, 2016**

	<b>2016 Budget (Note 15)</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>REVENUE</b>			
Property taxes	\$ 5,801,501	\$ 5,777,600	\$ 5,771,950
Grants in lieu of taxation	864,908	864,907	967,119
User fees	1,876,889	2,364,123	2,717,615
Permits, licences and fines	78,500	127,461	62,454
Investment income	75,000	65,187	49,089
Other revenue	718,292	626,280	715,309
Water and sewer	2,149,600	2,091,809	1,899,627
Grants - Province of Manitoba	1,381,639	1,217,329	1,230,549
Grants - other	1,723,571	305,012	222,921
Total revenue (Schedules 2, 4 and 5)	<b>14,669,900</b>	<b>13,439,708</b>	<b>13,636,633</b>
<b>EXPENSES</b>			
General government services	1,868,692	1,687,304	1,824,626
Protective services	2,747,946	2,816,428	3,096,681
Transportation services	2,650,991	2,726,192	3,046,312
Environmental health services	462,481	654,172	888,984
Public health and welfare services	94,398	72,520	90,698
Regional planning and development	500	9,567	687
Resource conservation and industrial development	26,395	93,629	110,517
Recreation and cultural services	4,311,195	2,981,888	3,038,175
Water and sewer services	2,134,969	2,225,069	2,198,899
Total expenses (Schedules 3, 4 and 5)	<b>14,297,567</b>	<b>13,266,769</b>	<b>14,295,579</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 372,333</b>	<b>172,939</b>	<b>(658,946)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>27,614,222</b>	<b>28,273,168</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$27,787,161</b>	<b>\$ 27,614,222</b>

*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, 2016**

	<b>2016 Budget (Note 15)</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 372,333</b>	<b>\$ 172,939</b>	<b>\$ (658,946)</b>
Acquisition of tangible capital assets	(909,432)	(909,432)	(477,116)
Amortization of tangible capital assets	1,781,781	1,781,781	1,745,294
Loss on sale of tangible capital assets	-	-	180,601
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	(42,772)	(42,772)	23,407
Decrease (increase) in prepaid expense	7,762	7,762	17,602
	<b>837,339</b>	<b>837,339</b>	<b>1,489,788</b>
<b>CHANGE IN NET FINANCIAL ASSETS (DEBT)</b>	<b>\$ 1,209,672</b>	<b>1,010,278</b>	<b>830,842</b>
<b>NET ASSETS (DEBT), BEGINNING OF YEAR</b>		<b>(838,693)</b>	<b>(1,669,535)</b>
<b>NET ASSETS (DEBT), END OF YEAR</b>		<b>\$ 171,585</b>	<b>\$ (838,693)</b>

*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, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING TRANSACTIONS</b>		
Annual deficit	\$ 172,939	\$ (658,946)
Changes in non-cash items:		
Amounts receivable	598,320	(101,990)
Inventories	(27,736)	14,648
Prepays	7,762	17,602
Accounts payable and accrued liabilities	(199,354)	753,125
Landfill closure and post closure liabilities	15,644	(27,549)
Deferred revenue	387,468	459,479
Other liabilities	44,022	8,219
Loss on sale of tangible capital asset	-	180,601
Amortization	1,781,781	1,745,294
Cash provided by operating transactions	<u>2,780,846</u>	<u>2,390,483</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	<u>(909,432)</u>	<u>(477,116)</u>
Cash applied to capital transactions	<u>(909,432)</u>	<u>(477,116)</u>
<b>INVESTING TRANSACTIONS</b>		
Disposal (acquisition) of real estate properties	<u>(189,293)</u>	<u>-</u>
Cash applied to investing transactions	<u>(189,293)</u>	<u>-</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	-	-
Debt repayment	<u>(464,494)</u>	<u>(442,108)</u>
Cash applied to financing transactions	<u>(464,494)</u>	<u>(442,108)</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>1,217,627</b>	<b>1,471,259</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u><b>6,354,715</b></u>	<u><b>4,883,456</b></u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u><b>\$ 7,572,342</b></u></u>	<u><u><b>\$ 6,354,715</b></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, 2016**

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**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:

*Kelsey Recreation Commission*  
*Sam Waller Museum*  
*The Pas Regional Library*  
*The Pas Wellness Centre*  
*The Pas Community Development (1996) Corporation*

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 presented in Schedule 7 - Schedule of Trust Funds.

**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.

Deferred 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>2016</u>	<u>2015</u>
Cash	\$ 7,559,374	\$ 6,341,884
Temporary investments	<u>12,968</u>	<u>12,831</u>
	<u><u>\$ 7,572,342</u></u>	<u><u>\$ 6,354,715</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>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 1,048,908	\$ 1,487,656
Government grants		-
Utility customers	436,484	457,352
Organizations and individuals	206,511	194,019
Other governments	-	-
Debenture proceeds		-
Miscellaneous	<u>304,456</u>	<u>566,698</u>
	<u>1,996,359</u>	<u>2,705,725</u>
Less allowances for doubtful amounts	<u>(344,622)</u>	<u>(455,668)</u>
	<u><u>\$ 1,651,737</u></u>	<u><u>\$ 2,250,057</u></u>

## 5. Inventories

**Inventories for sale:**

	<u>2016</u>	<u>2015</u>
Aviation fuel	\$ 31,738	\$ 41,808
Other	<u>38,687</u>	<u>43,653</u>
	<u><u>\$ 70,425</u></u>	<u><u>\$ 85,461</u></u>

**Inventories for use:**

	<u>2016</u>	<u>2015</u>
Fuel	\$ 16,539	\$ 19,942
Aggregate	116,772	50,336
Other supplies	182,320	202,581
	<u>\$ 315,631</u>	<u>\$ 272,859</u>

**6. Accounts Payable and Accrued Liabilities**

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 701,357	\$ 1,105,568
Accrued expenses	587,457	233,492
School levies (Schedule 13)	328,803	477,911
	<u>\$ 1,617,617</u>	<u>\$ 1,816,971</u>

**7. Deferred Revenue**

	<u>2016</u>	<u>2015</u>
Gas Tax balance, beginning of year	\$ 1,823,607	\$ 1,516,254
Funding received during the year	297,736	283,558
Interest earned	27,199	23,795
Recognized as revenue during the year	(90,726)	-
Gas Tax balance, end of year	2,057,816	1,823,607
Other deferred revenue	623,219	469,960
	<u>\$ 2,681,035</u>	<u>\$ 2,293,567</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>2016</u>	<u>2015</u>
Estimated closure and post closure costs over the next 20 years	\$ 328,787	\$ 328,787
Discount rate	5.00%	5.00%
<b>Discounted costs</b>	<u>\$ 270,494</u>	<u>\$ 257,613</u>
Expected year capacity will be reached	2020	2020
Capacity (ha):		
Used to date	5.08	5.00
Remaining	0.42	0.50
Total	5.50	5.50
Percent utilized	<u>92.36%</u>	<u>90.91%</u>
<b>Liability based on percentage</b>	<u>\$ 249,838</u>	<u>\$ 234,194</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

	2016	2015
General Authority:		
Debenture, interest at 5.75%, payable at \$150,918 annually including interest, maturing December 1, 2019	\$ 405,280	\$ 525,956
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	1,169,164	1,266,994
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	1,493,417	1,624,882
Debenture, interest at 4.375%, payable at \$191,447 annually including interest, maturing December 31, 2027	1,643,757	1,758,280
	<u>\$ 4,711,618</u>	<u>\$ 5,176,112</u>

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

2017	\$ 488,025
2018	512,767
2019	538,779
2020	415,211
2021	435,293

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 2017 was \$451,003.

**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 \$281,265 (2015 - \$278,133) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (30,978)	\$ 169,444
Utility operating fund - Nominal surplus	781,119	675,294
TCA net of related borrowings	22,524,554	22,908,836
Reserve funds	<u>4,736,791</u>	<u>4,137,802</u>
Accumulated surplus of Town unconsolidated	28,011,486	27,891,376
Accumulated surpluses of consolidated entities	<u>(224,325)</u>	<u>(277,154)</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 27,787,161</u></u>	<u><u>\$ 27,614,222</u></u>

**17. Public Utilities Board**

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

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

**18. 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.

**19. Subsequent Events**

New Collective Agreement

On September 25, 2017 Council authorized signature of a new collective agreement with the Canadian Union of Public Employees – Local 745 for a four year term commencing January 1, 2017 to December 31, 2020. The agreement contains modest enhancements to the compensation and benefits of member employees as well as changes which benefit the Town. The Town will integrate the impact of this new agreement in its 2018 Financial Plan.

Infrastructure Renewal

On June 12, 2017 Council accepted a tender in the amount of \$4,240,680 for the LaRose Avenue Infrastructure Renewal Project. One third of this amount is expected to be funded by the Town with the remaining portion funded by other levels of government.

**20. 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 \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2015:

- a) Compensation paid to members of council amounted to \$93,358 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - James Scott	\$ 21,122	\$ 8,415	\$ 29,537
Councillor - Margaret Commodore	12,068	2,104	14,172
Councillor - Andrew Forward	11,318	-	11,318
Councillor - Alan Gibb	11,318	-	11,318
Councillor - Crystal Morrish	13,396	2,104	15,500
Councillor - Brian Roque	12,818	5,212	18,030
Councillor - Chad Zolinski	11,318	-	11,318
	<u>\$ 93,358</u>	<u>\$ 17,835</u>	<u>\$ 111,193</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.

21. THE PAS AND AREA RECYCLING CENTRE

On January 1, 2015, the Town determined that The Pas and Area Recycling Centre (the Centre) no longer met the criteria for inclusion in the Town's reporting entity.

As of this date the Centre was no longer consolidated in the Town's financial statements.

A summary of the financial impact of this change is as follows:

	January 1, 2015
Financial assets	
Cash	\$ (133,089)
Accounts receivable	(48,065)
	<u>(181,154)</u>
Liabilities	
Accounts payable and accrued liabilities	<u>(30,335)</u>
Net financial assets	<u>(150,819)</u>
Non-financial assets	
Tangible capital assets	(180,601)
Prepaid expenses	(174)
	<u>(180,775)</u>
Accumulated surplus	<u>\$ (331,594)</u>



TOWN OF THE PAS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2016

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	2016	2015
<b>Cost</b>										
Opening costs	\$ 1,650,593	\$ 18,263,512	\$ 5,664,083	\$ 288,715	\$ 631,280	\$ 8,962,271	\$ 18,539,962	\$ 128,750	\$ 54,129,166	\$ 54,040,312
Additions during the year	56,061	21,395	634,753	32,185	-	-	144,500	20,538	909,432	477,116
Disposals and write downs	-	-	-	-	-	-	-	-	-	(388,262)
Closing costs	<u>1,706,654</u>	<u>18,284,907</u>	<u>6,298,836</u>	<u>320,900</u>	<u>631,280</u>	<u>8,962,271</u>	<u>18,684,462</u>	<u>149,288</u>	<u>55,038,598</u>	<u>54,129,166</u>
<b>Accumulated Amortization</b>										
Opening accum'd amortization	283,838	5,893,666	2,599,407	253,914		6,118,848	10,870,972	-	26,020,645	24,483,012
Amortization	23,680	409,202	497,098	17,591		300,829	533,381		1,781,781	1,745,294
Disposals and write downs	-	-	-	-			-	-	-	(207,661)
Closing accum'd amortization	<u>307,518</u>	<u>6,302,868</u>	<u>3,096,505</u>	<u>271,505</u>	<u>-</u>	<u>6,419,677</u>	<u>11,404,353</u>	<u>-</u>	<u>27,802,426</u>	<u>26,020,645</u>
Net Book Value of Tangible Capital Assets	<u>\$ 1,399,136</u>	<u>\$ 11,982,039</u>	<u>\$ 3,202,331</u>	<u>\$ 49,395</u>	<u>\$ 631,280</u>	<u>\$ 2,542,594</u>	<u>\$ 7,280,109</u>	<u>\$ 149,288</u>	<u>\$ 27,236,172</u>	<u>\$ 28,108,521</u>

**TOWN OF THE PAS**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 2**

	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 5,765,502	\$ 5,743,538
Taxes added (cancelled)	<u>12,098</u>	<u>28,412</u>
	<u>5,777,600</u>	<u>5,771,950</u>
<b>Grants in lieu of taxation:</b>		
Federal government	72,896	78,280
Federal government enterprises	5,519	5,797
Provincial government	210,502	238,708
Provincial government enterprises	<u>575,990</u>	<u>644,334</u>
	<u>864,907</u>	<u>967,119</u>
<b>User fees</b>		
Sales of service	1,018,585	1,088,126
Sales of goods	778,379	1,067,232
Facility use fees	<u>567,159</u>	<u>562,257</u>
	<u>2,364,123</u>	<u>2,717,615</u>
<b>Permits, licences and fines</b>		
Permits	36,128	16,770
Fines	<u>91,333</u>	<u>45,684</u>
	<u>127,461</u>	<u>62,454</u>
<b>Investment income:</b>		
Cash and temporary investments	<u>65,187</u>	<u>49,089</u>
<b>Other revenue:</b>		
Miscellaneous	452,407	513,305
Penalties and interest	<u>173,873</u>	<u>202,004</u>
	<u>626,280</u>	<u>715,309</u>
<b>Water and sewer</b>		
Municipal utility (Schedule 9)	<u>2,091,809</u>	<u>1,899,627</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	874,542	874,542
General support grant	90,638	94,502
Municipal program grants	84,850	84,850
Conditional grants	<u>167,299</u>	<u>176,655</u>
	<u>1,217,329</u>	<u>1,230,549</u>
<b>Grants - other</b>		
Federal government - gas tax funding	90,726	-
Federal government - other	45,266	38,900
Other local governments	<u>169,020</u>	<u>184,021</u>
	<u>305,012</u>	<u>222,921</u>
<b>Total revenue</b>	<u><u>\$ 13,439,708</u></u>	<u><u>\$ 13,636,633</u></u>

**TOWN OF THE PAS**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 3**

	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>General government services:</b>		
Legislative	\$ 88,047	\$ 88,404
General administrative	1,232,621	1,216,449
Other	366,636	519,773
	<u>1,687,304</u>	<u>1,824,626</u>
<b>Protective services:</b>		
Police	2,322,363	2,560,732
Fire	370,375	424,397
Emergency measures	29,845	28,873
Other	93,845	82,679
	<u>2,816,428</u>	<u>3,096,681</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	339,692	328,383
Road and street maintenance	753,700	741,943
Street lighting	124,938	142,009
Other	172,152	202,144
Air transport	1,335,710	1,631,833
	<u>2,726,192</u>	<u>3,046,312</u>
<b>Environmental health services:</b>		
Waste collection and disposal	397,646	335,704
Recycling (Note 21)	152,331	472,094
Other	104,195	81,186
	<u>654,172</u>	<u>888,984</u>
<b>Public health and welfare services:</b>		
Public health	72,520	90,698
<b>Regional planning and development</b>		
Urban area weed control	9,567	687
<b>Resource conservation and industrial development</b>		
Regional development	66,265	79,124
Tourism	27,364	31,393
	<u>93,629</u>	<u>110,517</u>
<b>Recreation and cultural services:</b>		
Administration	203,321	233,243
Swimming pools and beaches	642,451	651,247
Skating and curling rinks	269,985	318,659
Parks and playgrounds	176,481	128,007
Other recreational facilities	1,080,202	1,071,949
Museums	309,041	313,099
Libraries	300,407	321,971
	<u>2,981,888</u>	<u>3,038,175</u>
<b>Water and sewer services (Schedule 9)</b>		
Municipal utility (Schedule 9)	2,225,069	2,198,899
<b>Total expenses</b>	<u><u>\$ 13,266,769</u></u>	<u><u>\$ 14,295,579</u></u>

## TOWN OF THE PAS

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Property taxes	\$ 5,777,600	\$ 5,771,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	864,907	967,119	-	-	-	-	-	-	-	-
User fees	180,583	25,185	97,399	125,361	1,012,078	1,537,480	248,456	223,091	57,452	69,140
Grants - other	90,726	15,000	-	-	-	-	-	-	-	-
Permits, licences and fines	127,461	62,454	-	-	-	-	-	-	-	-
Investment income	65,187	49,089	-	-	-	-	-	-	-	-
Other revenue	475,110	594,596	-	-	666	1,526	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,050,030	1,053,893	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	29,069	34,014	-	-	-	-	-	-	-	-
Total revenue	<u>8,660,673</u>	<u>8,573,300</u>	<u>97,399</u>	<u>125,361</u>	<u>1,012,744</u>	<u>1,539,006</u>	<u>248,456</u>	<u>223,091</u>	<u>57,452</u>	<u>69,140</u>
<b>EXPENSES</b>										
Personnel services	792,709	822,649	285,845	249,052	1,048,496	1,017,466	344,590	348,469	60,420	78,541
Contract services	194,616	155,845	2,016,654	2,163,865	90,039	56,489	21,845	4,014	-	1,240
Utilities	78,208	88,554	44,546	37,791	236,731	252,704	3,802	3,987		
Maintenance materials and supplies	94,900	82,905	81,237	116,758	586,273	825,703	42,171	36,542	12,100	10,918
Grants and contributions	142,647	141,906	-	-			152,331	140,500		
Amortization	33,301	41,692	49,819	47,758	599,768	582,382	23,528	23,528		
Interest on long term debt	254,806	275,969				-				
Other	96,117	223,316	338,327	481,457	164,885	311,569	65,905	331,944	-	-
Total expenses	<u>1,687,304</u>	<u>1,832,836</u>	<u>2,816,428</u>	<u>3,096,681</u>	<u>2,726,192</u>	<u>3,046,313</u>	<u>654,172</u>	<u>888,984</u>	<u>72,520</u>	<u>90,699</u>
<b>Surplus (Deficit)</b>	<u>\$ 6,973,369</u>	<u>\$ 6,740,464</u>	<u>\$ (2,719,029)</u>	<u>\$ (2,971,320)</u>	<u>\$ (1,713,448)</u>	<u>\$ (1,507,307)</u>	<u>\$ (405,716)</u>	<u>\$ (665,893)</u>	<u>\$ (15,068)</u>	<u>\$ (21,559)</u>

\* 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, 2016**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,777,600	\$ 5,771,950
Grants in lieu of taxation	-	-	-	-	-	-	-	-	864,907	967,119
User fees	-	-	25,055	27,805	743,100	709,553	-	-	2,364,123	2,717,615
Grants - other	-	-	-	-	214,286	207,921	-	-	305,012	222,921
Permits, licences and fines	-	-	-	-	-	-	-	-	127,461	62,454
Investment income	-	-	-	-	-	-	-	-	65,187	49,089
Other revenue	-	-	-	-	150,504	119,187	-	-	626,280	715,309
Water and sewer	-	-	-	-	-	-	2,091,809	1,899,627	2,091,809	1,899,627
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,050,030	1,053,893
Prov of MB - Conditional Grants	-	-	-	-	138,230	142,642	-	-	167,299	176,656
Total revenue	-	-	25,055	27,805	1,246,120	1,179,303	2,091,809	1,899,627	13,439,708	13,636,633
<b>EXPENSES</b>										
Personnel services	-	-	10,925	34,424	1,698,749	1,661,380	827,975	780,030	5,069,709	4,992,011
Contract services	5,838	-	23,540	5,973	78,177	150,404	15,459	23,183	2,446,168	2,561,013
Utilities	-	-	7,880	8,551	291,302	300,180	236,192	300,349	898,661	992,116
Maintenance materials and supplies	3,729	687	4,701	6,141	169,518	180,523	563,737	499,662	1,558,366	1,759,839
Grants and contributions	-	-	-	1,130	-	-	-	-	294,978	283,536
Amortization	-	-	38,781	24,079	428,731	448,553	564,088	577,301	1,738,016	1,745,293
Interest on long term debt	-	-	-	-	-	-	-	-	254,806	275,969
Other	-	-	7,802	12,218	315,411	306,924	17,618	18,374	1,006,065	1,685,802
Total expenses	9,567	687	93,629	92,516	2,981,888	3,047,964	2,225,069	2,198,899	13,266,769	14,295,579
<b>Surplus (Deficit)</b>	<b>\$ (9,567)</b>	<b>\$ (687)</b>	<b>\$ (68,574)</b>	<b>\$ (64,711)</b>	<b>\$ (1,735,768)</b>	<b>\$ (1,868,661)</b>	<b>\$ (133,260)</b>	<b>\$ (299,272)</b>	<b>\$ 172,939</b>	<b>\$ (658,946)</b>

## TOWN OF THE PAS

## SCHEDULE 5

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>								
Property taxes	\$ 5,777,600	\$ 5,771,950	\$ -	\$ -	\$ -	\$ -	\$ 5,777,600	\$ 5,771,950
Grants in lieu of taxation	864,907	967,119	-	-	-	-	864,907	967,119
User fees	1,596,057	1,980,175	768,066	737,440	-	-	2,364,123	2,717,615
Grants - other	90,725	15,000	214,287	207,921	-	-	305,012	222,921
Permits, licences and fines	127,461	62,454	-	-	-	-	127,461	62,454
Investment income	65,187	49,089	-	-	-	-	65,187	49,089
Other revenue	475,689	596,206	150,591	119,103	-	-	626,280	715,309
Water and sewer	2,091,809	1,899,627	-	-	-	-	2,091,809	1,899,627
Prov of MB - Unconditional Grants	1,050,030	1,053,893	-	-	-	-	1,050,030	1,053,893
Prov of MB - Conditional Grants	29,070	34,014	138,229	142,642	-	-	167,299	176,656
Total revenue	<u>12,168,535</u>	<u>12,429,527</u>	<u>1,271,173</u>	<u>1,207,106</u>	<u>-</u>	<u>-</u>	<u>13,439,708</u>	<u>13,636,633</u>
<b>EXPENSES</b>								
Personnel services	3,370,856	3,303,816	1,698,853	1,688,195	-	-	5,069,709	4,992,011
Contract services	2,348,421	2,416,393	97,747	144,620	-	-	2,446,168	2,561,013
Utilities	599,587	683,956	299,074	308,160	-	-	898,661	992,116
Maintenance materials and supplies	1,385,464	1,573,333	172,901	186,506	-	-	1,558,366	1,759,839
Grants and contributions	294,978	282,406	-	1,130	-	-	294,978	283,536
Amortization	1,309,285	1,311,727	428,731	433,566	-	-	1,738,016	1,745,293
Interest on long term debt	254,806	275,969	-	-	-	-	254,806	275,969
Other	690,900	1,043,991	315,165	641,811	-	-	1,006,065	1,685,802
Total expenses	<u>10,254,297</u>	<u>10,891,591</u>	<u>3,012,471</u>	<u>3,403,988</u>	<u>-</u>	<u>-</u>	<u>13,266,769</u>	<u>14,295,579</u>
<b>Surplus (Deficit)</b>	<u>\$ 1,914,238</u>	<u>\$ 1,537,936</u>	<u>\$ (1,741,298)</u>	<u>\$ (2,196,882)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,939</u>	<u>\$ (658,946)</u>

**TOWN OF THE PAS**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2016**

**SCHEDULE 6**

	2016							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
<b>REVENUE</b>								
Investment income	\$ 973	\$ 5,569	\$ 715	\$ 3,084	\$ 174	\$ 252	\$ 581	\$ 130
Other income	-	-	-	-	-	-	-	-
Total revenue	973	5,569	715	3,084	174	252	581	130
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	973	5,569	715	3,084	174	252	581	130
<b>TRANSFERS</b>								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	356,000	8,329	32,830	15,000	-	20,624	11,962
Transfers from (to) utility fund	-	-	-	-	-	-	-	-
Transfers from (to) other	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(435,704)	-	(73,237)	(17,385)	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	973	(74,135)	9,044	(37,323)	(2,211)	252	21,205	12,092
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	79,298	493,643	54,140	271,510	15,373	20,525	37,036	4,605
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 80,271</u>	<u>\$ 419,508</u>	<u>\$ 63,184</u>	<u>\$ 234,187</u>	<u>\$ 13,162</u>	<u>\$ 20,777</u>	<u>\$ 58,241</u>	<u>\$ 16,697</u>

**TOWN OF THE PAS**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2016**

**SCHEDULE 6**

	2016							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetary Improvement
<b>REVENUE</b>								
Investment income	\$ 16,837	\$ 6,662	\$ 1,566	\$ 5,150	\$ 333	\$ 63	\$ 952	\$ 129
Other income	-	-	-	-	-	-	-	-
Total revenue	16,837	6,662	1,566	5,150	333	63	952	129
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	16,837	6,662	1,566	5,150	333	63	952	129
<b>TRANSFERS</b>								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	100,000	-	109,759	7,500	-	-	16,811
Transfers from (to) utility fund	325,000	-	-	-	-	-	-	-
Transfers from (to) other	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(116,062)	-	-	(58,941)	-	-	-	(2,442)
<b>CHANGE IN RESERVE FUND BALANCES</b>	225,775	106,662	1,566	55,968	7,833	63	952	14,498
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	1,257,073	492,973	127,632	394,221	23,415	5,141	77,602	13,369
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 1,482,848</u>	<u>\$ 599,635</u>	<u>\$ 129,198</u>	<u>\$ 450,189</u>	<u>\$ 31,248</u>	<u>\$ 5,204</u>	<u>\$ 78,554</u>	<u>\$ 27,867</u>



## TOWN OF THE PAS

## SCHEDULE 6

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2016

	2016							
		Columbarium	Parks and Playgrounds	Waste Dispo- sal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask River Waterfront
<b>REVENUE</b>								
Investment income	\$ -	\$ 242	\$ 490	\$ 5,143	\$ 153	\$ 165	\$ (31)	\$ 609
Other income	-	-	-	-	-	-	-	-
Total revenue	-	242	490	5,143	153	165	(31)	609
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	185	22,037	-	-	-	-
Total expenses	-	-	185	22,037	-	-	-	-
<b>NET REVENUES</b>	-	242	305	(16,894)	153	165	(31)	609
<b>TRANSFERS</b>								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	-	-	197,825	(10,866)	60,238	11,450	-
Transfers from (to) utility fund	-	-	-	-	-	-	-	-
Transfers from (to) other	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(2,046)	-	-	-	-	(20,077)	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	-	(1,804)	305	180,931	(10,713)	60,403	(8,658)	609
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	-	20,750	40,000	331,180	88,691	238,236	1,787	49,602
<b>FUND SURPLUS, END OF YEAR</b>	\$ -	\$ 18,946	\$ 40,305	\$ 512,111	\$ 77,978	\$ 298,639	\$ (6,871)	\$ 50,211

**TOWN OF THE PAS**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2016**

**SCHEDULE 6**

	2016						2015
	Municipal Election	Sam Waller Museum	Rec Infrastructure			Total	Total
<b>REVENUE</b>							
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,941	\$ -
Other income	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	49,941	-
<b>EXPENSES</b>							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	22,222	35,490
Total expenses	-	-	-	-	-	22,222	35,490
<b>NET REVENUES</b>	-	-	-	-	-	27,719	(35,490)
<b>TRANSFERS</b>							
Debt repayments	-	-	-	-	-	-	-
Transfers from (to) operating fund	5,000	5,000	24,702	-	-	972,164	1,198,414
Transfers from (to) utility fund	-	-	-	-	-	325,000	300,000
Transfers from (to) other	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	(725,894)	(302,574)
<b>CHANGE IN RESERVE FUND BALANCES</b>	5,000	5,000	24,702	-	-	598,989	1,160,350
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	-	-	-	-	-	4,137,802	2,977,452
<b>FUND SURPLUS, END OF YEAR</b>	\$ 5,000	\$ 5,000	\$ 24,702	\$ -	\$ -	\$ 4,736,791	\$ 4,137,802

**TOWN OF THE PAS**  
**SCHEDULE OF TRUST FUNDS**  
**For the Year Ended December 31, 2016**

**SCHEDULE 7**

	Handivan						Total	
							2015	2014
<b>ASSETS</b>								
Cash and temporary investments	\$ 87,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,603	\$ 43,582
Portfolio investments	-	-	-	-	-	-	-	-
Due from Municipality	-	-	-	-	-	-	-	-
	<u>\$ 87,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,603</u>	<u>\$ 43,582</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUES</b>								
Contributions and donations	\$ 43,000		\$ -	\$ -	\$ -	\$ -	\$ 43,000	\$ 8,000
Investment income	1,021		-	-	-	-	1,021	220
	<u>44,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,021</u>	<u>8,220</u>
<b>EXPENDITURES</b>								
Cemetery maintenance	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	44,021	-	-	-	-	-	44,021	8,220
<b>FUND BALANCE, BEGINNING OF YEAR</b>	43,582		-	-	-	-	43,582	35,362
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 87,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,603</u>	<u>\$ 43,582</u>

**TOWN OF THE PAS**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**December 31, 2016**

**SCHEDULE 8**

	2016						2015
	Water and Sewer					Total	Total
<b>FINANCIAL ASSETS</b>							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	436,484	-	-	-	-	436,484	457,352
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
	<u>\$ 436,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,484</u>	<u>\$ 457,352</u>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Long-term debt (Note 8)	-	-	-	-	-	-	-
Due to other funds	245,257	-	-	-	-	245,257	371,954
	<u>245,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,257</u>	<u>371,954</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 191,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,227</u>	<u>\$ 85,398</u>
<b>NON-FINANCIAL ASSETS</b>							
Tangible capital assets (Schedule 1)	7,408,858	-	-	-	-	7,408,858	7,797,739
<b>FUND SURPLUS</b>	<u>\$ 7,600,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,600,085</u>	<u>\$ 7,883,137</u>

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 1,398,506	\$ 1,514,293	\$ 1,360,940
Bulk water sales	6,000	5,613	5,712
sub-total- water	<u>1,404,506</u>	<u>1,519,906</u>	<u>1,366,652</u>
<b>Sewer</b>			
Sewer fees	487,814	503,250	474,143
Lagoon tipping fees	-	4,815	4,815
sub-total- sewer	<u>487,814</u>	<u>508,065</u>	<u>478,958</u>
<b>Government transfers</b>			
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other</b>			
Hydrant rentals	26,700	26,700	26,700
Penalties	45,138	19,569	26,010
Other income	2,710	17,569	1,307
sub-total- other	<u>74,548</u>	<u>63,838</u>	<u>54,017</u>
<b>Total revenue</b>	<u>1,966,868</u>	<u>2,091,809</u>	<u>1,899,627</u>

**TOWN OF THE PAS**  
**SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer**  
**For the Year Ended December 31, 2016**

	<b>Budget</b>	<b>2016</b>	<b>2015</b>
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 303,063	\$ 303,462	\$ 301,565
Training costs		24,187	33,332
Billing and collection	41,535	50,469	37,814
sub-total- general	<u>344,598</u>	<u>378,118</u>	<u>372,711</u>
<b>Water General</b>			
Purification and treatment	411,743	504,770	482,163
Transmission and distribution	478,845	426,209	496,177
sub-total- water general	<u>890,588</u>	<u>930,979</u>	<u>978,340</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	327,305	334,560	327,305
sub-total- water amortization & interest	<u>327,305</u>	<u>334,560</u>	<u>327,305</u>
<b>Sewer General</b>			
Collection system costs	148,238	158,456	112,919
Treatment and disposal cost	49,752	76,732	71,585
Lift Station costs	71,179	116,695	86,042
sub-total- sewer general	<u>269,169</u>	<u>351,883</u>	<u>270,546</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	249,997	229,528	249,997
sub-total- sewer amortization & interest	<u>249,997</u>	<u>229,528</u>	<u>249,997</u>
<b>Total expenses</b>	<u>2,081,657</u>	<u>2,225,068</u>	<u>2,198,899</u>
<b>NET OPERATING DEFICIT</b>	(114,789)	(133,259)	(299,272)
<b>TRANSFERS</b>			
Transfers from (to) operating fund		175,207	35,653
Transfers from (to) reserve funds	<u>(300,000)</u>	<u>(325,000)</u>	<u>(199,623)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (414,789)</u>	(283,052)	(463,242)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>7,883,137</u>	<u>8,346,379</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 7,600,085</u>	<u>\$ 7,883,137</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 5,801,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,801,501
Grants in lieu of taxation	864,908	-	-	-	-	-	-	864,908
User fees	1,109,750	-	-	-	-	-	767,139	1,876,889
Permits, licences and fines	78,500	-	-	-	-	-	-	78,500
Investment income	75,000	-	-	-	-	-	-	75,000
Other revenue	669,689	-	-	-	-	-	48,603	718,292
Water and sewer	-	2,149,600	-	-	-	-	-	2,149,600
Grants - Province of Manitoba	1,117,359	-	-	-	-	-	264,280	1,381,639
Grants - other	297,773	-	-	-	-	-	1,425,798	1,723,571
Transfers from accumulated surplus	300,000	-	-	-	(344,318)	-	44,318	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	<b>10,314,480</b>	<b>2,149,600</b>	<b>-</b>	<b>-</b>	<b>(344,318)</b>	<b>-</b>	<b>2,550,138</b>	<b>14,669,900</b>
<b>EXPENSES</b>								
General government services	\$ 1,580,585	\$ -	\$ 33,301	\$ 254,806	\$ -	\$ -	\$ -	\$ 1,868,692
Protective services	2,698,127	-	49,819	-	-	-	-	2,747,946
Transportation services	2,051,224	-	599,767	-	-	-	-	2,650,991
Environmental health services	423,309	-	23,528	-	-	15,644	-	462,481
Public health and welfare services	94,398	-	-	-	-	-	-	94,398
Regional planning and development	500	-	-	-	-	-	-	500
Resource cons and industrial dev	-	-	26,395	-	-	-	-	26,395
Recreation and cultural services	1,319,415	-	441,117	-	-	-	2,550,663	4,311,195
Water and sewer services	-	1,570,881	564,088	-	-	-	-	2,134,969
Fiscal services:								
Transfer to capital	-	-	-	-	-	-	-	-
Debt charges	718,079	-	-	(718,079)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	1,429,123	507,733	-	-	(1,936,856)	-	-	-
Allowance for tax assets	(281)	-	-	-	281	-	-	-
Total expenses	<b>10,314,479</b>	<b>2,078,614</b>	<b>1,738,015</b>	<b>(463,273)</b>	<b>(1,936,575)</b>	<b>15,644</b>	<b>2,550,663</b>	<b>14,297,567</b>
<b>Surplus (Deficit)</b>	<b>\$ 1</b>	<b>\$ 70,986</b>	<b>\$ (1,738,015)</b>	<b>\$ 463,273</b>	<b>\$ 1,592,257</b>	<b>\$ (15,644)</b>	<b>\$ (525)</b>	<b>\$ 372,333</b>

**TOWN OF THE PAS**  
**ANALYSIS OF TAXES ON ROLL**  
**December 31, 2016**

**SCHEDULE 11**

	<u>2016</u>	<u>2015</u>
<b>Balance, beginning of year</b>	<b><u>\$ 1,487,656</u></b>	<b><u>\$ 1,400,788</u></b>
<b>Add:</b>		
Tax levy (Schedule 12)	9,112,059	9,051,070
Taxes added	12,098	28,411
Penalties or interest	166,574	202,004
Other accounts added	37,535	89,223
Municipal fees	2,150	6,500
Other added to taxes	6,706	25,969
Water added to taxes	182,942	169,517
Tax overpaid refunds	<u>3,769</u>	<u>118</u>
<b>Sub-total</b>	<b><u>9,523,833</u></b>	<b><u>9,572,812</u></b>
<b>Deduct:</b>		
Cash collections - current	7,898,421	7,651,682
Cash collections - arrears	1,110,263	956,690
Tax cancelled	7,166	(5,626)
Tax discounts	-	-
M.P.T.C. - cash advance	881,713	883,198
Other credits	<u>65,018</u>	<u>-</u>
<b>Sub-total</b>	<b><u>9,962,581</u></b>	<b><u>9,485,944</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 1,048,908</u></u></b>	<b><u><u>\$ 1,487,656</u></u></b>



TOWN OF THE PAS

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ 195,308,790	\$ 0.69	\$ 134,763	\$ 131,256
LI.D. #4335				
LI.D. #4381	\$ 195,308,790	\$ 0.76	148,435	147,870
LI.D. #4435	\$ 195,308,790	\$ 0.93	181,637	179,437
LI.D. #4462	\$ 195,308,790	\$ 0.86	167,966	166,145
sub-total- Debt charges			632,801	624,708
General municipal	\$ 170,825,020	\$ 29.96	5,118,220	5,099,718
At large			-	-
Business fees			14,482	19,112
Total municipal taxes (Schedule 2)			5,765,502	5,743,538
Education support levy			490,231	483,920
Special levies:				
Kelsey School Division #45			2,856,326	2,823,612
Total education taxes			3,346,557	3,307,532
Total tax levy (Schedule 11)			\$ 9,112,059	\$ 9,051,070

TOWN OF THE PAS  
ANALYSIS OF SCHOOL ACCOUNTS  
December 31, 2016

SCHEDULE 13

	2016				2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 100,361	\$ 654,246	\$ (685,257)	\$ 69,350	\$ 100,361
Special levies					
Kelsey School Division	377,550	3,307,756	(3,425,853)	259,453	377,550
Total	<u>\$ 477,911</u>	<u>\$ 3,962,002</u>	<u>\$ (4,111,110)</u>	<u>\$ 328,803</u>	<u>\$ 477,911</u>

**TOWN OF THE PAS**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ending December 31, 2016**

**SCHEDULE 14**

	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>General government services:</b>		
Legislative	\$ 88,047	\$ 88,404
General administrative	1,232,622	1,216,449
Other	366,636	519,773
	<u>1,687,305</u>	<u>1,824,626</u>
<b>Protective services:</b>		
Police	2,322,363	2,560,732
Fire	370,375	424,397
Emergency measures	29,845	28,873
Other	93,845	82,679
	<u>2,816,428</u>	<u>3,096,681</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	339,693	328,382
Road and street maintenance	753,700	741,943
Street lighting	124,939	142,009
Other	172,152	202,145
Air transport	1,335,710	1,631,833
	<u>2,726,194</u>	<u>3,046,312</u>
<b>Environmental health services:</b>		
Waste collection and disposal	397,646	335,704
Recycling	152,331	140,500
Other	104,195	81,186
	<u>654,172</u>	<u>557,390</u>
<b>Public health and welfare services:</b>		
Public health	72,520	90,698
<b>Regional planning and development</b>		
Urban area weed control	9,567	687
<b>Resource conservation and industrial development</b>		
Regional development	28,104	26,207
Tourism	14,554	12,687
	<u>42,658</u>	<u>38,894</u>
<b>Recreation and cultural services:</b>		
Other recreational facilities	1,723,521	1,486,858
Museums	197,692	205,825
Libraries	158,935	159,698
	<u>2,080,148</u>	<u>1,852,381</u>
<b>Total expenses</b>	<u><u>\$ 10,088,992</u></u>	<u><u>\$ 10,507,669</u></u>

**TOWN OF THE PAS**  
**SCHEDULE OF DEBENTURES PENDING**  
**December 31, 2016**

## SCHEDULE 15

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
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			-	-
			-	-
			-	-
			<hr/>	<hr/>
			\$ -	\$ -
			<hr/> <hr/>	<hr/> <hr/>

**TOWN OF THE PAS**  
**RECONCILIATION OF ANNUAL SURPLUS**  
**December 31, 2016**

**SCHEDULE 16**

	General	2016 Utility	Total	2015 Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 99,576	\$ 105,826	\$ 205,402	\$ (245,398)
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	1,192,910	325,000	1,517,910	1,553,549
Eliminate revenue - transfers from reserves	(159,848)	-	(159,848)	(15,398)
Decrease revenue - loss on disposal of TCA	-	-	-	-
Increase revenue - reserve funds interest	82,405	-	82,405	23,795
Increase revenue - Net surplus (deficit) of consolidated entities	58,639	-	58,639	(402,327)
Eliminate revenue - transfer from / to nominal surpluses	(300,000)	-	(300,000)	(300,000)
Increase expense - amortization of tangible capital assets	(1,173,927)	(564,088)	(1,738,015)	(1,745,294)
Decrease expense - principal portion of debenture debt	464,493	-	464,493	442,109
Eliminate expense - acquisitions of tangible capital assets	41,953	-	41,953	30,018
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ 306,201</u>	<u>\$ (133,262)</u>	<u>\$ 172,939</u>	<u>\$ (658,946)</u>