

TOWN OF THE PAS

**Consolidated Financial Statements
For the Year Ended December 31, 2017**

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, 2017, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year ended December 31, 2017, 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, 2017, and the results of its operations, change in net financial debt, and cash flows for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow HMA LLP
Chartered Professional Accountants

The Pas, Manitoba
October 22, 2018

TOWN OF THE PAS

Consolidated Financial Statements

For the Year Ended December 31, 2017

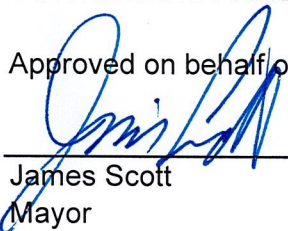
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**TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017**

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 6,563,663	\$ 7,572,342
Amounts receivable (Note 4)	2,515,339	1,651,737
Real estate properties held for sale	224,792	224,792
Other inventories for sale (Note 5)	<u>118,133</u>	<u>70,425</u>
	<u>\$ 9,421,927</u>	<u>\$ 9,519,296</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 1,954,713	\$ 1,579,371
Severance and sick leave payable	64,411	38,246
Deferred revenue (Note 7)	2,599,299	2,681,035
Landfill closure and post closure liabilities (Note 8)	267,611	249,838
Long-term debt (Note 9)	4,223,593	4,711,618
Other liabilities	<u>59,675</u>	<u>87,603</u>
	<u>9,169,302</u>	<u>9,347,711</u>
NET ASSETS (DEBT)	<u>\$ 252,625</u>	<u>\$ 171,585</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 28,670,945	\$ 27,236,172
Inventories (Note 5)	259,909	315,631
Prepaid expenses	<u>65,355</u>	<u>63,773</u>
	<u>28,996,209</u>	<u>27,615,576</u>
ACCUMULATED SURPLUS	<u>\$ 29,248,834</u>	<u>\$ 27,787,161</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, 2017

	<u>2017 Budget (Note 15)</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUE			
Property taxes	\$ 5,810,269	\$ 5,806,683	\$ 5,777,600
Grants in lieu of taxation	865,178	865,177	864,907
User fees	1,647,331	2,604,921	2,364,123
Permits, licences and fines	108,500	138,812	127,461
Investment income	75,000	63,354	65,187
Other revenue	358,534	747,400	626,280
Water and sewer	1,900,971	1,848,937	2,091,809
Grants - Province of Manitoba	1,196,011	1,196,492	1,217,329
Grants - other	3,312,255	2,342,459	305,012
	<u>15,274,049</u>	<u>15,614,235</u>	<u>13,439,708</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	1,680,449	1,652,677	1,687,304
Protective services	2,911,649	3,030,971	2,816,428
Transportation services	2,850,642	2,983,190	2,726,192
Environmental health services	473,745	616,957	654,172
Public health and welfare services	100,815	93,448	72,520
Regional planning and development	50,438	5,148	9,567
Resource conservation and industrial development	482,195	561,855	93,629
Recreation and cultural services	1,832,864	2,990,856	2,981,888
Water and sewer services	2,089,797	2,217,460	2,225,069
	<u>12,472,594</u>	<u>14,152,562</u>	<u>13,266,769</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 2,801,455</u></u>	1,461,673	172,939
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>27,787,161</u>	<u>27,614,222</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$29,248,834</u></u>	<u><u>\$ 27,787,161</u></u>

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, 2017

	<u>2017</u> <u>Budget</u> <u>(Note 15)</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 2,801,455	\$ 1,461,673	\$ 172,939
Acquisition of tangible capital assets	(3,486,275)	(3,486,275)	(909,432)
Amortization of tangible capital assets	1,755,603	1,755,603	1,781,781
Loss on sale of tangible capital assets	221,649	221,649	-
Proceeds on sale of tangible capital assets	74,250	74,250	-
Decrease (increase) in inventories	55,722	55,722	(42,772)
Decrease (increase) in prepaid expense	(1,582)	(1,582)	7,762
	<u>(1,380,633)</u>	<u>(1,380,633)</u>	<u>837,339</u>
CHANGE IN NET FINANCIAL ASSETS (DEBT)	<u>\$ 1,420,822</u>	81,040	1,010,278
NET ASSETS (DEBT), BEGINNING OF YEAR		<u>171,585</u>	<u>(838,693)</u>
NET ASSETS (DEBT), END OF YEAR		<u>\$ 252,625</u>	<u>\$ 171,585</u>

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, 2017

	<u>2017</u>	<u>2016</u>
OPERATING TRANSACTIONS		
Annual deficit	\$ 1,461,673	\$ 172,939
Changes in non-cash items:		
Amounts receivable	(863,602)	598,320
Inventories	8,014	(27,736)
Prepays	(1,582)	7,762
Accounts payable and accrued liabilities	375,342	(199,354)
Severance and sick leave payable	26,165	
Landfill closure and post closure liabilities	17,773	15,644
Deferred revenue	(81,736)	387,468
Other liabilities	(27,928)	44,022
Loss on sale of tangible capital asset	221,649	-
Amortization	1,755,603	1,781,781
Cash provided by operating transactions	<u>2,891,371</u>	<u>2,780,846</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	74,250	-
Cash used to acquire tangible capital assets	(3,486,275)	(909,432)
Cash applied to capital transactions	<u>(3,412,025)</u>	<u>(909,432)</u>
INVESTING TRANSACTIONS		
Disposal (acquisition) of real estate properties	-	(189,293)
Cash applied to investing transactions	-	(189,293)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(488,025)	(464,494)
Cash applied to financing transactions	<u>(488,025)</u>	<u>(464,494)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	(1,008,679)	1,217,627
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,572,342</u>	<u>6,354,715</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 6,563,663</u></u>	<u><u>\$ 7,572,342</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, 2017

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 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.

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>2017</u>	<u>2016</u>
Cash	\$ 6,550,466	\$ 7,559,374
Temporary investments	13,197	12,968
	<u>\$ 6,563,663</u>	<u>\$ 7,572,342</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>2017</u>	<u>2016</u>
Taxes on roll (Schedule 11)	\$ 996,455	\$ 1,048,908
Government grants	771,771	-
Utility customers	363,393	436,484
Organizations and individuals	327,757	206,511
Other governments	-	-
Debenture proceeds	-	-
Miscellaneous	379,543	304,456
	<u>2,838,919</u>	<u>1,996,359</u>
Less allowances for doubtful amounts	<u>(323,580)</u>	<u>(344,622)</u>
	<u>\$ 2,515,339</u>	<u>\$ 1,651,737</u>

5. Inventories

Inventories for sale:

	<u>2017</u>	<u>2016</u>
Aviation fuel	\$ 47,346	\$ 31,738
Other	70,787	38,687
	<u>\$ 118,133</u>	<u>\$ 70,425</u>

Inventories for use:

	<u>2017</u>	<u>2016</u>
Fuel	\$ 19,429	\$ 16,539
Aggregate	58,112	116,772
Other supplies	<u>182,368</u>	<u>182,320</u>
	<u>\$ 259,909</u>	<u>\$ 315,631</u>

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 1,141,732	\$ 663,111
Accrued expenses	489,633	587,457
School levies	<u>323,348</u>	<u>328,803</u>
	<u>\$ 1,954,713</u>	<u>\$ 1,579,371</u>

7. Deferred Revenue

	<u>2017</u>	<u>2016</u>
Gas Tax balance, beginning of year	\$ 2,057,816	\$ 1,823,607
Funding received during the year	301,353	297,736
Interest earned	31,682	27,199
Recognized as revenue during the year	<u>(214,283)</u>	<u>(90,726)</u>
Gas Tax balance, end of year	2,176,568	2,057,816
Other deferred revenue	<u>422,731</u>	<u>623,219</u>
	<u>\$ 2,599,299</u>	<u>\$ 2,681,035</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>2017</u>	<u>2016</u>
Estimated closure and post closure costs over the next 20 years	\$ 330,206	\$ 328,787
Discount rate	<u>5.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 285,244</u>	<u>\$ 270,494</u>
Expected year capacity will be reached	2020	2020
Capacity (ha):		
Used to date	5.16	5.08
Remaining	0.34	0.42
Total	5.50	5.50
Percent utilized	<u>93.82%</u>	<u>92.36%</u>
Liability based on percentage	<u>\$ 267,611</u>	<u>\$ 249,838</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

	2017	2016
General Authority:		
Debenture, interest at 5.75%, payable at \$150,918 annually including interest, maturing December 1, 2019	\$ 277,665	\$ 405,280
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	1,065,831	1,169,164
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	1,355,874	1,493,417
Debenture, interest at 4.375%, payable at \$191,447 annually including interest, maturing December 31, 2027	1,524,223	1,643,757
	\$ 4,223,593	\$ 4,711,618

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

2018	512,767
2019	538,779
2020	415,213
2021	435,294
2022	456,358

Schedule of Debentures Pending

Authority	Purpose	Amount Authorized
N/A	N/A	\$ -

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.

Infrastructure Renewal

In 2017 the Town commenced an infrastructure renewal project which was partially completed at year end. The Town has committed to completing the project subsequent to year end and is budgeting that an additional \$1,202,693 will be incurred.

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 \$268,613 (2016 - \$281,265) 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, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 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, 2016.

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>2017</u>	<u>2016</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (315,376)	\$ (30,978)
Utility operating fund - Nominal surplus	(82,589)	781,119
TCA net of related borrowings	24,434,932	22,524,554
Reserve funds	<u>4,952,265</u>	<u>4,736,791</u>
Accumulated surplus of Town unconsolidated	28,989,232	28,011,486
Accumulated surpluses of consolidated entities	<u>259,602</u>	<u>(224,325)</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 29,248,834</u>	<u>\$ 27,787,161</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 \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2017:

- a) Compensation paid to members of council amounted to \$81,585 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	\$ 17,972	\$ 2,283	\$ 20,255
Councillor - Margaret Commodore	10,178	-	10,178
Councillor - Andrew Forward	10,178	-	10,178
Councillor - Alan Gibb	10,178	-	10,178
Councillor - Crystal Morrish	10,178	-	10,178
Councillor - Brian Roque	12,723	1,561	14,284
Councillor - Chad Zolinski	10,178	-	10,178
	<u>\$ 81,585</u>	<u>\$ 3,844</u>	<u>\$ 85,429</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 sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants 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.

Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Ending Balance</u>
Water & sewer study	\$ 590	\$ -	\$ 590	\$ -
Water plant upgrades	92,776	-	46,388	46,388
Water treatment study	10,048	-	837	9,211
Lagoon study	37,547	-	2,086	35,461
Sewage lagoon	1,750	-	125	1,625
Bell Ave. lift station	333,200	-	19,600	313,600
Water treatment plant	313,688	-	20,913	292,775
LaRose Ave. renewal	-	932,915	46,646	886,269
Water treatment plant	1,242,992	-	82,866	1,160,126
	<u>\$ 2,032,591</u>	<u>\$ 932,915</u>	<u>\$ 220,051</u>	<u>\$ 2,745,455</u>

19. Trust Funds

The Town administers the following trusts:

	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
Handivan	<u>\$ 87,603</u>	<u>\$ (27,928)</u>	<u>\$ 59,675</u>

20. 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.

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2017

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	2017	2016
Cost										
Opening costs	\$ 1,706,654	\$ 18,284,907	\$ 6,298,836	\$ 320,900	\$ 631,280	\$ 8,962,271	\$ 18,684,462	\$ 149,288	\$ 55,038,598	\$ 54,129,166
Additions during the year	730,261	66,417	40,149	11,878	-	-	184,285	3,233,852	4,266,842	909,432
Disposals and write downs	(112,100)	(199,600)	-	-	(631,280)	-	-	(149,287)	(1,092,267)	-
Closing costs	<u>2,324,815</u>	<u>18,151,724</u>	<u>6,338,985</u>	<u>332,778</u>	<u>-</u>	<u>8,962,271</u>	<u>18,868,747</u>	<u>3,233,853</u>	<u>58,213,173</u>	<u>55,038,598</u>
Accumulated Amortization										
Opening accum'd amortization	(307,518)	(6,302,868)	(3,096,505)	(271,505)	-	(6,419,677)	(11,404,354)	-	(27,802,427)	26,020,645
Amortization	(29,530)	(412,609)	(450,679)	(18,814)	-	(303,161)	(540,810)	-	(1,755,603)	1,781,781
Disposals and write downs	-	15,802	-	-	-	-	-	-	15,802	-
Closing accum'd amortization	<u>(337,048)</u>	<u>(6,699,675)</u>	<u>(3,547,184)</u>	<u>(290,319)</u>	<u>-</u>	<u>(6,722,838)</u>	<u>(11,945,164)</u>	<u>-</u>	<u>(29,542,228)</u>	<u>27,802,426</u>
Net Book Value of Tangible Capital Assets	<u>\$ 1,987,767</u>	<u>\$ 11,452,049</u>	<u>\$ 2,791,801</u>	<u>\$ 42,459</u>	<u>\$ -</u>	<u>\$ 2,239,433</u>	<u>\$ 6,923,583</u>	<u>\$ 3,233,853</u>	<u>\$ 28,670,945</u>	<u>\$ 27,236,172</u>

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2017

SCHEDULE 2

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,772,581	\$ 5,765,502
Taxes added (cancelled)	34,102	12,098
	<u>5,806,683</u>	<u>5,777,600</u>
Grants in lieu of taxation:		
Federal government	72,918	72,896
Federal government enterprises	5,521	5,519
Provincial government	210,568	210,502
Provincial government enterprises	576,170	575,990
	<u>865,177</u>	<u>864,907</u>
User fees		
Sales of service	1,005,464	1,018,585
Sales of goods	1,010,790	778,379
Facility use fees	588,667	567,159
	<u>2,604,921</u>	<u>2,364,123</u>
Permits, licences and fines		
Permits	34,721	36,128
Fines	104,091	91,333
	<u>138,812</u>	<u>127,461</u>
Investment income:		
Cash and temporary investments	<u>63,354</u>	<u>65,187</u>
Other revenue:		
Miscellaneous	601,233	452,407
Penalties and interest	146,167	173,873
	<u>747,400</u>	<u>626,280</u>
Water and sewer		
Municipal utility (Schedule 9)	<u>1,848,937</u>	<u>2,091,809</u>
Grants - Province of Manitoba		
Municipal operating grants	975,534	
Other unconditional grants		1,050,030
Conditional grants	220,958	167,299
	<u>1,196,492</u>	<u>1,217,329</u>
Grants - other		
Federal government - gas tax funding	214,284	90,726
Federal government - other	1,901,154	45,266
Other municipal governments	227,021	169,020
	<u>2,342,459</u>	<u>305,012</u>
Total revenue	<u>\$ 15,614,235</u>	<u>\$ 13,439,708</u>

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2017

SCHEDULE 3

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
General government services:		
Legislative	\$ 79,186	\$ 88,047
General administrative	1,120,362	1,232,621
Other	453,129	366,636
	<u>1,652,677</u>	<u>1,687,304</u>
Protective services:		
Police	2,486,296	2,322,363
Fire	425,575	370,375
Emergency measures	30,368	29,845
Other	88,732	93,845
	<u>3,030,971</u>	<u>2,816,428</u>
Transportation services:		
Road transport		
Administration and engineering	342,750	339,692
Road and street maintenance	849,406	753,700
Street lighting	141,796	124,938
Other	181,723	172,152
Air transport	1,467,515	1,335,710
	<u>2,983,190</u>	<u>2,726,192</u>
Environmental health services:		
Waste collection and disposal	380,404	397,646
Recycling	130,013	152,331
Other	106,540	104,195
	<u>616,957</u>	<u>654,172</u>
Public health and welfare services:		
Public health	93,448	72,520
	<u>93,448</u>	<u>72,520</u>
Regional planning and development		
Urban area weed control	5,148	9,567
	<u>5,148</u>	<u>9,567</u>
Resource conservation and industrial development		
Regional development	531,208	66,265
Tourism	30,647	27,364
	<u>561,855</u>	<u>93,629</u>
Recreation and cultural services:		
Administration	194,307	203,321
Swimming pools and beaches	568,335	642,451
Skating and curling rinks	403,163	269,985
Parks and playgrounds	227,079	176,481
Other recreational facilities	1,023,157	1,080,202
Museums	290,463	309,041
Libraries	284,352	300,407
	<u>2,990,856</u>	<u>2,981,888</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	2,217,460	2,225,069
	<u>2,217,460</u>	<u>2,225,069</u>
Total expenses	<u><u>\$ 14,152,562</u></u>	<u><u>\$ 13,266,769</u></u>

TOWN OF THE PAS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2017

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ 5,806,683	\$ 5,777,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	865,177	864,907	-	-	-	-	-	-	-	-
User fees	37,239	180,583	89,379	97,399	1,390,349	1,012,078	234,547	248,456	61,000	57,452
Grants - other	1,147,199	90,726	-	-	-	-	-	-	-	-
Permits, licences and fines	138,812	127,461	-	-	-	-	-	-	-	-
Investment income	63,124	65,187	-	-	-	-	-	-	-	-
Other revenue	675,196	475,110	-	-	3,308	666	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	975,534	1,050,030	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	97,164	29,069	-	-	-	-	-	-	-	-
Total revenue	9,806,128	8,660,673	89,379	97,399	1,393,657	1,012,744	234,547	248,456	61,000	57,452
EXPENSES										
Personnel services	767,675	792,709	278,999	285,845	1,009,945	1,048,496	333,511	344,590	78,624	60,420
Contract services	136,448	194,616	2,129,149	2,016,654	159,904	90,039	13,561	21,845	600	-
Utilities	96,352	78,208	47,819	44,546	257,175	236,731	4,399	3,802	-	-
Maintenance materials and supplies	92,798	94,900	124,954	81,237	717,682	586,273	35,281	42,171	8,806	12,100
Grants and contributions	224,394	142,647	-	-	-	-	130,013	152,331	-	-
Amortization	21,839	33,301	61,418	49,819	652,070	599,768	32,664	23,528	5,418	-
Interest on long term debt	232,764	254,806	-	-	-	-	-	-	-	-
Other	80,407	96,117	388,632	338,327	186,414	164,885	67,528	65,905	-	-
Total expenses	1,652,677	1,687,304	3,030,971	2,816,428	2,983,190	2,726,192	616,957	654,172	93,448	72,520
Surplus (Deficit)	\$ 8,153,451	\$ 6,973,369	\$ (2,941,592)	\$ (2,719,029)	\$ (1,589,533)	\$ (1,713,448)	\$ (382,410)	\$ (405,716)	\$ (32,448)	\$ (15,068)

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

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2016

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,806,683	\$ 5,777,600
Grants in lieu of taxation	-	-	-	-	-	-	-	-	865,177	864,907
User fees	-	-	12,263	25,055	780,144	743,100	-	-	2,604,921	2,364,123
Grants - other	-	-	30,000	-	232,345	214,286	932,915	-	2,342,459	305,012
Permits, licences and fines	-	-	-	-	-	-	-	-	138,812	127,461
Investment income	-	-	-	-	230	-	-	-	63,354	65,187
Other revenue	-	-	234	-	68,662	150,504	-	-	747,400	626,280
Water and sewer	-	-	-	-	-	-	1,848,937	2,091,809	1,848,937	2,091,809
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	975,534	1,050,030
Prov of MB - Conditional Grants	-	-	-	-	123,794	138,230	-	-	220,958	167,299
Total revenue	-	-	42,497	25,055	1,205,175	1,246,120	2,781,852	2,091,809	15,614,235	13,439,708
EXPENSES										
Personnel services	-	-	31,134	10,925	1,664,713	1,698,749	854,526	827,975	5,019,127	5,069,709
Contract services	-	5,838	9,035	23,540	127,330	78,177	13,999	15,459	2,590,026	2,446,168
Utilities	-	-	4,905	7,880	327,945	291,302	336,792	236,192	1,075,387	898,661
Maintenance materials and supplies	4,779	3,729	4,995	4,701	169,306	169,518	470,062	563,737	1,628,663	1,558,366
Grants and contributions	-	-	451,003	-	-	-	-	-	805,410	294,978
Amortization	-	-	39,442	38,781	428,926	428,731	513,826	564,088	1,755,603	1,738,016
Interest on long term debt	-	-	-	-	-	-	-	-	232,764	254,806
Other	369	-	21,341	7,802	272,636	315,411	28,255	17,618	1,045,582	1,006,065
Total expenses	5,148	9,567	561,855	93,629	2,990,856	2,981,888	2,217,460	2,225,069	14,152,562	13,266,769
Surplus (Deficit)	\$ (5,148)	\$ (9,567)	\$ (519,358)	\$ (68,574)	\$ (1,785,681)	\$ (1,735,768)	\$ 564,392	\$ (133,260)	\$ 1,461,673	\$ 172,939

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Property taxes	\$ 5,806,683	\$ 5,777,600	\$ -	\$ -	\$ -	\$ -	\$ 5,806,683	5,777,600
Grants in lieu of taxation	865,177	864,907	-	-	-	-	865,177	864,907
User fees	2,559,689	1,596,057	45,232	768,066	-	-	2,604,921	2,364,123
Grants - other	2,233,733	90,725	108,726	214,287	-	-	2,342,459	305,012
Permits, licences and fines	138,812	127,461	-	-	-	-	138,812	127,461
Investment income	63,125	65,187	229	-	-	-	63,354	65,187
Other revenue	696,579	475,689	50,821	150,591	-	-	747,400	626,280
Water and sewer	1,848,937	2,091,809	-	-	-	-	1,848,937	2,091,809
Prov of MB - Unconditional Grants	975,534	1,050,030	-	-	-	-	975,534	1,050,030
Prov of MB - Conditional Grants	140,401	29,070	80,557	138,229	-	-	220,958	167,299
Total revenue	<u>15,328,670</u>	<u>12,168,535</u>	<u>285,565</u>	<u>1,271,173</u>	-	-	<u>15,614,235</u>	<u>13,439,708</u>
EXPENSES								
Personnel services	4,678,479	3,370,856	340,648	1,698,853	-	-	5,019,127	5,069,709
Contract services	2,552,479	2,348,421	37,547	97,747	-	-	2,590,026	2,446,168
Utilities	1,023,710	599,587	51,677	299,074	-	-	1,075,387	898,661
Maintenance materials and supplies	1,567,036	1,385,464	61,627	172,901	-	-	1,628,663	1,558,366
Grants and contributions	805,410	294,978	-	-	-	-	805,410	294,978
Amortization	1,750,260	1,309,285	5,343	428,731	-	-	1,755,603	1,738,016
Interest on long term debt	232,764	254,806	-	-	-	-	232,764	254,806
Other	978,225	690,900	67,357	315,165	-	-	1,045,582	1,006,065
Total expenses	<u>13,588,363</u>	<u>10,254,297</u>	<u>564,199</u>	<u>3,012,471</u>	-	-	<u>14,152,562</u>	<u>13,266,769</u>
Surplus (Deficit)	<u>\$ 1,740,307</u>	<u>\$ 1,914,238</u>	<u>\$ (278,634)</u>	<u>\$ (1,741,298)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,461,673</u>	<u>\$ 172,939</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2017

	2017							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	\$ 1,255	\$ 8,477	\$ 979	\$ 3,771	\$ 202	\$ 325	\$ 966	\$ 261
Other income	-	-	-	-	-	-	-	-
Total revenue	1,255	8,477	979	3,771	202	325	966	261
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	1,255	8,477	979	3,771	202	325	966	261
TRANSFERS								
Transfers to reserve fund	-	256,000	6,985	20,910	10,000	-	7,183	-
Transfers from reserve fund	-	(10,423)	(8,060)	(6,853)	(10,457)	-	-	-
CHANGE IN RESERVE FUND BALANCES	1,255	254,054	(96)	17,828	(255)	325	8,149	261
FUND SURPLUS, BEGINNING OF YEAR	80,271	419,508	63,184	234,187	13,162	20,777	58,241	16,697
FUND SURPLUS, END OF YEAR	\$ 81,526	\$ 673,562	\$ 63,088	\$ 252,015	\$ 12,907	\$ 21,102	\$ 66,390	\$ 16,958

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2017

	2017							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetary Improvement
REVENUE								
Investment income	\$ 21,551	\$ 9,503	\$ 2,020	\$ 6,802	\$ 547	\$ 81	\$ 1,228	\$ 436
Other income	-	-	-	-	-	-	-	-
Total revenue	21,551	9,503	2,020	6,802	547	81	1,228	436
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	21,551	9,503	2,020	6,802	547	81	1,228	436
TRANSFERS								
Transfers to reserve fund	325,000	580,000	-	-	7,500	-	-	-
Transfers from reserve fund	(554,124)	(563,350)	-	(30,000)	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(207,573)	26,153	2,020	(23,198)	8,047	81	1,228	436
FUND SURPLUS, BEGINNING OF YEAR	1,482,848	599,635	129,198	450,189	31,248	5,204	78,554	27,867
FUND SURPLUS, END OF YEAR	\$ 1,275,275	\$ 625,788	\$ 131,218	\$ 426,991	\$ 39,295	\$ 5,285	\$ 79,782	\$ 28,303

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2017

	2017							
	Columbarium	Parks and Playgrounds	Waste Dispo- sal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask River Waterfront	
REVENUE								
Investment income	\$ -	\$ 291	\$ 630	\$ 8,666	\$ 175	\$ 1,679	\$ (120)	\$ 699
Other income	-	-	-	-	-	-	-	-
Total revenue	-	291	630	8,666	175	1,679	(120)	699
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	291	630	8,666	175	1,679	(120)	699
TRANSFERS								
Transfers to reserve fund	-	4,100	-	84,590	93,322	46,661	3,114	-
Transfers from reserve fund	-	(4,750)	-	-	(112,800)	(13,420)	(4,779)	(11,000)
CHANGE IN RESERVE FUND BALANCES	-	(359)	630	93,256	(19,303)	34,920	(1,785)	(10,301)
FUND SURPLUS, BEGINNING OF YEAR	-	18,946	40,305	512,111	77,978	298,639	(6,871)	50,211
FUND SURPLUS, END OF YEAR	\$ -	\$ 18,587	\$ 40,935	\$ 605,367	\$ 58,675	\$ 333,559	\$ (8,656)	\$ 39,910

TOWN OF THE PAS
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2017

SCHEDULE 6

	2017						2016	
	Municipal Election	Sam Waller Museum	Rec Infrastructure				Total	Total
REVENUE								
Investment income	\$ 98	\$ 117	\$ 21	\$ -	\$ -	\$ -	\$ 70,660	\$ 49,941
Other income	-	-	-	-	-	-	-	-
Total revenue	98	117	21	-	-	-	70,660	49,941
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	22,222
Total expenses	-	-	-	-	-	-	-	22,222
NET REVENUES	98	117	21	-	-	-	70,660	27,719
TRANSFERS								
Transfers to reserve fund	2,500	5,000	46,661	-	-	-	1,499,526	1,297,164
Transfers from reserve fund	-	-	(24,696)	-	-	-	(1,354,712)	(725,894)
CHANGE IN RESERVE FUND BALANCES	2,598	5,117	21,986	-	-	-	215,474	598,989
FUND SURPLUS, BEGINNING OF YEAR	5,000	5,000	24,702	-	-	-	4,736,791	4,137,802
FUND SURPLUS, END OF YEAR	\$ 7,598	\$ 10,117	\$ 46,688	\$ -	\$ -	\$ -	\$ 4,952,265	\$ 4,736,791

TOWN OF THE PAS
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2017

SCHEDULE 7

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	<u>-</u>	-	-
Unexpended balance, beginning of year		<u>-</u>	<u>-</u>
Unexpended balance, end of year		<u>-</u>	<u>-</u>

TOWN OF THE PAS
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
December 31, 2017

SCHEDULE 8

	2017						2016
	Water and Sewer						Total
FINANCIAL ASSETS							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	357,523	-	-	-	-	357,523	436,484
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
	<u>\$ 357,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,523</u>	<u>\$ 436,484</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Long-term debt (Note 8)	-	-	-	-	-	-	-
Due to other funds	874,271	-	-	-	-	874,271	245,257
	<u>874,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>874,271</u>	<u>245,257</u>
NET FINANCIAL ASSETS	<u>\$ (516,748)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (516,748)</u>	<u>\$ 191,227</u>
NON-FINANCIAL ASSETS							
Tangible capital assets (Schedule 1)	8,540,510	-	-	-	-	8,540,510	7,408,858
FUND SURPLUS	<u>\$ 8,023,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,023,762</u>	<u>\$ 7,600,085</u>

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
REVENUE			
Water			
Water fees	\$ 1,332,199	\$ 1,342,182	\$ 1,514,293
Bulk water sales	6,073	6,134	5,613
sub-total- water	<u>1,338,272</u>	<u>1,348,316</u>	<u>1,519,906</u>
Sewer			
Sewer fees	483,085	449,213	503,250
Lagoon tipping fees		4,815	4,815
sub-total- sewer	<u>483,085</u>	<u>454,028</u>	<u>508,065</u>
Government transfers			
Capital	-	932,915	-
sub-total- government transfers	<u>-</u>	<u>932,915</u>	<u>-</u>
Other			
Hydrant rentals	26,700	26,700	26,700
Penalties	45,138	19,248	19,569
Other income	7,776	645	17,569
sub-total- other	<u>79,614</u>	<u>46,593</u>	<u>63,838</u>
Total revenue	<u>1,900,971</u>	<u>2,781,852</u>	<u>2,091,809</u>

TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2017

EXPENSES	Budget	2017	2016
General			
Administration	\$ 368,606	\$ 335,688	\$ 303,462
Training costs	-	8,578	24,187
Billing and collection	22,149	36,039	50,469
sub-total- general	<u>390,755</u>	<u>380,305</u>	<u>378,118</u>
Water General			
Purification and treatment	411,295	540,999	504,770
Transmission and distribution	504,767	558,642	426,209
sub-total- water general	<u>916,062</u>	<u>1,099,641</u>	<u>930,979</u>
Water Amortization & Interest			
Amortization	355,939	355,939	334,560
sub-total- water amortization & interest	<u>355,939</u>	<u>355,939</u>	<u>334,560</u>
Sewer General			
Collection system costs	148,232	84,315	158,456
Treatment and disposal cost	49,752	56,120	76,732
Lift Station costs	71,170	83,253	116,695
sub-total- sewer general	<u>269,154</u>	<u>223,688</u>	<u>351,883</u>
Sewage Amortization & Interest			
Amortization	157,887	157,887	229,528
sub-total- sewer amortization & interest	<u>157,887</u>	<u>157,887</u>	<u>229,528</u>
Total expenses	<u>2,089,797</u>	<u>2,217,460</u>	<u>2,225,068</u>
NET OPERATING DEFICIT	(188,826)	564,392	(133,259)
TRANSFERS			
Transfers from (to) operating fund		184,285	175,207
Transfers from (to) reserve funds	(325,000)	(325,000)	(325,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (513,826)</u>	423,677	(283,052)
FUND SURPLUS, BEGINNING OF YEAR		<u>7,600,085</u>	<u>7,883,137</u>
FUND SURPLUS, END OF YEAR		<u>\$ 8,023,762</u>	<u>\$ 7,600,085</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2017

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 5,810,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,810,269
Grants in lieu of taxation	865,178	-	-	-	-	-	-	865,178
User fees	1,599,340	-	-	-	-	-	47,991	1,647,331
Permits, licences and fines	108,500	-	-	-	-	-	-	108,500
Investment income	75,000	-	-	-	-	-	-	75,000
Other revenue	339,000	-	-	-	-	-	19,534	358,534
Water and sewer	-	1,900,971	-	-	-	-	-	1,900,971
Grants - Province of Manitoba	1,117,358	-	-	-	-	-	78,653	1,196,011
Grants - other	3,210,255	-	-	-	-	-	102,000	3,312,255
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	677,365	-	-	-	(677,365)	-	-	-
Total revenue	13,802,265	1,900,971	-	-	(677,365)	-	248,178	15,274,049
EXPENSES								
General government services	\$ 1,428,556	\$ -	\$ 21,839	\$ 230,054	\$ -	\$ -	\$ -	\$ 1,680,449
Protective services	2,850,232	-	61,417	-	-	-	-	2,911,649
Transportation services	2,198,572	-	652,070	-	-	-	-	2,850,642
Environmental health services	423,308	-	32,664	-	-	17,773	-	473,745
Public health and welfare services	95,397	-	5,418	-	-	-	-	100,815
Regional planning and development	-	-	-	-	-	-	50,438	50,438
Resource cons and industrial dev	453,542	-	28,653	-	-	-	-	482,195
Recreation and cultural services	1,187,475	-	439,716	-	-	-	205,673	1,832,864
Water and sewer services	-	1,575,971	513,826	-	-	-	-	2,089,797
Fiscal services:								
Transfer to capital	-	-	-	-	-	-	-	-
Debt charges	718,079	-	-	(718,079)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	4,445,415	325,000	-	-	(4,770,415)	-	-	-
Allowance for tax assets	1,689	-	-	-	(1,689)	-	-	-
Total expenses	13,802,265	1,900,971	1,755,603	(488,025)	(4,772,104)	17,773	256,111	12,472,594
Surplus (Deficit)	\$ -	\$ -	\$ (1,755,603)	\$ 488,025	\$ 4,094,739	\$ (17,773)	\$ (7,933)	\$ 2,801,455

**TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2017**

SCHEDULE 11

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	<u>\$ 1,048,908</u>	<u>\$ 1,487,656</u>
Add:		
Tax levy (Schedule 12)	9,124,849	9,112,059
Taxes added	34,102	12,098
Penalties or interest	109,530	166,574
Other accounts added	-	37,535
Municipal fees	-	2,150
Other added to taxes	5,938	6,706
Water added to taxes	116,514	182,942
Tax overpaid refunds	-	3,769
Sub-total	<u>9,390,933</u>	<u>9,523,833</u>
Deduct:		
Cash collections - current	7,976,794	7,898,421
Cash collections - arrears	574,297	1,110,263
Tax cancelled	15,157	7,166
Tax discounts	1,726	-
E.P.T.C. - cash advance	875,412	881,713
Other credits	-	65,018
Sub-total	<u>9,443,386</u>	<u>9,962,581</u>
Balance, end of year	<u>\$ 996,455</u>	<u>\$ 1,048,908</u>

TOWN OF THE PAS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2017

SCHEDULE 12

	2017			2016
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ 195,667,560	\$ 0.69	\$ 135,011	\$ 134,763
LI.D. #4381	\$ 195,667,560	\$ 0.76	148,707	148,435
LI.D. #4435	\$ 195,667,560	\$ 0.93	181,971	181,637
LI.D. #4462	\$ 195,667,560	\$ 0.86	168,274	167,966
sub-total- Debt charges			<u>633,963</u>	<u>632,801</u>
General municipal	\$ 171,083,860	\$ 29.96	<u>5,125,672</u>	<u>5,118,220</u>
At large			<u>-</u>	<u>-</u>
Business fees			<u>12,946</u>	<u>14,481</u>
Total municipal taxes (Schedule 2)			<u>5,772,581</u>	<u>5,765,502</u>
Education support levy			<u>492,253</u>	<u>490,231</u>
Special levies:				
Kelsey School Division #45			<u>2,860,015</u>	<u>2,856,326</u>
Total education taxes			<u>3,352,268</u>	<u>3,346,557</u>
Total tax levy (Schedule 11)			<u>\$ 9,124,849</u>	<u>\$ 9,112,059</u>

TOWN OF THE PAS
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ending December 31, 2017

SCHEDULE 13

	<u>2017</u> Actual	<u>2016</u> Actual
General government services:		
Legislative	\$ 79,186	\$ 88,047
General administrative	1,120,362	1,232,622
Other	453,129	366,636
	<u>1,652,677</u>	<u>1,687,305</u>
Protective services:		
Police	2,486,296	2,322,363
Fire	425,575	370,375
Emergency measures	30,368	29,845
Other	88,732	93,845
	<u>3,030,971</u>	<u>2,816,428</u>
Transportation services:		
Road transport		
Administration and engineering	342,750	339,693
Road and street maintenance	849,406	753,700
Street lighting	141,796	124,939
Other	181,723	172,152
Air transport	1,467,515	1,335,710
	<u>2,983,190</u>	<u>2,726,194</u>
Environmental health services:		
Waste collection and disposal	380,405	397,646
Recycling	130,013	152,331
Other	106,540	104,195
	<u>616,958</u>	<u>654,172</u>
Public health and welfare services:		
Public health	93,448	72,520
Regional planning and development		
Urban area weed control	5,148	9,567
Resource conservation and industrial development		
Regional development	480,771	28,104
Tourism	19,857	14,554
	<u>500,628</u>	<u>42,658</u>
Recreation and cultural services:		
Other recreational facilities	2,416,040	1,723,521
Museums	182,687	197,692
Libraries	149,788	158,935
	<u>2,748,515</u>	<u>2,080,148</u>
Total expenses	<u><u>\$ 11,631,535</u></u>	<u><u>\$ 10,088,992</u></u>

TOWN OF THE PAS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2017

SCHEDULE 14

	General	2017 Utility	Total	2016 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 127,970	\$ (863,707)	\$ (735,737)	\$ 205,402
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,816,028	325,000	2,141,028	1,517,910
Eliminate revenue - transfers from reserves	(2,034,335)	-	(2,034,335)	(159,848)
Decrease revenue - loss on disposal of TCA	(295,898)	-	(295,898)	-
Increase revenue - reserve funds interest	108,783	-	108,783	82,405
Increase revenue - Net surplus (deficit) of consolidated entities	69,280	-	69,280	58,639
Eliminate revenue - transfer from / to nominal surpluses	-	-	-	(300,000)
Increase expense - amortization of tangible capital assets	(1,241,776)	(513,826)	(1,755,602)	(1,738,015)
Decrease expense - principal portion of debenture debt	488,025	-	488,025	464,493
Eliminate expense - acquisitions of tangible capital assets	1,859,204	1,616,925	3,476,129	41,953
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 897,281	\$ 564,392	\$ 1,461,673	\$ 172,939