

TOWN OF THE PAS

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of the Town of The Pas, which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis of Opinion

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

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

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

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

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

(continued.....)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Baker Tilly HMA LLP
Chartered Professional Accountants

The Pas, Manitoba
July 14, 2021


STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of The Pas and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

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

Baker Tilly HMA LLP as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Town in accordance with Canadian public sector accounting standards.



Graham Kahler, CPA, CA, CMMA
Chief Administrative Officer

TOWN OF THE PAS

Consolidated Financial Statements

For the Year Ended December 31, 2020

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**TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020**

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 7,873,030	\$ 8,315,978
Amounts receivable (Note 4)	2,198,048	2,054,952
Real estate properties held for sale	263,913	248,480
Other inventories for sale (Note 5)	<u>76,890</u>	<u>106,846</u>
	<u>\$ 10,411,881</u>	<u>\$ 10,726,256</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 2,316,925	\$ 2,128,633
Severance and sick leave payable	39,755	44,868
Unearned revenue (Note 7)	2,361,768	3,442,223
Landfill closure and post closure liabilities (Note 8)	319,544	312,870
Long-term debt (Note 9)	2,756,835	3,172,047
Other liabilities	<u>108,037</u>	<u>80,332</u>
	<u>7,902,864</u>	<u>9,180,973</u>
NET FINANCIAL ASSETS	<u>\$ 2,509,017</u>	<u>\$ 1,545,283</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 28,139,411	\$ 27,810,066
Inventories (Note 5)	350,963	359,867
Prepaid expenses	<u>66,835</u>	<u>92,111</u>
	<u>28,557,209</u>	<u>28,262,044</u>
ACCUMULATED SURPLUS	<u>\$ 31,066,226</u>	<u>\$ 29,807,327</u>

CONTINGENCY AND COMMITMENTS (NOTES 11 AND 12)

Approved on behalf of Council:

Herb Jacques
Mayor

Carrie Atkinson
Deputy Mayor and Councillor

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	<u>2020 Budget (Note 15)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Property taxes	\$ 6,201,144	\$ 6,215,642	\$ 6,148,696
Grants in lieu of taxation	1,011,833	1,011,833	943,300
User fees	2,733,171	1,518,971	2,190,753
Permits, licences and fines	125,500	109,182	120,060
Investment income	130,000	92,817	131,652
Other revenue	220,900	487,944	1,041,538
Water and sewer	2,175,225	2,242,752	2,347,915
Grants - Province of Manitoba	1,222,793	1,590,301	1,252,552
Grants - other	959,639	2,097,537	421,152
Total revenue (Schedules 2, 4 and 5)	<u>14,780,205</u>	<u>15,366,979</u>	<u>14,597,618</u>
EXPENSES			
General government services	1,890,108	1,672,668	1,585,379
Protective services	3,283,390	3,100,318	2,949,555
Transportation services	3,035,847	3,151,451	2,979,823
Environmental health services	682,262	582,608	665,033
Public health and welfare services	101,708	54,233	80,864
Regional planning and development	1,500	5,357	4,706
Resource conservation and industrial development	192,788	135,835	781,305
Recreation and cultural services	3,036,838	2,844,311	3,157,168
Water and sewer services	2,248,823	2,561,299	2,570,512
Total expenses (Schedules 3, 4 and 5)	<u>14,473,264</u>	<u>14,108,080</u>	<u>14,774,345</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 306,941</u>	<u>1,258,899</u>	<u>(176,727)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>29,807,327</u>	<u>29,984,054</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 31,066,226</u>	<u>\$ 29,807,327</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, 2020

	<u>2020</u> <u>Budget</u> <u>(Note 15)</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 306,941	\$ 1,258,899	\$ (176,727)
Acquisition of tangible capital assets	(2,224,988)	(2,224,988)	(716,708)
Amortization of tangible capital assets	1,890,094	1,890,094	1,817,716
Loss on sale of tangible capital assets		5,549	
Proceeds on sale of tangible capital assets			
Decrease (increase) in inventories	8,904	8,904	(83,517)
Decrease (increase) in prepaid expense	25,276	25,276	(26,914)
	<u>(300,714)</u>	<u>(295,165)</u>	<u>990,577</u>
CHANGE IN NET FINANCIAL ASSETS	\$ 6,227	963,734	813,850
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,545,283</u>	<u>731,433</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 2,509,017</u>	<u>\$ 1,545,283</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, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,258,899	\$ (176,727)
Changes in non-cash items:		
Amounts receivable	(143,096)	98,075
Inventories	38,860	(35,507)
Prepays	25,276	(26,914)
Accounts payable and accrued liabilities	188,292	408,670
Severance and sick leave payable	(5,113)	1,735
Landfill closure and post closure liabilities	6,674	23,745
Unearned revenue	(1,080,455)	446,655
Other liabilities	27,705	5,540
Loss on sale of tangible capital asset	5,549	-
Amortization	1,890,094	1,817,716
Cash provided by operating transactions	<u>2,212,685</u>	<u>2,562,988</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	(2,224,988)	(716,708)
Cash applied to capital transactions	<u>(2,224,988)</u>	<u>(716,708)</u>
INVESTING TRANSACTIONS		
Disposal (acquisition) of real estate properties	(15,433)	(12,076)
Cash applied to investing transactions	<u>(15,433)</u>	<u>(12,076)</u>
FINANCING TRANSACTIONS		
Net (repayments) borrowings from revolving line of credit	-	-
Proceeds of long-term debt	-	-
Debt repayment	(415,212)	(538,780)
Cash applied to financing transactions	<u>(415,212)</u>	<u>(538,780)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	(442,948)	1,295,424
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>8,315,978</u>	<u>7,020,554</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 7,873,030</u></u>	<u><u>\$ 8,315,978</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, 2020

1. Status of the Town of The Pas

The incorporated Town of The Pas (“the Town”) is a municipal government that was created in 1912 pursuant to the Manitoba Municipal Act. The Town provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Town owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

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

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

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

Kelsey Planning District (50%) (2019 - 50%)

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

Trust funds and their related operations administered by the Town are not consolidated in these financial statements. The trust funds administered by the Town are detailed in the notes to consolidated financial statements.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

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

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

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

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

h) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

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

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 years
Road grade	40 years
Water and Sewer	
Land	Indefinite
Land improvements	10 to 30 years
Buildings	10 to 40 years
Underground networks	50 years
Machinery and equipment	10 to 15 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Intangibles, Crown lands that have not been purchased by the Town, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

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

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

l) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 7,859,180	\$ 8,302,428
Temporary investments	<u>13,850</u>	<u>13,550</u>
	<u>\$ 7,873,030</u>	<u>\$ 8,315,978</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>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 1,013,570	\$ 1,050,991
Government grants	286,319	36,856
Utility customers	675,512	698,808
Organizations and individuals	418,974	424,286
Other governments	30,000	37,700
Debenture proceeds	-	-
Other (miscellaneous)	<u>150,923</u>	<u>174,465</u>
	<u>2,575,298</u>	<u>2,423,106</u>
Less allowances for doubtful amounts	<u>(377,250)</u>	<u>(368,154)</u>
	<u>\$ 2,198,048</u>	<u>\$ 2,054,952</u>

5. Inventories

Inventories for sale:

	<u>2020</u>	<u>2019</u>
Aviation fuel	\$ 28,163	\$ 65,706
Other	<u>48,727</u>	<u>41,140</u>
	<u>\$ 76,890</u>	<u>\$ 106,846</u>

Inventories for use:

	<u>2020</u>	<u>2019</u>
Fuel	\$ 36,621	\$ 46,558
Aggregate	134,580	142,713
Other supplies (general inventories)	<u>179,762</u>	<u>170,596</u>
	<u>\$ 350,963</u>	<u>\$ 359,867</u>

6. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 479,695	\$ 589,800
Accrued expenses	1,037,376	1,269,914
Debenture payment payable	567,160	
School levies	<u>232,694</u>	<u>268,919</u>
	<u>\$ 2,316,925</u>	<u>\$ 2,128,633</u>

7. Unearned Revenue

	<u>2020</u>	<u>2019</u>
Gas Tax balance, beginning of year	\$ 2,977,565	\$ 2,403,535
Funding received during the year	288,941	575,918
Interest earned	35,451	66,612
Recognized as revenue during the year	<u>(1,681,748)</u>	<u>(68,500)</u>
Gas Tax balance, end of year	1,620,209	2,977,565
Other deferred revenue	<u>741,559</u>	<u>464,658</u>
	<u>\$ 2,361,768</u>	<u>\$ 3,442,223</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>2020</u>	<u>2019</u>
Estimated closure and post closure costs over the next 20 years	\$ 341,734	\$ 339,628
Discount rate	<u>5.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 325,461</u>	<u>\$ 323,456</u>
Expected year capacity will be reached	2022	2020
Capacity (ha):		
Used to date	5.40	5.32
Remaining	0.10	0.18
Total	5.50	5.50
Percent utilized	<u>98.18%</u>	<u>96.73%</u>
Liability based on percentage	<u>\$ 319,544</u>	<u>\$ 312,870</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 useful life for the facility has been extended. The Town is in the process of evaluating available options for its future landfill requirements.

9. Long Term Debt

	2020	2019
General Authority:		
Debenture, interest at 5.75%, payable at \$150,918 annually including interest, maturing December 1, 2019	\$ -	\$ -
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	719,630	841,400
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	903,883	1,061,407
Debenture, interest at 4.375%, payable at \$191,447 annually including interest, maturing December 31, 2027	1,133,322	1,269,240
	\$ 2,756,835	\$ 3,172,047

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

2021	435,294
2022	456,358
2023	478,453
2024	501,630
2025	525,942
Thereafter	359,158

Schedule of Debentures Pending

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

10. Liability for Contaminated Sites

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

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

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

11. Contingency

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

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

12. Commitments

Lakefront Subdivision

The Town has committed to developing a lakefront subdivision. Budgeted capital expenditures are \$846,052 of which \$552,152 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.

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 \$265,507 (2019 - \$274,628) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (404,544)	\$ (380,954)
Utility operating fund - Nominal surplus	(604,783)	(361,578)
TCA net of related borrowings	25,373,077	24,630,671
Reserve funds	<u>6,345,284</u>	<u>5,641,044</u>
Accumulated surplus of Town unconsolidated	30,709,034	29,529,183
Accumulated surpluses of consolidated entities	<u>357,192</u>	<u>278,144</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 31,066,226</u></u>	<u><u>\$ 29,807,327</u></u>

17. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2020:

- a) Compensation paid to members of council amounted to \$82,494 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Herb Jaques	\$ 17,600	\$ -	\$ 17,600
Councillor - Andre Murphy	10,547	-	10,547
Councillor - Bill Ward	11,912	-	11,912
Councillor - Carrie Atkinson	10,651	-	10,651
Councillor - Chad Zolinski	10,547	-	10,547
Councillor - Larry Forster	10,690	446	11,136
Councillor - Trevor Lane	10,547	-	10,547
	<u>\$ 82,494</u>	<u>\$ 446</u>	<u>\$ 82,940</u>

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

18. Public Utilities Board

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

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

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

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

Water services:

<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 treatment study	\$ 7,537	\$ -	\$ 838	\$ 6,699
Lagoon study	31,289	-	2,086	29,203
Sewage lagoon	1,375	-	125	1,250
Bell Ave. lift station	274,400	-	19,600	254,800
Water treatment plant	250,949	-	20,912	230,037
LaRose Ave. renewal	1,153,353	-	66,666	1,086,687
Water treatment plant	994,394	-	82,866	911,528
	<u>\$ 2,713,297</u>	<u>\$ -</u>	<u>\$ 193,093</u>	<u>\$ 2,520,204</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>\$ 80,332</u>	<u>\$ 27,705</u>	<u>\$ 108,037</u>

20. Contingent assets

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

For the years ended December 31, 2020 and 2019 the Town did not have any contingent assets.

21. Contractual rights

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

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

Contractual rights arise from, but are not limited to:

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

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

For the years ended December 31, 2020 and 2019 the Town did not have any contractual rights which meet its criteria for disclosure.

22. Related party disclosures

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

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

Disclosure is generally required when:

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

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

For the years ended December 31, 2020 and 2019 the Town did not have any related party transactions which met its criteria for disclosure.

23. Comparative Figures

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

24. Subsequent Events

Sewage Lagoon Upgrade

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

COVID-19

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

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2020

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	2020	2019
Cost										
Opening costs	\$ 2,593,315	\$ 18,363,163	\$ 5,910,713	\$ 99,226	\$ 81,487	\$ 11,250,443	\$ 21,132,496	\$ 61,327	59,492,170	\$ 60,151,095
Additions during the year	66,070	91,054	312,082	17,994	375,919	1,374,172	37,634	18,110	2,293,035	5,215,455
Disposals and write downs	-	-	-	-	(73,596)	(2,723,318)	-	-	(2,796,914)	(5,874,380)
Closing costs	2,659,385	18,454,217	6,222,795	117,220	383,810	9,901,297	21,170,130	79,437	58,988,291	59,492,170
Accumulated Amortization										
Opening accum'd amortization	(417,998)	(7,548,647)	(3,268,563)	(63,985)	-	(7,324,582)	(13,058,329)	-	(31,682,104)	(31,240,021)
Amortization	(61,525)	(435,403)	(448,394)	(26,518)	-	(342,913)	(575,341)	-	(1,890,094)	(1,817,716)
Disposals and write downs	-	-	-	-	-	2,723,318	-	-	2,723,318	1,375,633
Closing accum'd amortization	(479,523)	(7,984,050)	(3,716,957)	(90,503)	-	(4,944,177)	(13,633,670)	-	(30,848,880)	(31,682,104)
Net Book Value of Tangible Capital Assets	\$ 2,179,862	\$ 10,470,167	\$ 2,505,838	\$ 26,717	\$ 383,810	\$ 4,957,120	\$ 7,536,460	\$ 79,437	\$ 28,139,411	\$ 27,810,066

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,200,142	\$ 6,142,233
Taxes added (cancelled)	15,500	6,463
Tax discount	-	-
	<u>6,215,642</u>	<u>6,148,696</u>
Grants in lieu of taxation:		
Federal government	79,057	80,205
Federal government enterprises	6,162	5,897
Provincial government	230,109	223,744
Provincial government enterprises	696,505	633,454
	<u>1,011,833</u>	<u>943,300</u>
User fees		
Sales of service	731,360	1,128,573
Sales of goods	466,214	478,888
Facility use fees	321,397	583,292
	<u>1,518,971</u>	<u>2,190,753</u>
Permits, licences and fines		
Permits	35,403	41,940
Fines	73,779	78,120
	<u>109,182</u>	<u>120,060</u>
Investment income:		
Cash and temporary investments	<u>92,817</u>	<u>131,652</u>
Other revenue:		
Miscellaneous	349,698	899,439
Penalties and interest	138,246	142,099
	<u>487,944</u>	<u>1,041,538</u>
Water and sewer		
Municipal utility (Schedule 9)	<u>2,242,752</u>	<u>2,347,915</u>
Grants - Province of Manitoba		
Municipal operating grants	516,285	516,285
Other unconditional grants	925,070	603,629
Conditional grants	148,946	132,638
	<u>1,590,301</u>	<u>1,252,552</u>
Grants - other		
Federal government - gas tax funding	1,682,141	68,500
Federal government - other	187,566	43,379
Other municipal governments	227,830	309,273
	<u>2,097,537</u>	<u>421,152</u>
Total revenue	<u><u>\$ 15,366,979</u></u>	<u><u>\$ 14,597,618</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 81,898	\$ 82,865
General administrative	900,708	1,015,580
Other (miscellaneous)	690,062	486,934
	<u>1,672,668</u>	<u>1,585,379</u>
Protective services:		
Police	2,541,758	2,413,810
Fire	486,424	467,598
Emergency measures	32,896	34,769
Other (animal control)	39,240	33,378
	<u>3,100,318</u>	<u>2,949,555</u>
Transportation services:		
Road transport		
Administration and engineering	369,566	340,034
Road and street maintenance	988,068	831,233
Street lighting	136,050	108,016
Other (signage, marking and festive lighting)	285,314	244,344
Air transport	1,372,453	1,456,196
	<u>3,151,451</u>	<u>2,979,823</u>
Environmental health services:		
Waste collection and disposal	330,700	374,322
Recycling	159,649	155,826
Other (miscellaneous)	92,259	134,885
	<u>582,608</u>	<u>665,033</u>
Public health and welfare services:		
Public health	<u>54,233</u>	<u>80,864</u>
Regional planning and development		
Urban area weed control	<u>5,357</u>	<u>4,706</u>
Resource conservation and industrial development		
Regional development	109,236	749,402
Tourism	26,599	31,903
	<u>135,835</u>	<u>781,305</u>
Recreation and cultural services:		
Administration	140,847	171,593
Swimming pools and beaches	531,281	608,101
Skating and curling rinks	413,319	443,068
Parks and playgrounds	199,315	199,388
Other recreational facilities	1,009,538	1,125,146
Museums	265,835	325,880
Libraries	284,176	283,992
	<u>2,844,311</u>	<u>3,157,168</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	<u>2,561,299</u>	<u>2,570,512</u>
Total expenses	<u>\$ 14,108,080</u>	<u>\$ 14,774,345</u>

TOWN OF THE PAS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 6,215,642	\$ 6,148,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	1,011,833	943,300	-	-	-	-	-	-	-	-
User fees	42,237	138,613	107,153	131,730	663,057	981,354	293,042	182,787	38,851	57,883
Grants - other	1,828,409	74,652	-	-	-	-	-	-	-	-
Permits, licences and fines	109,182	120,060	-	-	-	-	-	-	-	-
Investment income	92,817	131,652	-	-	-	-	-	-	-	-
Other revenue	366,937	905,572	-	-	172	991	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,441,355	1,119,914	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	23,000	25,546	-	-	-	-	-	-	-	-
Total revenue	11,131,412	9,608,005	107,153	131,730	663,229	982,345	293,042	182,787	38,851	57,883
EXPENSES										
Personnel services	657,657	724,175	258,242	255,257	1,137,406	1,022,536	250,667	327,474	34,581	64,311
Contract services	420,411	158,359	2,541,758	2,413,994	138,894	167,812	27,763	36,765	3,046	1,632
Utilities	79,053	108,676	43,462	42,307	267,388	238,459	4,007	4,908	-	-
Maintenance materials and supplies	102,198	75,825	174,005	153,990	729,035	680,084	43,440	42,884	11,188	9,503
Grants and contributions	147,973	223,281	-	-	-	-	159,649	155,826	-	-
Amortization	24,958	22,180	68,189	66,912	677,845	659,578	23,390	23,390	5,418	5,418
Interest on long term debt	152,149	179,331	-	-	-	-	-	-	-	-
Other	88,269	93,552	14,662	17,095	200,883	211,354	73,692	73,786	-	-
Total expenses	1,672,668	1,585,379	3,100,318	2,949,555	3,151,451	2,979,823	582,608	665,033	54,233	80,864
Surplus (Deficit)	\$ 9,458,744	\$ 8,022,626	\$ (2,993,165)	\$ (2,817,825)	\$ (2,488,222)	\$ (1,997,478)	\$ (289,566)	\$ (482,246)	\$ (15,382)	\$ (22,981)

* 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, 2020

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,215,642	\$ 6,148,696
Grants in lieu of taxation	-	-	-	-	-	-	-	-	1,011,833	943,300
User fees	-	-	-	-	374,631	698,386	-	-	1,518,971	2,190,753
Grants - other	-	-	30,809	105,277	238,319	241,223	-	-	2,097,537	421,152
Permits, licences and fines	-	-	-	-	-	-	-	-	109,182	120,060
Investment income	-	-	-	-	-	-	-	-	92,817	131,652
Other revenue	-	-	900	500	119,935	134,475	-	-	487,944	1,041,538
Water and sewer	-	-	-	-	-	-	2,242,752	2,347,915	2,242,752	2,347,915
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,441,355	1,119,914
Prov of MB - Conditional Grants	-	-	-	-	125,946	107,092	-	-	148,946	132,638
Total revenue	-	-	31,709	105,777	858,831	1,181,176	2,242,752	2,347,915	15,366,979	14,597,618
EXPENSES										
Personnel services	-	-	80,564	45,986	1,467,035	1,832,696	923,786	944,938	4,809,938	5,217,373
Contract services	3,500	1,631	4,992	59,032	72,870	79,722	27,278	32,335	3,240,512	2,951,282
Utilities	-	-	1,561	3,563	432,067	348,976	378,116	364,129	1,205,654	1,111,018
Maintenance materials and supplies	1,707	2,416	2,892	4,062	128,886	171,267	629,655	661,058	1,823,006	1,801,089
Grants and contributions	-	-	-	543,004	-	-	-	-	307,622	922,111
Amortization	-	-	43,131	53,383	471,823	440,242	575,340	546,614	1,890,094	1,817,717
Interest on long term debt	-	-	-	-	-	-	-	-	152,149	179,331
Other	150	659	2,695	72,275	271,630	284,265	27,124	21,438	679,105	774,424
Total expenses	5,357	4,706	135,835	781,305	2,844,311	3,157,168	2,561,299	2,570,512	14,108,080	14,774,345
Surplus (Deficit)	\$ (5,357)	\$ (4,706)	\$ (104,126)	\$ (675,528)	\$ (1,985,480)	\$ (1,975,992)	\$ (318,547)	\$ (222,597)	\$ 1,258,899	\$ (176,727)

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 6,215,642	\$ 6,148,696	\$ -	\$ -	\$ -	\$ -	\$ 6,215,642	6,148,696
Grants in lieu of taxation	1,011,833	943,300	-	-	-	-	1,011,833	943,300
User fees	1,504,735	2,159,288	14,236	31,465	-	-	1,518,971	2,190,753
Grants - other	1,965,430	219,625	132,107	201,527	-	-	2,097,537	421,152
Permits, licences and fines	109,182	120,060	-	-	-	-	109,182	120,060
Investment income	92,817	131,652	-	-	-	-	92,817	131,652
Other revenue	470,310	1,015,134	17,634	26,404	-	-	487,944	1,041,538
Water and sewer	2,242,752	2,347,915	-	-	-	-	2,242,752	2,347,915
Prov of MB - Unconditional Grants	1,441,355	1,119,914	-	-	-	-	1,441,355	1,119,914
Prov of MB - Conditional Grants	52,539	32,455	96,407	100,183	-	-	148,946	132,638
Total revenue	15,106,595	14,238,039	260,384	359,579	-	-	15,366,979	14,597,618
EXPENSES								
Personnel services	4,419,083	4,825,824	390,855	391,549	-	-	4,809,938	5,217,373
Contract services	3,216,340	2,870,381	24,172	80,901	-	-	3,240,512	2,951,282
Utilities	1,156,872	1,056,669	48,782	54,349	-	-	1,205,654	1,111,018
Maintenance materials and supplies	1,771,003	1,730,042	52,003	71,047	-	-	1,823,006	1,801,089
Grants and contributions	307,622	922,111	-	-	-	-	307,622	922,111
Amortization	1,887,840	1,813,739	2,254	3,978	-	-	1,890,094	1,817,717
Interest on long term debt	152,149	179,331	-	-	-	-	152,149	179,331
Other	640,811	669,368	38,294	105,056	-	-	679,105	774,424
Total expenses	13,551,720	14,067,465	556,360	706,880	-	-	14,108,080	14,774,345
Surplus (Deficit)	\$ 1,554,875	\$ 170,574	\$ (295,976)	\$ (347,301)	\$ -	\$ -	\$ 1,258,899	\$ (176,727)

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2020

	2020							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	\$ 450	\$ 8,484	\$ 991	\$ 4,379	\$ 77	\$ 180	\$ 940	\$ 593
Other income	-	-	-	-	-	-	-	-
Total revenue	<u>450</u>	<u>8,484</u>	<u>991</u>	<u>4,379</u>	<u>77</u>	<u>180</u>	<u>940</u>	<u>593</u>
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	450	8,484	991	4,379	77	180	940	593
TRANSFERS								
Transfers to reserve fund	-	56,000	13,890	83,050	15,000	-	17,002	10,000
Transfers from reserve fund	<u>(58,802)</u>	<u>(289,575)</u>	<u>-</u>	<u>(49,068)</u>	<u>(5,467)</u>	<u>-</u>	<u>(63,298)</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCES	(58,352)	(225,091)	14,881	38,361	9,610	180	(45,356)	10,593
FUND SURPLUS, BEGINNING OF YEAR	<u>58,343</u>	<u>661,945</u>	<u>56,730</u>	<u>264,461</u>	<u>177</u>	<u>11,527</u>	<u>83,521</u>	<u>33,042</u>
FUND SURPLUS, END OF YEAR	<u>\$ (9)</u>	<u>\$ 436,854</u>	<u>\$ 71,611</u>	<u>\$ 302,822</u>	<u>\$ 9,787</u>	<u>\$ 11,707</u>	<u>\$ 38,165</u>	<u>\$ 43,635</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2020

	2020							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetery Improvement
REVENUE								
Investment income	\$ 29,030	\$ 17,196	\$ 1,984	\$ 5,907	\$ 566	\$ 330	\$ 1,303	\$ 190
Other income	-	-	-	-	-	-	-	-
Total revenue	29,030	17,196	1,984	5,907	566	330	1,303	190
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	29,030	17,196	1,984	5,907	566	330	1,303	190
TRANSFERS								
Transfers to reserve fund	500,000	300,000	-	-	5,000	42,354	-	-
Transfers from reserve fund	(40,524)	-	(3,000)	(98,264)	(27,754)	-	-	-
CHANGE IN RESERVE FUND BALANCES	488,506	317,196	(1,016)	(92,357)	(22,188)	42,684	1,303	190
FUND SURPLUS, BEGINNING OF YEAR	1,616,738	957,546	128,945	428,689	47,741	-	83,639	12,255
FUND SURPLUS, END OF YEAR	<u>\$ 2,105,244</u>	<u>\$ 1,274,742</u>	<u>\$ 127,929</u>	<u>\$ 336,332</u>	<u>\$ 25,553</u>	<u>\$ 42,684</u>	<u>\$ 84,942</u>	<u>\$ 12,445</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2020

	2020							
	Columbarium	Parks and Playgrounds	Waste Dispo -sal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask River Waterfront	
REVENUE								
Investment income	\$ -	\$ 267	\$ 668	\$ 14,221	\$ 184	\$ 3,401	\$ 198	\$ 651
Other income	-	-	-	-	-	-	-	-
Total revenue	-	267	668	14,221	184	3,401	198	651
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	267	668	14,221	184	3,401	198	651
TRANSFERS								
Transfers to reserve fund	-	-	-	183,437	75,630	37,815	13,706	-
Transfers from reserve fund	-	(1,391)	(1,976)	(15,658)	(74,535)	(19,381)	-	-
CHANGE IN RESERVE FUND BALANCES	-	(1,124)	(1,308)	182,000	1,279	21,835	13,904	651
FUND SURPLUS, BEGINNING OF YEAR	-	17,833	42,914	829,869	(1,087)	209,300	5,856	41,840
FUND SURPLUS, END OF YEAR	\$ -	\$ 16,709	\$ 41,606	\$ 1,011,869	\$ 192	\$ 231,135	\$ 19,760	\$ 42,491

TOWN OF THE PAS

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2020

	2020						2019
	Municipal Election	Sam Waller Museum	Rec Infrastructure				Total
REVENUE							
Investment income	\$ 122	\$ 697	\$ 140	\$ -	\$ -	\$ -	\$ 93,149
Other income	-	-	-	-	-	-	-
Total revenue	122	697	140	-	-	-	93,149
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	122	697	140	-	-	-	93,149
TRANSFERS							
Transfers to reserve fund	2,000	5,000	37,816	-	-	-	1,397,700
Transfers from reserve fund	-	-	(37,916)	-	-	-	(786,609)
CHANGE IN RESERVE FUND BALANCES	2,122	5,697	40	-	-	-	704,240
FUND SURPLUS, BEGINNING OF YEAR	6,818	42,301	101	-	-	-	5,641,044
FUND SURPLUS, END OF YEAR	\$ 8,940	\$ 47,998	\$ 141	\$ -	\$ -	\$ -	\$ 6,345,284

SCHEDULE OF L.U.D. OPERATIONS

For the Year Ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		-	-

TOWN OF THE PAS
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
December 31, 2020

SCHEDULE 8

	2020						2019	
	Water and Sewer						Total	Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	675,511	-	-	-	-	-	675,511	484,362
Portfolio investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
	<u>\$ 675,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,511</u>	<u>\$ 484,362</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-
Long-term debt (Note 8)	-	-	-	-	-	-	-	-
Due to other funds	1,977,774	-	-	-	-	-	1,977,774	1,487,674
	<u>1,977,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,977,774</u>	<u>1,487,674</u>
NET FINANCIAL ASSETS	<u>\$ (1,302,263)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,302,263)</u>	<u>\$ (1,003,312)</u>
NON-FINANCIAL ASSETS								
Tangible capital assets (Schedule 1)	7,615,896	-	-	-	-	-	7,615,896	8,135,492
FUND SURPLUS	<u>\$ 6,313,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,313,633</u>	<u>\$ 7,132,180</u>

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
REVENUE			
Water			
Water fees	\$ 1,570,189	\$ 1,670,186	\$ 1,748,587
Bulk water sales	7,038	5,860	10,749
sub-total- water	<u>1,577,227</u>	<u>1,676,046</u>	<u>1,759,336</u>
Sewer			
Sewer fees	505,434	474,253	534,678
Lagoon tipping fees	5,259	2,630	4,815
sub-total- sewer	<u>510,693</u>	<u>476,883</u>	<u>539,493</u>
Recovery			
Recovery			
sub-total- recovery	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Capital	-	23,225	-
sub-total- government transfers	<u>-</u>	<u>23,225</u>	<u>-</u>
Other			
Hydrant rentals	26,700	26,700	26,700
Penalties	39,245	39,688	22,267
Other income (miscellaneous)	21,361	210	119
sub-total- other	<u>87,306</u>	<u>66,598</u>	<u>49,086</u>
Total revenue	<u>2,175,226</u>	<u>2,242,752</u>	<u>2,347,915</u>

TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ 344,345	\$ 321,722	\$ 321,382
Training costs	5,000	7,409	905
Billing and collection	11,543	34,798	24,871
sub-total- general	<u>360,888</u>	<u>363,929</u>	<u>347,158</u>
Water General			
Purification and treatment	590,543	646,500	600,500
Transmission and distribution	493,374	553,487	741,989
sub-total- water general	<u>1,083,917</u>	<u>1,199,987</u>	<u>1,342,489</u>
Water Amortization & Interest			
Amortization	304,649	306,391	391,446
sub-total- water amortization & interest	<u>304,649</u>	<u>306,391</u>	<u>391,446</u>
Sewer General			
Collection system costs	76,261	257,956	167,458
Treatment and disposal cost	68,931	64,680	61,734
Lift Station costs	85,228	99,407	105,059
sub-total- sewer general	<u>230,420</u>	<u>422,043</u>	<u>334,251</u>
Sewage Amortization & Interest			
Amortization	268,949	268,949	155,168
sub-total- sewer amortization & interest	<u>268,949</u>	<u>268,949</u>	<u>155,168</u>
Total expenses	<u>2,248,823</u>	<u>2,561,299</u>	<u>2,570,512</u>
NET OPERATING DEFICIT	(73,597)	(318,547)	(222,597)
TRANSFERS			
Transfers from (to) operating fund			
Transfers from (to) reserve funds	<u>(500,000)</u>	<u>(500,000)</u>	<u>(300,000)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (573,597)</u>	(818,547)	(522,597)
FUND SURPLUS, BEGINNING OF YEAR		<u>7,132,180</u>	<u>7,654,777</u>
FUND SURPLUS, END OF YEAR		<u>\$ 6,313,633</u>	<u>\$ 7,132,180</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 6,201,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,201,144
Grants in lieu of taxation	1,011,833	-	-	-	-	-	-	1,011,833
User fees	2,718,071	-	-	-	-	-	15,100	2,733,171
Permits, licences and fines	125,500	-	-	-	-	-	-	125,500
Investment income	130,000	-	-	-	-	-	-	130,000
Other revenue	215,000	-	-	-	-	-	5,900	220,900
Water and sewer	-	2,175,225	-	-	-	-	-	2,175,225
Grants - Province of Manitoba	1,154,914	-	-	-	-	-	67,879	1,222,793
Grants - other	884,521	-	-	-	-	-	75,118	959,639
Transfers from accumulated surplus	-	276,107	-	-	(276,107)	-	-	-
Transfers from reserves	91,537	-	-	-	(91,537)	-	-	-
Total revenue	12,532,520	2,451,332	-	-	(367,644)	-	163,997	14,780,205
EXPENSES								
General government services	\$ 1,650,202	\$ -	\$ 24,958	\$ 214,948	\$ -	\$ -	\$ -	\$ 1,890,108
Protective services	3,215,201	-	68,189	-	-	-	-	3,283,390
Transportation services	2,358,002	-	677,845	-	-	-	-	3,035,847
Environmental health services	652,198	-	23,390	-	-	6,674	-	682,262
Public health and welfare services	96,290	-	5,418	-	-	-	-	101,708
Regional planning and development	1,500	-	-	-	-	-	-	1,500
Resource cons and industrial dev	86,139	-	43,131	-	-	-	63,518	192,788
Recreation and cultural services	2,432,636	-	471,823	-	-	-	132,379	3,036,838
Water and sewer services	-	1,675,225	573,598	-	-	-	-	2,248,823
Fiscal services:								
Transfer to capital	-	-	-	-	-	-	-	-
Debt charges	630,161	-	-	(630,161)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Deficit recovery	-	276,107	-	-	(276,107)	-	-	-
Transfer to reserves	1,400,838	500,000	-	-	(1,900,838)	-	-	-
Allowance for tax assets	9,353	-	-	-	(9,353)	-	-	-
Total expenses	12,532,520	2,451,332	1,888,352	(415,213)	(2,186,298)	6,674	195,897	14,473,264
Surplus (Deficit)	\$ -	\$ -	\$ (1,888,352)	\$ 415,213	\$ 1,818,654	\$ (6,674)	\$ (31,900)	\$ 306,941

TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2020

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 1,050,991	\$ 875,115
Add:		
Tax levy (Schedule 12)	9,065,343	9,389,478
Taxes added	13,249	24,268
Penalties or interest	100,654	111,703
Other accounts added	322	-
Municipal fees	-	-
Other added to taxes	6,672	2,549
Water added to taxes	149,291	135,032
Tax overpaid refunds	20,299	1,404
Sub-total	<u>9,355,830</u>	<u>9,664,434</u>
Deduct:		
Cash collections - current	7,839,065	8,091,414
Cash collections - arrears	724,785	541,317
Tax cancelled	4,252	8,491
Tax discounts	13,652	16,637
E.P.T.C. - cash advance	811,497	830,699
Other credits	-	-
Sub-total	<u>9,393,251</u>	<u>9,488,558</u>
Balance, end of year	<u><u>\$ 1,013,570</u></u>	<u><u>\$ 1,050,991</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2020

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ -	\$ -	\$ -	\$ 133,634
LI.D. #4381	\$ 192,821,110	\$ 0.77	148,472	148,906
LI.D. #4435	\$ 192,821,110	\$ 0.94	181,252	181,360
LI.D. #4486	\$ 192,821,110	\$ 0.87	167,754	167,997
sub-total- Debt charges			<u>497,478</u>	<u>631,897</u>
Reserves:				
Infrastructure	\$ 169,141,220	\$ 1.52	257,095	258,844
Machinery equip. repl.	\$ 169,141,220	\$ 0.25	42,285	86,838
Municipal election	\$ 169,141,220	\$ 0.01	1,691	1,670
Computer	\$ 169,141,220	\$ 0.08	13,531	5,010
Arena reserve	\$ 169,141,220	\$ 0.05	8,457	8,350
Museum	\$ 169,141,220	\$ 0.03	5,074	5,010
Wellness equip.	\$ 169,141,220	\$ 0.05	8,457	-
Winton pool	\$ 169,141,220	\$ 0.05	8,457	8,350
Civic Centre	\$ 169,141,220	\$ 0.05	8,457	8,350
Fire Equipment	\$ 169,141,220	\$ 0.13	21,988	-
Garage/Tanks	\$ 169,141,220	\$ 0.11	18,606	-
Library	\$ 169,141,220	\$ 0.03	5,074	5,010
			<u>399,172</u>	<u>387,432</u>
General municipal	\$ 169,141,220	\$ 31.30	5,294,120	5,113,420
Deficit recovery	\$ 169,141,220	\$ -	-	-
At large			-	-
Business fees			9,372	9,484
Total municipal taxes (Schedule 2)			<u>6,200,142</u>	<u>6,142,233</u>
Education support levy			418,703	460,364
Special levies:				
Kelsey School Division #45			2,446,498	2,786,881
Total education taxes			<u>2,865,201</u>	<u>3,247,245</u>
Total tax levy (Schedule 11)			<u>\$ 9,065,343</u>	<u>\$ 9,389,478</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ending December 31, 2020

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 81,898	\$ 82,865
General administrative	900,708	1,015,580
Other (miscellaneous)	690,871	512,212
	<u>1,673,477</u>	<u>1,610,657</u>
Protective services:		
Police	2,541,758	2,413,810
Fire	486,424	467,598
Emergency measures	32,896	34,769
Other (animal control)	39,240	33,378
	<u>3,100,318</u>	<u>2,949,555</u>
Transportation services:		
Road transport		
Administration and engineering	369,566	340,034
Road and street maintenance	988,068	831,233
Street lighting	136,050	108,016
Other (signage, marking and festive lighting)	285,314	244,344
Air transport	1,372,453	1,456,196
	<u>3,151,451</u>	<u>2,979,823</u>
Environmental health services:		
Waste collection and disposal	330,700	374,322
Recycling	159,649	155,826
Other (miscellaneous)	92,259	134,884
	<u>582,608</u>	<u>665,032</u>
Public health and welfare services:		
Public health	54,233	80,864
Regional planning and development		
Urban area weed control	5,357	4,706
Resource conservation and industrial development		
Regional development	43,131	582,194
Tourism	18,306	30,745
	<u>61,437</u>	<u>612,939</u>
Recreation and cultural services:		
Other recreational facilities	2,294,301	2,547,296
Museums	220,734	190,794
Libraries	163,251	147,868
	<u>2,678,286</u>	<u>2,885,958</u>
Total expenses	<u>\$ 11,307,167</u>	<u>\$ 11,789,534</u>

TOWN OF THE PAS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2020

SCHEDULE 14

	General	2020 Utility	Total	2019 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (23,589)	\$ (243,207)	\$ (266,796)	\$ (249,294)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	897,698	500,000	1,397,698	1,175,282
Eliminate revenue - transfers from reserves	(243,430)	(40,523)	(283,953)	(795,540)
Decrease revenue - loss on disposal of TCA	(5,549)	-	(5,549)	-
Increase revenue - reserve funds interest	93,150	-	93,150	133,097
Increase revenue - Net surplus (deficit) of consolidated entities	79,048	-	79,048	117,979
Eliminate revenue - transfer from / to nominal surpluses	-	-	-	-
Increase expense - amortization of tangible capital assets	(1,312,501)	(575,340)	(1,887,841)	(1,813,739)
Decrease expense - principal portion of debenture debt	415,213	-	415,213	538,780
Eliminate expense - acquisitions of tangible capital assets	1,677,406	40,523	1,717,929	716,708
	\$ 1,577,446	\$ (318,547)	\$ 1,258,899	\$ (176,727)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS				