

TOWN OF THE PAS

**Consolidated Financial Statements
For the Year Ended December 31, 2021**

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, 2021, and the consolidated statements of operations and accumulated surplus, change in net financial assets 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' 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' 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' 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' 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
June 27, 2022

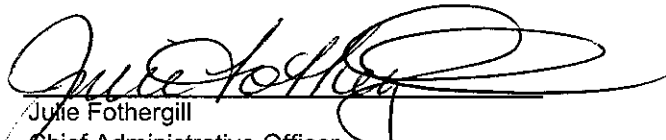
STATEMENT OF RESPONSIBILITY

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.



Julie Fothergill
Chief Administrative Officer

TOWN OF THE PAS

Consolidated Financial Statements

For the Year Ended December 31, 2021

Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	17
Schedule 2 - Consolidated Schedule of Revenues	18
Schedule 3 - Consolidated Schedule of Expenses	19
Schedule 4 - Consolidated Statement of Operations by Program	20
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	22
Schedule 6 - Schedule of Change in Reserve Fund Balances	23
Schedule 7 - Schedule of L.U.D. Operations	27
Schedule 8 - Schedule of Financial Position for Utilities	28
Schedule 9 - Schedule of Utility Operations	29
Schedule 10 - Reconciliation of the Financial Plan to the Budget	31
Schedule 11 - Analysis of Taxes on Roll	32
Schedule 12 - Analysis of Tax Levy	33
Schedule 13 - Schedule of General Operating Fund Expenses	34
Schedule 14 - Reconciliation of Annual Surplus	35

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 11,380,343	\$ 7,873,030
Amounts receivable (Note 4)	2,107,684	2,198,048
Real estate properties held for sale	293,355	263,913
Other inventories for sale (Note 5)	98,162	76,890
	<u>\$ 13,879,544</u>	<u>\$ 10,411,881</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 2,924,924	\$ 2,316,925
Severance and sick leave payable	41,495	39,755
Unearned revenue (Note 7)	3,499,229	2,361,768
Landfill closure and post closure liabilities (Note 8)	348,598	319,544
Long-term debt (Note 9)	2,321,541	2,756,835
Other liabilities	92,750	108,037
	<u>9,228,537</u>	<u>7,902,864</u>
NET FINANCIAL ASSETS	<u>\$ 4,651,007</u>	<u>\$ 2,509,017</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 26,882,506	\$ 28,139,411
Inventories (Note 5)	370,113	350,963
Prepaid expenses	98,190	66,835
	<u>27,350,809</u>	<u>28,557,209</u>
ACCUMULATED SURPLUS	<u>\$ 32,001,816</u>	<u>\$ 31,066,226</u>

CONTINGENCY AND COMMITMENTS (NOTES 11 AND 12)

Approved on behalf of Council:

Herb Jacques
Mayor

Trevor Lane
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, 2021

	<u>2021 Budget (Note 15)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
REVENUE			
Property taxes	\$ 6,498,004	\$ 6,530,227	\$ 6,215,642
Grants in lieu of taxation	1,059,894	1,059,894	1,011,833
User fees	2,161,294	2,076,978	1,518,971
Permits, licences and fines	126,000	113,580	109,182
Investment income	130,000	80,706	92,817
Other revenue	312,100	754,493	487,944
Water and sewer	12,662,800	2,164,014	2,242,752
Grants - Province of Manitoba	1,254,793	1,354,782	1,590,301
Grants - other	954,248	863,196	2,097,537
Total revenue (Schedules 2, 4 and 5)	<u>25,159,133</u>	<u>14,997,870</u>	<u>15,366,979</u>
EXPENSES			
General government services	1,349,596	1,554,457	1,672,668
Protective services	3,275,443	3,094,872	3,100,318
Transportation services	2,777,331	3,340,053	3,151,451
Environmental health services	657,544	677,495	582,608
Public health and welfare services	83,114	39,240	54,233
Regional planning and development	15,000	9,627	5,357
Resource conservation and industrial development	333,731	182,262	135,835
Recreation and cultural services	2,934,069	2,521,063	2,844,311
Water and sewer services	2,359,762	2,643,211	2,561,299
Total expenses (Schedules 3, 4 and 5)	<u>13,785,590</u>	<u>14,062,280</u>	<u>14,108,080</u>
ANNUAL SURPLUS	<u>\$ 11,373,543</u>	<u>935,590</u>	<u>1,258,899</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>31,066,226</u>	<u>29,807,327</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 32,001,816</u>	<u>\$ 31,066,226</u>

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS
For the Year Ended December 31, 2021

	<u>2021</u> <u>Budget</u> <u>(Note 15)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 11,373,543</u>	<u>\$ 935,590</u>	<u>\$ 1,258,899</u>
Acquisition of tangible capital assets	(500,047)	(500,047)	(2,224,988)
Amortization of tangible capital assets	1,756,952	1,756,952	1,890,094
Loss on sale of tangible capital assets	-	-	5,549
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	(19,150)	(19,150)	8,904
Decrease (increase) in prepaid expense	(31,355)	(31,355)	25,276
	<u>1,206,400</u>	<u>1,206,400</u>	<u>(295,165)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 12,579,943</u>	<u>2,141,990</u>	<u>963,734</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>2,509,017</u>	<u>1,545,283</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 4,651,007</u>	<u>\$ 2,509,017</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, 2021

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 935,590	\$ 1,258,899
Changes in non-cash items:		
Amounts receivable	90,364	(143,096)
Inventories	(40,422)	38,860
Prepays	(31,355)	25,276
Accounts payable and accrued liabilities	607,999	188,292
Severance and sick leave payable	1,740	(5,113)
Landfill closure and post closure liabilities	29,054	6,674
Unearned revenue	1,137,461	(1,080,455)
Other liabilities	(15,287)	27,705
Loss on sale of tangible capital asset	-	5,549
Amortization	1,756,952	1,890,094
Cash provided by operating transactions	<u>4,472,096</u>	<u>2,212,685</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	<u>(500,047)</u>	<u>(2,224,988)</u>
Cash applied to capital transactions	<u>(500,047)</u>	<u>(2,224,988)</u>
INVESTING TRANSACTIONS		
Disposal (acquisition) of real estate properties	<u>(29,442)</u>	<u>(15,433)</u>
Cash applied to investing transactions	<u>(29,442)</u>	<u>(15,433)</u>
FINANCING TRANSACTIONS		
Net (repayments) borrowings from revolving line of credit	-	-
Proceeds of long-term debt	-	-
Debt repayment	<u>(435,294)</u>	<u>(415,212)</u>
Cash applied to financing transactions	<u>(435,294)</u>	<u>(415,212)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	3,507,313	(442,948)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,873,030</u>	<u>8,315,978</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 11,380,343</u></u>	<u><u>\$ 7,873,030</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, 2021

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%) (2020 - 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>2021</u>	<u>2020</u>
Cash	\$ 11,366,411	\$ 7,859,180
Temporary investments	<u>13,932</u>	<u>13,850</u>
	<u><u>\$ 11,380,343</u></u>	<u><u>\$ 7,873,030</u></u>

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

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 763,232	\$ 1,013,570
Government grants	119,890	286,319
Utility customers	581,989	675,512
Organizations and individuals	673,570	418,974
Other governments	175,000	30,000
Debenture proceeds	-	-
Other (miscellaneous)	<u>169,711</u>	<u>150,923</u>
	<u>2,483,392</u>	<u>2,575,298</u>
Less allowances for doubtful amounts	<u>(375,708)</u>	<u>(377,250)</u>
	<u><u>\$ 2,107,684</u></u>	<u><u>\$ 2,198,048</u></u>

Included in amounts receivable from other governments is \$175,000 payable at \$35,000 annually maturing October 31, 2026. (2020 - NIL) This amount is non-interest bearing.

5. Inventories

Inventories for sale:

	<u>2021</u>	<u>2020</u>
Aviation fuel	\$ 53,980	\$ 28,163
Other	<u>44,182</u>	<u>48,727</u>
	<u><u>\$ 98,162</u></u>	<u><u>\$ 76,890</u></u>

Inventories for use:

	<u>2021</u>	<u>2020</u>
Fuel	\$ 35,182	\$ 36,621
Aggregate	131,789	134,580
Other supplies (general inventories)	<u>203,142</u>	<u>179,762</u>
	<u>\$ 370,113</u>	<u>\$ 350,963</u>

6. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 1,478,007	\$ 479,695
Accrued expenses	701,831	1,037,376
Debenture payment payable	567,160	567,160
School levies	<u>177,926</u>	<u>232,694</u>
	<u>\$ 2,924,924</u>	<u>\$ 2,316,925</u>

7. Unearned Revenue

	<u>2021</u>	<u>2020</u>
Gas Tax balance, beginning of year	\$ 1,620,209	\$ 2,977,565
Funding received during the year	591,016	288,941
Interest earned	22,523	35,451
Recognized as revenue during the year	<u>-</u>	<u>(1,681,748)</u>
Gas Tax balance, end of year	<u>2,233,748</u>	<u>1,620,209</u>
Other deferred revenue	<u>1,265,481</u>	<u>741,559</u>
	<u>\$ 3,499,229</u>	<u>\$ 2,361,768</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>2021</u>	<u>2020</u>
Estimated closure and post closure costs over the next 20 years	\$ 367,364	\$ 341,734
Discount rate	<u>5.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 349,870</u>	<u>\$ 325,461</u>
Expected year capacity will be reached	<u>2027</u>	<u>2027</u>
Capacity (ha):		
Used to date	5.48	5.40
Remaining	0.02	0.10
Total	5.50	5.50
Percent utilized	<u>99.64%</u>	<u>98.18%</u>
Liability based on percentage	<u>\$ 348,598</u>	<u>\$ 319,544</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

	2021	2020
General Authority:		
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	\$ 591,011	\$ 719,630
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	739,073	903,883
Debenture, interest at 4.375%, payable at \$191,447 annually including interest, maturing December 31, 2027	991,457	1,133,322
	\$ 2,321,541	\$ 2,756,835

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

2022	456,358
2023	478,453
2024	501,630
2025	525,942
2026	175,734
Thereafter	183,424

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

Airport Management Contract

On December 13, 2021, the Town entered into a three year agreement to purchase airport management services. The total cost of the agreement over the three year term is anticipated to be \$283,750 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 \$272,364 (2020 - \$265,507) 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, 2020 indicated the plan was 96.71% funded on a going concern basis and had an unfunded solvency liability of \$333.3 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, 2020.

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>2021</u>	<u>2020</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 57,638	\$ (404,544)
Utility operating fund - Nominal surplus	(964,018)	(604,783)
TCA net of related borrowings	24,552,788	25,373,077
Reserve funds	<u>7,474,369</u>	<u>6,345,284</u>
Accumulated surplus of Town unconsolidated	31,120,777	30,709,034
Accumulated surpluses of consolidated entities	<u>881,039</u>	<u>357,192</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 32,001,816</u>	<u>\$ 31,066,226</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, 2021:

- a) Compensation paid to members of council amounted to \$83,517 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	\$ 18,139	\$ 275	\$ 18,414
Councillor - Andre Murphy	10,560	200	10,760
Councillor - Bill Ward	10,355	275	10,630
Councillor - Carrie Atkinson	11,602	225	11,827
Councillor - Chad Zolinski	10,559	-	10,559
Councillor - Larry Forster	10,559	-	10,559
Councillor - Trevor Lane	10,768	-	10,768
	<u>\$ 82,542</u>	<u>\$ 975</u>	<u>\$ 83,517</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	\$ 6,699	\$ -	\$ 838	\$ 5,861
Lagoon study	29,203	-	2,086	27,117
Sewage lagoon	1,250	-	125	1,125
Bell Ave. lift station	254,800	-	19,600	235,200
Water treatment plant	230,037	-	20,912	209,125
LaRose Ave. renewal	1,086,687	-	66,666	1,020,021
Water treatment plant	911,528	-	82,866	828,662
	<u>\$ 2,520,204</u>	<u>\$ -</u>	<u>\$ 193,093</u>	<u>\$ 2,327,111</u>

19. Trust Funds

The Town administers the following trusts:

	<u>Balance, beg. of the year</u>	<u>Excess of Disbursements Over Receipts</u>	<u>Balance, end of the year</u>
Handivan	<u>\$ 108,037</u>	<u>\$ (15,288)</u>	<u>\$ 92,749</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, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020 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, 2021

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	2021	2020
Cost										
Opening 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
Additions during the year	21,875	387,086	175,233	6,521	202,935	-	-	82,315	875,965	2,293,035
Disposals and write downs	-	-	-	-	(375,918)	-	-	-	(375,918)	(2,796,914)
Closing costs	2,681,260	18,841,303	6,398,028	123,741	210,827	9,901,297	21,170,130	161,752	59,488,338	58,988,291
Accumulated Amortization										
Opening 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)
Amortization	(52,864)	(437,178)	(369,272)	(8,119)	-	(370,012)	(519,507)	-	(1,756,952)	(1,890,094)
Disposals and write downs	-	-	-	-	-	-	-	-	-	2,723,318
Closing accum'd amortization	(532,387)	(8,421,228)	(4,086,229)	(98,622)	-	(5,314,189)	(14,153,177)	-	(32,605,832)	(30,848,880)
Net Book Value of Tangible Capital Assets	\$ 2,148,873	\$ 10,420,075	\$ 2,311,799	\$ 25,119	\$ 210,827	\$ 4,587,108	\$ 7,016,953	\$ 161,752	\$ 26,882,506	\$ 28,139,411

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2021

SCHEDULE 2

	2021 Actual	2020 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,497,535	\$ 6,200,142
Taxes added (cancelled)	32,692	15,500
Tax discount	-	-
	<u>6,530,227</u>	<u>6,215,642</u>
Grants in lieu of taxation:		
Federal government	126,309	79,057
Federal government enterprises	9,849	6,162
Provincial government	257,503	230,109
Provincial government enterprises	666,233	696,505
	<u>1,059,894</u>	<u>1,011,833</u>
User fees		
Sales of service	727,402	731,360
Sales of goods	1,146,345	466,214
Facility use fees	203,231	321,397
	<u>2,076,978</u>	<u>1,518,971</u>
Permits, licences and fines		
Permits	29,205	35,403
Fines	84,375	73,779
	<u>113,580</u>	<u>109,182</u>
Investment income:		
Cash and temporary investments	<u>80,706</u>	<u>92,817</u>
Other revenue:		
Miscellaneous	613,406	349,698
Penalties and interest	141,087	138,246
	<u>754,493</u>	<u>487,944</u>
Water and sewer		
Municipal utility (Schedule 9)	<u>2,164,014</u>	<u>2,242,752</u>
Grants - Province of Manitoba		
Municipal operating grants	516,285	516,285
Other unconditional grants	603,629	925,070
Conditional grants	234,868	148,946
	<u>1,354,782</u>	<u>1,590,301</u>
Grants - other		
Federal government - gas tax funding	-	1,682,141
Federal government - other	451,793	187,566
Other municipal governments	411,403	227,830
	<u>863,196</u>	<u>2,097,537</u>
Total revenue	<u><u>\$ 14,997,870</u></u>	<u><u>\$ 15,366,979</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
General government services:		
Legislative	\$ 81,880	\$ 81,898
General administrative	938,897	900,708
Other (miscellaneous)	533,680	690,062
	<u>1,554,457</u>	<u>1,672,668</u>
Protective services:		
Police	2,563,522	2,541,758
Fire	416,978	486,424
Emergency measures	32,747	32,896
Other (animal control)	81,625	39,240
	<u>3,094,872</u>	<u>3,100,318</u>
Transportation services:		
Road transport		
Administration and engineering	350,883	369,566
Road and street maintenance	959,691	988,068
Street lighting	152,365	136,050
Other (signage, marking and festive lighting)	196,114	285,314
Air transport	1,681,000	1,372,453
	<u>3,340,053</u>	<u>3,151,451</u>
Environmental health services:		
Waste collection and disposal	429,709	330,700
Recycling	159,649	159,649
Other (miscellaneous)	88,137	92,259
	<u>677,495</u>	<u>582,608</u>
Public health and welfare services:		
Public health	<u>39,240</u>	<u>54,233</u>
Regional planning and development		
Urban area weed control	<u>9,627</u>	<u>5,357</u>
Resource conservation and industrial development		
Regional development	167,530	109,236
Tourism	14,732	26,599
	<u>182,262</u>	<u>135,835</u>
Recreation and cultural services:		
Administration	166,119	140,847
Swimming pools and beaches	365,247	531,281
Skating and curling rinks	408,106	413,319
Parks and playgrounds	141,834	199,315
Other recreational facilities	901,818	1,009,538
Museums	270,843	265,835
Libraries	267,096	284,176
	<u>2,521,063</u>	<u>2,844,311</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	<u>2,643,211</u>	<u>2,561,299</u>
Total expenses	<u><u>\$ 14,062,280</u></u>	<u><u>\$ 14,108,080</u></u>

TOWN OF THE PAS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ 6,530,227	\$ 6,215,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	1,059,894	1,011,833	-	-	-	-	-	-	-	-
User fees	67,065	42,237	146,345	107,153	1,320,155	663,057	216,478	293,042	47,147	38,851
Grants - other	393,169	1,828,409	-	-	201,243	-	-	-	-	-
Permits, licences and fines	113,579	109,182	-	-	-	-	-	-	-	-
Investment income	80,624	92,817	-	-	-	-	-	-	-	-
Other revenue	573,821	366,937	-	-	9,149	172	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,119,914	1,441,355	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	62,598	23,000	-	-	-	-	-	-	-	-
Total revenue	10,000,891	11,131,412	146,345	107,153	1,530,547	663,229	216,478	293,042	47,147	38,851
EXPENSES										
Personnel services	700,948	657,657	262,504	258,242	925,771	1,137,406	379,094	250,667	28,025	34,581
Contract services	271,379	420,411	2,563,882	2,541,758	124,860	138,894	6,020	27,763	-	3,046
Utilities	80,955	79,053	43,088	43,462	281,965	267,388	4,173	4,007	-	-
Maintenance materials and supplies	112,321	102,198	136,214	174,005	1,122,996	729,035	40,652	43,440	11,215	11,188
Grants and contributions	175,745	147,973	-	-	-	-	159,649	159,649	-	-
Amortization	13,848	24,958	68,064	68,189	675,890	677,845	21,994	23,390	-	5,418
Interest on long term debt	131,893	152,149	-	-	-	-	-	-	-	-
Other	67,369	88,269	21,120	14,662	208,571	200,883	65,913	73,692	-	-
Total expenses	1,554,458	1,672,668	3,094,872	3,100,318	3,340,053	3,151,451	677,495	582,608	39,240	54,233
Surplus (Deficit)	\$ 8,446,433	\$ 9,458,744	\$ (2,948,527)	\$ (2,993,165)	\$ (1,809,506)	\$ (2,488,222)	\$ (461,017)	\$ (289,566)	\$ 7,907	\$ (15,382)

* 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,530,227	\$ 6,215,642
Grants in lieu of taxation	-	-	-	-	-	-	-	-	1,059,894	1,011,833
User fees	-	-	-	-	279,788	374,631	-	-	2,076,978	1,518,971
Grants - other	-	-	58,830	30,809	233,839	238,319	-	-	887,081	2,097,537
Permits, licences and fines	-	-	-	-	-	-	-	-	113,579	109,182
Investment income	-	-	-	-	82	-	-	-	80,706	92,817
Other revenue	-	-	1,083	900	146,556	119,935	-	-	730,609	487,944
Water and sewer	-	-	-	-	-	-	2,164,014	2,242,752	2,164,014	2,242,752
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,119,914	1,441,355
Prov of MB - Conditional Grants	-	-	-	-	172,270	125,946	-	-	234,868	148,946
Total revenue	-	-	59,913	31,709	832,535	858,831	2,164,014	2,242,752	14,997,870	15,366,979
EXPENSES										
Personnel services	-	-	79,895	80,564	1,250,394	1,467,035	990,828	923,786	4,617,459	4,809,938
Contract services	8,282	3,500	28,781	4,992	89,114	72,870	38,493	27,278	3,130,811	3,240,512
Utilities	-	-	1,364	1,561	333,757	432,067	265,101	378,116	1,010,403	1,205,654
Maintenance materials and supplies	1,345	1,707	5,425	2,892	184,356	128,886	793,632	629,655	2,408,156	1,823,006
Grants and contributions	-	-	-	-	-	-	-	-	335,394	307,622
Amortization	-	-	27,425	43,131	412,769	471,823	536,962	575,340	1,756,952	1,890,094
Interest on long term debt	-	-	-	-	-	-	-	-	131,893	152,149
Other	-	150	39,372	2,695	250,672	271,630	18,195	27,124	671,212	679,105
Total expenses	9,627	5,357	182,262	135,835	2,521,062	2,844,311	2,643,211	2,561,299	14,062,280	14,108,080
Surplus (Deficit)	\$ (9,627)	\$ (5,357)	\$ (122,349)	\$ (104,126)	\$ (1,688,527)	\$ (1,985,480)	\$ (479,197)	\$ (318,547)	\$ 935,590	\$ 1,258,899

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE								
Property taxes	\$ 6,530,227	\$ 6,215,642	\$ -	\$ -	\$ -	\$ -	\$ 6,530,227	6,215,642
Grants in lieu of taxation	1,059,894	1,011,833	-	-	-	-	1,059,894	1,011,833
User fees	2,065,035	1,504,735	11,943	14,236	-	-	2,076,978	1,518,971
Grants - other	731,433	1,965,430	155,648	132,107	-	-	887,081	2,097,537
Permits, licences and fines	113,579	109,182	-	-	-	-	113,579	109,182
Investment income	80,624	92,817	82	-	-	-	80,706	92,817
Other revenue	686,786	470,310	43,823	17,634	-	-	730,609	487,944
Water and sewer	2,164,014	2,242,752	-	-	-	-	2,164,014	2,242,752
Prov of MB - Unconditional Grants	1,119,914	1,441,355	-	-	-	-	1,119,914	1,441,355
Prov of MB - Conditional Grants	80,073	52,539	154,795	96,407	-	-	234,868	148,946
Total revenue	14,631,579	15,106,595	366,291	260,384	-	-	14,997,870	15,366,979
EXPENSES								
Personnel services	4,276,743	4,419,083	340,716	390,855	-	-	4,617,459	4,809,938
Contract services	3,079,519	3,216,340	51,292	24,172	-	-	3,130,811	3,240,512
Utilities	960,089	1,156,872	50,314	48,782	-	-	1,010,403	1,205,654
Maintenance materials and supplies	2,308,139	1,771,003	100,017	52,003	-	-	2,408,156	1,823,006
Grants and contributions	337,007	307,622	(1,613)	-	-	-	335,394	307,622
Amortization	1,754,467	1,887,840	2,485	2,254	-	-	1,756,952	1,890,094
Interest on long term debt	131,893	152,149	-	-	-	-	131,893	152,149
Other	605,719	640,811	65,493	38,294	-	-	671,212	679,105
Total expenses	13,453,576	13,551,720	608,704	556,360	-	-	14,062,280	14,108,080
Surplus (Deficit)	\$ 1,178,003	\$ 1,554,875	\$ (242,413)	\$ (295,976)	\$ -	\$ -	\$ 935,590	\$ 1,258,899

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2021

	2021							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	\$ 1	\$ 5,622	\$ 983	\$ 4,376	\$ 126	\$ 138	\$ 560	\$ 299
Other income	-	-	-	-	-	-	-	-
Total revenue	1	5,622	983	4,376	126	138	560	299
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	1	5,622	983	4,376	126	138	560	299
TRANSFERS								
Transfers to reserve fund	-	81,000	23,850	138,050	8,400		18,707	10,000
Transfers from reserve fund	-	-	(8,854)	(21,170)	(6,521)	(17,458)	(20,010)	(46,380)
CHANGE IN RESERVE FUND BALANCES	1	86,622	15,979	121,256	2,005	(17,320)	(743)	(36,081)
FUND SURPLUS, BEGINNING OF YEAR	(9)	436,854	71,611	302,822	9,787	11,707	38,165	43,635
FUND SURPLUS, END OF YEAR	\$ (8)	\$ 523,476	\$ 87,590	\$ 424,078	\$ 11,792	\$ (5,613)	\$ 37,422	\$ 7,554

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2021

	2021							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetery Improvement
REVENUE								
Investment income	\$ 26,484	\$ 15,928	\$ 1,506	\$ 4,349	\$ 215	\$ 736	\$ 1,000	\$ 146
Other income	-	-	-	-	-	-	-	-
Total revenue	26,484	15,928	1,506	4,349	215	736	1,000	146
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	26,484	15,928	1,506	4,349	215	736	1,000	146
TRANSFERS								
Transfers to reserve fund	416,999	150,000	-	15,000	5,000	39,633	-	-
Transfers from reserve fund	(76,832)	-	-	(5,783)	(19,634)	-	-	-
CHANGE IN RESERVE FUND BALANCES	366,651	165,928	1,506	13,566	(14,419)	40,369	1,000	146
FUND SURPLUS, BEGINNING OF YEAR	2,105,244	1,274,742	127,929	336,332	25,553	42,684	84,942	12,445
FUND SURPLUS, END OF YEAR	<u>\$ 2,471,895</u>	<u>\$ 1,440,670</u>	<u>\$ 129,435</u>	<u>\$ 349,898</u>	<u>\$ 11,134</u>	<u>\$ 83,053</u>	<u>\$ 85,942</u>	<u>\$ 12,591</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2021

	2021							
	Columbarium	Parks and Playgrounds	Waste Dispo -sal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask River Waterfront	
REVENUE								
Investment income	\$ -	\$ 608	\$ 3,705	\$ 12,670	\$ -	\$ 1,980	\$ 282	\$ 500
Other income	-	-	-	-	-	-	-	-
Total revenue	-	608	3,705	12,670	-	1,980	282	500
EXPENSES								
Investment charges	-	-	-	-	135	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	135	-	-	-
NET REVENUES	-	608	3,705	12,670	(135)	1,980	282	500
TRANSFERS								
Transfers to reserve fund	-	69,750	206,750	129,082	84,580	42,290	13,702	-
Transfers from reserve fund	-	-	(22,500)	-	(75,000)	(168,750)	(4,821)	-
CHANGE IN RESERVE FUND BALANCES	-	70,358	187,955	141,752	9,445	(124,480)	9,163	500
FUND SURPLUS, BEGINNING OF YEAR	-	16,709	41,606	1,011,869	192	231,135	19,760	42,491
FUND SURPLUS, END OF YEAR	\$ -	\$ 87,067	\$ 229,561	\$ 1,153,621	\$ 9,637	\$ 106,655	\$ 28,923	\$ 42,991

TOWN OF THE PAS

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2021

	2021						2020	
	Municipal Election	Sam Waller Museum	Rec Infrastructure				Total	
REVENUE								
Investment income	\$ 117	\$ 1,036	\$ -	\$ -	\$ -	\$ -	\$ 83,367	\$ 93,149
Other income	-	-	-	-	-	-	-	-
Total revenue	117	1,036	-	-	-	-	83,367	93,149
EXPENSES								
Investment charges	-	-	111	-	-	-	246	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	111	-	-	-	246	-
NET REVENUES	117	1,036	(111)	-	-	-	83,121	93,149
TRANSFERS								
Transfers to reserve fund	2,000	109,365	42,289	-	-	-	1,606,447	1,397,700
Transfers from reserve fund	-	(29,270)	(37,500)	-	-	-	(560,483)	(786,609)
CHANGE IN RESERVE FUND BALANCES	2,117	81,131	4,678	-	-	-	1,129,085	704,240
FUND SURPLUS, BEGINNING OF YEAR	8,940	47,998	141	-	-	-	6,345,284	5,641,044
FUND SURPLUS, END OF YEAR	\$ 11,057	\$ 129,129	\$ 4,819	\$ -	\$ -	\$ -	\$ 7,474,369	\$ 6,345,284

SCHEDULE OF L.U.D. OPERATIONS

For the Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 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, 2021

SCHEDULE 8

	2021						2020	
	Water and Sewer						Total	Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	581,989	-	-	-	-	-	581,989	675,511
Portfolio investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
	<u>\$ 581,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 581,989</u>	<u>\$ 675,511</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-
Long-term debt (Note 8)	-	-	-	-	-	-	-	-
Due to other funds	2,337,772	-	-	-	-	-	2,337,772	1,977,774
	<u>2,337,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,337,772</u>	<u>1,977,774</u>
NET FINANCIAL ASSETS	<u>\$ (1,755,783)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,755,783)</u>	<u>\$ (1,302,263)</u>
NON-FINANCIAL ASSETS								
Tangible capital assets (Schedule 1)	7,173,220	-	-	-	-	-	7,173,220	7,615,896
FUND SURPLUS	<u>\$ 5,417,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,417,437</u>	<u>\$ 6,313,633</u>

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Water			
Water fees	\$ 1,670,187	\$ 1,636,668	\$ 1,670,186
Bulk water sales	5,860	9,116	5,860
sub-total- water	<u>1,676,047</u>	<u>1,645,784</u>	<u>1,676,046</u>
Sewer			
Sewer fees	474,253	455,147	474,253
Lagoon tipping fees	5,000	2,630	2,630
sub-total- sewer	<u>479,253</u>	<u>457,777</u>	<u>476,883</u>
Recovery			
Recovery	29,502	-	
sub-total- recovery	<u>29,502</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	10,440,000	-	23,225
sub-total- government transfers	<u>10,440,000</u>	<u>-</u>	<u>23,225</u>
Other			
Hydrant rentals	26,700	26,700	26,700
Penalties	40,000	33,472	39,688
Other income (miscellaneous)	800	281	210
sub-total- other	<u>67,500</u>	<u>60,453</u>	<u>66,598</u>
Total revenue	<u>12,692,302</u>	<u>2,164,014</u>	<u>2,242,752</u>

TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	\$ 353,603	\$ 309,879	\$ 321,722
Training costs	5,000	1,869	7,409
Billing and collection	12,118	21,459	34,798
sub-total- general	<u>370,721</u>	<u>333,207</u>	<u>363,929</u>
Water General			
Purification and treatment	674,808	578,810	646,500
Transmission and distribution	448,500	704,774	553,487
sub-total- water general	<u>1,123,308</u>	<u>1,283,584</u>	<u>1,199,987</u>
Water Amortization & Interest			
Amortization	358,510	358,510	306,391
sub-total- water amortization & interest	<u>358,510</u>	<u>358,510</u>	<u>306,391</u>
Sewer General			
Collection system costs	99,514	262,056	257,956
Treatment and disposal cost	64,939	89,107	64,680
Lift Station costs	164,318	138,295	99,407
sub-total- sewer general	<u>328,771</u>	<u>489,458</u>	<u>422,043</u>
Sewage Amortization & Interest			
Amortization	178,452	178,452	268,949
sub-total- sewer amortization & interest	<u>178,452</u>	<u>178,452</u>	<u>268,949</u>
Total expenses	<u>2,359,762</u>	<u>2,643,211</u>	<u>2,561,299</u>
NET OPERATING DEFICIT	10,332,540	(479,197)	(318,547)
TRANSFERS			
Transfers from (to) capital	(10,440,000)		
Transfers from (to) operating fund	(29,502)		
Transfers from (to) reserve funds	<u>(400,000)</u>	<u>(416,999)</u>	<u>(500,000)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (536,962)</u>	(896,196)	(818,547)
FUND SURPLUS, BEGINNING OF YEAR		<u>6,313,633</u>	<u>7,132,180</u>
FUND SURPLUS, END OF YEAR		<u>\$ 5,417,437</u>	<u>\$ 6,313,633</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2021

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 6,498,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,498,004
Grants in lieu of taxation	1,059,894	-	-	-	-	-	-	1,059,894
User fees	2,158,794	-	-	-	-	-	2,500	2,161,294
Permits, licences and fines	126,000	-	-	-	-	-	-	126,000
Investment income	130,000	-	-	-	-	-	-	130,000
Other revenue	310,000	-	-	-	-	-	2,100	312,100
Water and sewer	-	12,662,800	-	-	-	-	-	12,662,800
Grants - Province of Manitoba	1,186,914	-	-	-	-	-	67,879	1,254,793
Grants - other	832,523	-	-	-	-	-	121,725	954,248
Transfers from accumulated surplus	-	29,502	-	-	(29,502)	-	-	-
Transfers from reserves	112,500	-	-	-	(112,500)	-	-	-
Total revenue	12,414,629	12,692,302	-	-	(142,002)	-	194,204	25,159,133
EXPENSES								
General government services	\$ 1,335,748	\$ -	\$ 13,848	\$ -	\$ -	\$ -	\$ -	\$ 1,349,596
Protective services	3,207,379	-	68,064	-	-	-	-	3,275,443
Transportation services	2,101,441	-	675,890	-	-	-	-	2,777,331
Environmental health services	606,495	-	21,994	-	-	29,055	-	657,544
Public health and welfare services	83,114	-	-	-	-	-	-	83,114
Regional planning and development	15,000	-	-	-	-	-	-	15,000
Resource cons and industrial dev	110,145	-	27,425	-	-	-	196,161	333,731
Recreation and cultural services	2,249,805	-	412,769	-	-	-	271,495	2,934,069
Water and sewer services	-	1,822,800	536,962	-	-	-	-	2,359,762
Fiscal services:								
Transfer to capital		10,440,000	-	-	(10,440,000)	-	-	-
Debt charges	967,011	-	-	(967,011)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Deficit recovery	273,311	29,502	-	-	(302,813)	-	-	-
Transfer to reserves	1,458,936	400,000	-	-	(1,858,936)	-	-	-
Allowance for tax assets	6,244	-	-	-	(6,244)	-	-	-
Total expenses	12,414,629	12,692,302	1,756,952	(967,011)	(12,607,993)	29,055	467,656	13,785,590
Surplus (Deficit)	\$ -	\$ -	\$ (1,756,952)	\$ (967,011)	\$ (12,749,995)	\$ (29,055)	\$ (273,452)	\$ 11,373,543

**TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2021**

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 1,013,570	\$ 1,050,991
Add:		
Tax levy (Schedule 12)	9,365,014	9,065,343
Taxes added	27,708	13,249
Penalties or interest	94,097	100,654
Other accounts added	-	322
Municipal fees	-	-
Other added to taxes	3,710	6,672
Water added to taxes	103,355	149,291
Tax overpaid refunds	12,449	20,299
Sub-total	<u>9,606,333</u>	<u>9,355,830</u>
Deduct:		
Cash collections - current	8,521,587	7,839,065
Cash collections - arrears	105,144	724,785
Tax cancelled	8,638	4,252
Tax discounts	13,759	13,652
E.P.T.C. - cash advance	599,256	811,497
Other credits	608,287	-
Sub-total	<u>9,856,671</u>	<u>9,393,251</u>
Balance, end of year	<u><u>\$ 763,232</u></u>	<u><u>\$ 1,013,570</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2021

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ -	\$ -	\$ -	\$ -
LI.D. #4381	\$ 193,277,960	\$ 0.77	147,858	148,472
LI.D. #4435	\$ 193,277,960	\$ 0.94	180,715	181,252
LI.D. #4486	\$ 193,277,960	\$ 0.87	167,379	167,754
sub-total- Debt charges			495,952	497,478
Reserves:				
Infrastructure	\$ 169,326,020	\$ 0.76	128,857	257,095
Machinery equip. repl.	\$ 169,326,020	\$ 0.38	64,513	42,285
Municipal election	\$ 169,326,020	\$ 0.01	1,863	1,691
Computer	\$ 169,326,020	\$ 0.04	6,604	13,531
Arena reserve	\$ 169,326,020	\$ 0.08	13,038	8,457
Museum	\$ 169,326,020	\$ 0.03	4,402	5,074
Wellness equip.	\$ 169,326,020	\$ 0.03	4,402	8,457
Winton pool	\$ 169,326,020	\$ 0.08	13,038	8,457
Civic Centre	\$ 169,326,020	\$ 0.05	8,636	8,457
Fire Equipment	\$ 169,326,020	\$ 0.25	43,009	21,988
Garage/Tanks	\$ 169,326,020	\$ 0.10	17,102	18,606
Library	\$ 169,326,020	\$ 0.03	4,402	5,074
			309,866	399,172
General municipal	\$ 169,326,020	\$ 32.18	5,448,911	5,294,120
Deficit recovery	\$ 169,326,020	\$ 1.39	234,686	-
At large			-	-
Business fees			8,120	9,372
Total municipal taxes (Schedule 2)			6,497,535	6,200,142
Education support levy			420,887	418,703
Special levies:				
Kelsey School Division #45			2,446,592	2,446,498
Total education taxes			2,867,479	2,865,201
Total tax levy (Schedule 11)			\$ 9,365,014	\$ 9,065,343

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ending December 31, 2021

	2021 Actual	2020 Actual
General government services:		
Legislative	\$ 81,880	\$ 81,898
General administrative	938,897	900,708
Other (miscellaneous)	535,293	690,871
	<u>1,556,070</u>	<u>1,673,477</u>
Protective services:		
Police	2,563,522	2,541,758
Fire	416,978	486,424
Emergency measures	32,748	32,896
Other (animal control)	81,625	39,240
	<u>3,094,873</u>	<u>3,100,318</u>
Transportation services:		
Road transport		
Administration and engineering	350,883	369,566
Road and street maintenance	959,691	988,068
Street lighting	152,365	136,050
Other (signage, marking and festive lighting)	196,114	285,314
Air transport	1,681,000	1,372,453
	<u>3,340,053</u>	<u>3,151,451</u>
Environmental health services:		
Waste collection and disposal	429,709	330,700
Recycling	159,649	159,649
Other (miscellaneous)	88,137	92,259
	<u>677,495</u>	<u>582,608</u>
Public health and welfare services:		
Public health	39,240	54,233
	<u>39,240</u>	<u>54,233</u>
Regional planning and development		
Urban area weed control	9,627	5,357
	<u>9,627</u>	<u>5,357</u>
Resource conservation and industrial development		
Regional development	27,425	43,131
Tourism	8,191	18,306
	<u>35,616</u>	<u>61,437</u>
Recreation and cultural services:		
Other recreational facilities	1,983,123	2,294,301
Museums	222,346	220,734
Libraries	167,858	163,251
	<u>2,373,327</u>	<u>2,678,286</u>
Total expenses	<u>\$ 11,126,301</u>	<u>\$ 11,307,167</u>

TOWN OF THE PAS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2021

SCHEDULE 14

	General	2021 Utility	Total	2020 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 188,871	\$ (359,234)	\$ (170,363)	\$ (266,796)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,189,448	416,999	1,606,447	1,397,698
Eliminate revenue - transfers from reserves	(363,522)	-	(363,522)	(283,953)
Decrease revenue - loss on disposal of TCA	-	-	-	(5,549)
Increase revenue - reserve funds interest	83,121	-	83,121	93,150
Increase revenue - Net surplus (deficit) of consolidated entities	523,847	-	523,847	79,048
Eliminate revenue - transfer from / to nominal surpluses	273,311	-	273,311	-
Increase expense - amortization of tangible capital assets	(1,217,505)	(536,962)	(1,754,467)	(1,887,841)
Decrease expense - principal portion of debenture debt	435,294	-	435,294	415,213
Eliminate expense - acquisitions of tangible capital assets	301,922	-	301,922	1,717,929
	\$ 1,414,787	\$ (479,197)	\$ 935,590	\$ 1,258,899
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,414,787	\$ (479,197)	\$ 935,590	\$ 1,258,899