

TOWN OF THE PAS

**Consolidated Financial Statements
For the Year Ended December 31, 2022**

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, 2022, 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 26, 2023

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.



Jennifer Early
Acting Chief Administrative Officer

TOWN OF THE PAS

Consolidated Financial Statements

For the Year Ended December 31, 2022

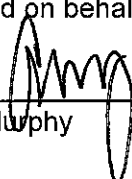
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**TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 11,585,066	\$ 11,380,343
Amounts receivable (Note 4)	2,122,065	2,107,684
Real estate properties held for sale	308,537	293,355
Other inventories for sale (Note 5)	501,124	98,162
	<u>\$ 14,516,792</u>	<u>\$ 13,879,544</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 4,037,212	\$ 2,924,924
Severance and sick leave payable	77,041	41,495
Unearned revenue (Note 7)	3,781,650	3,499,229
Landfill closure and post closure liabilities (Note 8)	382,549	348,598
Long-term debt (Note 9)	6,545,991	2,321,541
Other liabilities (Note 19)	100,530	92,750
	<u>14,924,973</u>	<u>9,228,537</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ (408,181)</u>	<u>\$ 4,651,007</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 41,873,059	\$ 26,882,506
Inventories (Note 5)	348,632	370,113
Prepaid expenses	85,432	98,190
	<u>42,307,123</u>	<u>27,350,809</u>
ACCUMULATED SURPLUS	<u>\$ 41,898,942</u>	<u>\$ 32,001,816</u>

CONTINGENCY AND COMMITMENTS (NOTES 11 AND 12)

Approved on behalf of Council:



Andre Murphy
Mayor



Carrie Atkinson
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, 2022

	<u>2022 Budget (Note 15)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
REVENUE			
Property taxes	\$ 6,632,072	\$ 6,634,650	\$ 6,530,227
Grants in lieu of taxation	1,075,084	1,075,084	1,059,894
User fees	2,193,366	2,755,196	2,076,978
Permits, licences and fines	122,500	106,174	113,580
Investment income	130,000	198,735	80,706
Other revenue	287,000	782,614	754,493
Water and sewer	12,693,110	12,113,770	2,164,014
Grants - Province of Manitoba	1,276,672	1,310,439	1,354,782
Grants - other	745,276	840,996	863,196
Total revenue (Schedules 2, 4 and 5)	<u>25,155,080</u>	<u>25,817,658</u>	<u>14,997,870</u>
EXPENSES			
General government services	1,389,745	1,521,502	1,554,457
Protective services	3,799,547	3,425,681	3,094,872
Transportation services	2,812,848	3,827,773	3,340,053
Environmental health services	614,998	691,309	677,495
Public health and welfare services	74,925	33,802	39,240
Regional planning and development	5,000	10,516	9,627
Resource conservation and industrial development	178,932	348,741	182,262
Recreation and cultural services	2,949,442	3,216,516	2,521,063
Water and sewer services	2,544,721	2,844,692	2,643,211
Total expenses (Schedules 3, 4 and 5)	<u>14,370,158</u>	<u>15,920,532</u>	<u>14,062,280</u>
ANNUAL SURPLUS	<u>\$ 10,784,922</u>	9,897,126	935,590
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>32,001,816</u>	<u>31,066,226</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 41,898,942</u>	<u>\$ 32,001,816</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, 2022

	<u>2022</u> <u>Budget</u> <u>(Note 15)</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
ANNUAL SURPLUS	\$ 10,784,922	\$ 9,897,126	\$ 935,590
Acquisition of tangible capital assets	(16,943,890)	(16,943,890)	(500,047)
Amortization of tangible capital assets	1,953,337	1,953,337	1,756,952
Loss on sale of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	21,481	21,481	(19,150)
Decrease (increase) in prepaid expense	12,758	12,758	(31,355)
	<u>(14,956,314)</u>	<u>(14,956,314)</u>	<u>1,206,400</u>
CHANGE IN NET FINANCIAL ASSETS (DEBT)	<u>\$ (4,171,392)</u>	(5,059,188)	2,141,990
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>4,651,007</u>	<u>2,509,017</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR		<u>\$ (408,181)</u>	<u>\$ 4,651,007</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, 2022

	<u>2022</u>	<u>2021</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 9,897,126	\$ 935,590
Changes in non-cash items:		
Amounts receivable	(14,381)	90,364
Inventories	(381,481)	(40,422)
Prepays	12,758	(31,355)
Accounts payable and accrued liabilities	1,112,288	607,999
Severance and sick leave payable	35,546	1,740
Landfill closure and post closure liabilities	33,951	29,054
Unearned revenue	282,421	1,137,461
Other liabilities	7,780	(15,287)
Loss on sale of tangible capital asset	-	-
Amortization	1,953,337	1,756,952
Cash provided by operating transactions	<u>12,939,345</u>	<u>4,472,096</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	<u>(16,943,890)</u>	<u>(500,047)</u>
Cash applied to capital transactions	<u>(16,943,890)</u>	<u>(500,047)</u>
INVESTING TRANSACTIONS		
Disposal (acquisition) of real estate properties	<u>(15,182)</u>	<u>(29,442)</u>
Cash applied to investing transactions	<u>(15,182)</u>	<u>(29,442)</u>
FINANCING TRANSACTIONS		
Net (repayments) borrowings from revolving line of credit	-	-
Proceeds of long-term debt	4,800,000	-
Debt repayment	<u>(575,550)</u>	<u>(435,294)</u>
Cash applied to financing transactions	<u>4,224,450</u>	<u>(435,294)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	204,723	3,507,313
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>11,380,343</u>	<u>7,873,030</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 11,585,066</u></u>	<u><u>\$ 11,380,343</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, 2022

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 Town 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 Town’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%) (2021 - 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.

m) Future Changes in Accounting Standards

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these financial statements. These standards will come into effect as follows:

- PS 3450 Financial Instruments (effective January 1, 2023) defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
- PS 2601 Foreign Currency Translation (effective January 1, 2023) replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
- PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3280 Asset Retirement Obligations (effective January 1, 2023) defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.
- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Town is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 11,570,988	\$ 11,366,411
Temporary investments	<u>14,078</u>	<u>13,932</u>
	<u>\$ 11,585,066</u>	<u>\$ 11,380,343</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>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 1,029,860	\$ 763,232
Government grants	46,715	119,890
Utility customers	621,657	581,989
Organizations and individuals	457,737	673,570
Other governments	140,000	175,000
Debenture proceeds	-	-
Other (miscellaneous)	<u>234,846</u>	<u>169,711</u>
	<u>2,530,815</u>	<u>2,483,392</u>
Less allowances for doubtful amounts	<u>(408,750)</u>	<u>(375,708)</u>
	<u>\$ 2,122,065</u>	<u>\$ 2,107,684</u>

Included in amounts receivable from other governments is \$140,000 payable at \$35,000 annually maturing October 31, 2026. (2021 - \$175,000) This amount is non-interest bearing.

5. Inventories

Inventories for sale:

	<u>2022</u>	<u>2021</u>
Aviation fuel	\$ 85,297	\$ 53,980
Other	<u>415,827</u>	<u>44,182</u>
	<u>\$ 501,124</u>	<u>\$ 98,162</u>

Inventories for use:

	<u>2022</u>	<u>2021</u>
Fuel	\$ 48,093	\$ 35,182
Aggregate	90,183	131,789
Other supplies (general inventories)	<u>210,356</u>	<u>203,142</u>
	<u>\$ 348,632</u>	<u>\$ 370,113</u>

6. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 1,235,249	\$ 1,478,007
Accrued expenses	1,711,512	701,831
Debenture payment payable	881,702	567,160
School levies	<u>208,749</u>	<u>177,926</u>
	<u>\$ 4,037,212</u>	<u>\$ 2,924,924</u>

7. Unearned Revenue

	<u>2022</u>	<u>2021</u>
Gas Tax balance, beginning of year	\$ 2,233,747	\$ 1,620,209
Funding received during the year	302,075	591,016
Interest earned	64,171	22,522
Recognized as revenue during the year	<u>(372,375)</u>	<u>-</u>
Gas Tax balance, end of year	2,227,618	2,233,747
Other deferred revenue	<u>1,554,032</u>	<u>1,265,481</u>
	<u>\$ 3,781,650</u>	<u>\$ 3,499,228</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>2022</u>	<u>2021</u>
Estimated closure and post closure costs over the next 20 years	\$ 383,945	\$ 367,364
Discount rate	<u>0.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 383,945</u>	<u>\$ 349,870</u>
Expected year capacity will be reached	2027	2027
Capacity (ha):		
Used to date	5.48	5.48
Remaining	0.02	0.02
Total	5.50	5.50
Percent utilized	<u>99.64%</u>	<u>99.64%</u>
Liability based on percentage	<u>\$ 382,549</u>	<u>\$ 348,598</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.

The Town has recently commissioned a study which will result in the provision of an updated landfill closure and post closure liability estimate.

9. Long Term Debt

	<u>2022</u>	<u>2021</u>
General Authority:		
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	\$ 455,157	\$ 591,011
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	566,640	739,073
Debenture, interest at 4.375%, payable at \$191,447 annually including interest, maturing December 31, 2027	843,386	991,457
Utility Fund Debenture, interest at 3.75%, payable at \$299,192 annually including interest, maturing December 31, 2046	<u>4,680,808</u>	-
	<u><u>\$ 6,545,991</u></u>	<u><u>\$ 2,321,541</u></u>

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

2023	602,115
2024	629,929
2025	659,053
2026	313,836
2027	326,704
Thereafter	148,654

Schedule of Debentures Pending

Authority	Purpose	Amount Authorized
N/A	N/A	N/A

10. Liability for Contaminated Sites

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

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The Town:
 - 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 Town 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 Town on behalf of its employees amounted to \$227,713 (2021 - \$272,364) 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>2022</u>	<u>2021</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (159,494)	\$ 57,638
Utility operating fund - Nominal surplus	(968,992)	(964,018)
TCA net of related borrowings	35,318,763	24,552,788
Reserve funds	<u>6,689,197</u>	<u>7,474,369</u>
Accumulated surplus of Town unconsolidated	40,879,474	31,120,777
Accumulated surpluses of consolidated entities	<u>1,019,468</u>	<u>881,039</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 41,898,942</u>	<u>\$ 32,001,816</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 Town. For the year ended December 31, 2022:

- a) Compensation paid to members of council amounted to \$93,152 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	\$ 17,658	\$ 359	\$ 18,017
Councillor/Mayor - Andre Murphy	10,338	951	11,289
Councillor - Bill Ward	12,692	464	13,156
Councillor - Carrie Atkinson	12,439	595	13,034
Councillor - Chad Zolinski	8,813	421	9,234
Councillor - Gary Hopper	1,713	-	1,713
Councillor - Larry Forster	8,813	-	8,813
Councillor - Randy Manych	1,774	-	1,774
Councillor - Trent Allen	2,909	1,386	4,295
Councillor - Trevor Lane	11,827	-	11,827
	<u>\$ 88,976</u>	<u>\$ 4,176</u>	<u>\$ 93,152</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 Town 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	\$ 5,861	\$ -	\$ 838	\$ 5,023
Lagoon study	27,117	-	2,086	25,031
Sewage lagoon	1,125	-	125	1,000
Bell Ave. lift station	235,200	-	19,600	215,600
Water treatment plant	209,125	-	20,912	188,213
LaRose Ave. renewal	1,020,021	-	66,666	953,355
Water treatment plant	828,662	-	82,866	745,796
Lagoon upgrade	-	9,730,975	194,620	9,536,355
	<u>\$ 2,327,111</u>	<u>\$ 9,730,975</u>	<u>\$ 387,713</u>	<u>\$ 11,670,373</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>\$ 92,750</u>	<u>\$ 7,780</u>	<u>\$ 100,530</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, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021 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.

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2022

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	2022	2021
Cost										
Opening 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
Additions during the year	17,151	189,905	658,185	7,365	100,739		16,236,035		17,209,380	875,965
Disposals and write downs	-	-	-	-	(140,223)	-	-	(125,267)	(265,490)	(375,918)
Closing costs	2,698,411	19,031,208	7,056,213	131,106	171,343	9,901,297	37,406,165	36,485	76,432,228	59,488,338
Accumulated Amortization										
Opening 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)
Amortization	(55,058)	(448,507)	(420,086)	(12,824)		(370,012)	(646,850)	-	(1,953,337)	(1,756,952)
Disposals and write downs	-	-	-	-	-	-	-	-	-	-
Closing accum'd amortization	(587,445)	(8,869,735)	(4,506,315)	(111,446)	-	(5,684,201)	(14,800,027)	-	(34,559,169)	(32,605,832)
Net Book Value of Tangible Capital Assets	\$ 2,110,966	\$ 10,161,473	\$ 2,549,898	\$ 19,660	\$ 171,343	\$ 4,217,096	\$ 22,606,138	\$ 36,485	\$ 41,873,059	\$ 26,882,506

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2022

SCHEDULE 2

	<u>2022</u> Actual	<u>2021</u> Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 6,631,392	\$ 6,497,535
Taxes added (cancelled)	3,258	32,692
Tax discount	-	-
	<u>6,634,650</u>	<u>6,530,227</u>
Grants in lieu of taxation:		
Federal government	128,840	126,309
Federal government enterprises	9,906	9,849
Provincial government	257,195	257,503
Provincial government enterprises	679,143	666,233
	<u>1,075,084</u>	<u>1,059,894</u>
User fees		
Sales of service	885,371	727,402
Sales of goods	1,416,496	1,146,345
Facility use fees	453,329	203,231
	<u>2,755,196</u>	<u>2,076,978</u>
Permits, licences and fines		
Permits	44,198	29,205
Fines	61,976	84,375
	<u>106,174</u>	<u>113,580</u>
Investment income:		
Cash and temporary investments	<u>198,735</u>	<u>80,706</u>
Other revenue:		
Miscellaneous	633,690	613,406
Penalties and interest	148,924	141,087
	<u>782,614</u>	<u>754,493</u>
Water and sewer		
Municipal utility (Schedule 9)	<u>12,113,770</u>	<u>2,164,014</u>
Grants - Province of Manitoba		
Municipal operating grants	520,263	516,285
Other unconditional grants	603,629	603,629
Conditional grants	186,547	234,868
	<u>1,310,439</u>	<u>1,354,782</u>
Grants - other		
Federal government - gas tax funding	372,375	-
Federal government - other	236,260	451,793
Other municipal governments	232,361	411,403
	<u>840,996</u>	<u>863,196</u>
Total revenue	<u><u>\$ 25,817,658</u></u>	<u><u>\$ 14,997,870</u></u>

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2022

	2022 Actual	2021 Actual
General government services:		
Legislative	\$ 81,967	\$ 81,880
General administrative	995,311	938,897
Other (miscellaneous)	444,224	533,680
	<u>1,521,502</u>	<u>1,554,457</u>
Protective services:		
Police	2,950,498	2,563,522
Fire	414,289	416,978
Emergency measures	29,669	32,747
Other (animal control)	31,225	81,625
	<u>3,425,681</u>	<u>3,094,872</u>
Transportation services:		
Road transport		
Administration and engineering	291,873	350,883
Road and street maintenance	1,090,239	959,691
Street lighting	153,958	152,365
Other (signage, marking and festive lighting)	279,142	196,114
Air transport	2,012,561	1,681,000
	<u>3,827,773</u>	<u>3,340,053</u>
Environmental health services:		
Waste collection and disposal	448,914	429,709
Recycling	109,650	159,649
Other (miscellaneous)	132,745	88,137
	<u>691,309</u>	<u>677,495</u>
Public health and welfare services:		
Public health	<u>33,802</u>	<u>39,240</u>
Regional planning and development		
Urban area weed control	<u>10,516</u>	<u>9,627</u>
Resource conservation and industrial development		
Regional development	334,083	167,530
Tourism	14,658	14,732
	<u>348,741</u>	<u>182,262</u>
Recreation and cultural services:		
Administration	178,097	166,119
Swimming pools and beaches	531,644	365,247
Skating and curling rinks	568,981	408,106
Parks and playgrounds	202,030	141,834
Other recreational facilities	1,137,366	901,818
Museums	311,870	270,843
Libraries	286,528	267,096
	<u>3,216,516</u>	<u>2,521,063</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	<u>2,844,692</u>	<u>2,643,211</u>
Total expenses	<u><u>\$ 15,920,532</u></u>	<u><u>\$ 14,062,280</u></u>

TOWN OF THE PAS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Property taxes	\$ 6,634,650	\$ 6,530,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	1,075,084	1,059,894	-	-	-	-	-	-	-	-
User fees	112,827	67,065	136,613	146,345	1,602,804	1,320,155	275,507	216,478	49,575	47,147
Grants - other	372,375	393,169	-	-	179,252	201,243	-	-	-	-
Permits, licences and fines	106,175	113,579	-	-	-	-	-	-	-	-
Investment income	198,579	80,624	-	-	-	-	-	-	-	-
Other revenue	541,956	573,821	-	-	35,311	9,149	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,123,892	1,119,914	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	(6,196)	62,598	-	-	-	-	-	-	-	-
Total revenue	10,159,342	10,000,891	136,613	146,345	1,817,367	1,530,547	275,507	216,478	49,575	47,147
EXPENSES										
Personnel services	738,171	700,948	233,830	262,504	1,041,188	925,771	362,803	379,094	22,355	28,025
Contract services	308,019	271,379	2,959,273	2,563,882	168,607	124,860	27,250	6,020	2,515	-
Utilities	88,524	80,955	39,172	43,088	304,324	281,965	4,345	4,173	-	-
Maintenance materials and supplies	64,007	112,321	107,555	136,214	1,345,525	1,122,996	54,133	40,652	7,715	11,215
Grants and contributions	137,101	175,745	-	-	-	-	109,650	159,649	-	-
Amortization	26,214	13,848	68,868	68,064	707,732	675,890	24,243	21,994	1,217	-
Interest on long term debt	111,903	131,893	-	-	-	-	-	-	-	-
Other	47,563	67,369	16,982	21,120	260,397	208,571	108,885	65,913	-	-
Total expenses	1,521,502	1,554,458	3,425,680	3,094,872	3,827,773	3,340,053	691,309	677,495	33,802	39,240
Surplus (Deficit)	\$ 8,637,840	\$ 8,446,433	\$ (3,289,067)	\$ (2,948,527)	\$ (2,010,406)	\$ (1,809,506)	\$ (415,802)	\$ (461,017)	\$ 15,773	\$ 7,907

* 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, 2022

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,634,650	\$ 6,530,227
Grants in lieu of taxation	-	-	-	-	-	-	-	-	1,075,084	1,059,894
User fees	-	-	-	-	577,870	279,788	-	-	2,755,196	2,076,978
Grants - other	-	-	77,578	58,830	254,030	233,839	-	-	883,235	887,081
Permits, licences and fines	-	-	-	-	-	-	-	-	106,175	113,579
Investment income	-	-	-	-	157	82	-	-	198,736	80,706
Other revenue	-	-	-	1,083	163,106	146,556	-	-	740,373	730,609
Water and sewer	-	-	-	-	-	-	2,382,834	2,164,014	2,382,834	2,164,014
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,123,892	1,119,914
Prov of MB - Conditional Grants	-	-	-	-	192,743	172,270	9,730,936	-	9,917,483	234,868
Total revenue	-	-	77,578	59,913	1,187,906	832,535	12,113,770	2,164,014	25,817,658	14,997,870
EXPENSES										
Personnel services	-	-	89,574	79,895	1,704,142	1,250,394	815,548	990,828	5,007,611	4,617,459
Contract services	6,700	8,282	73,513	28,781	116,013	89,114	47,580	38,493	3,709,470	3,130,811
Utilities	-	-	1,556	1,364	424,304	333,757	377,171	265,101	1,239,396	1,010,403
Maintenance materials and supplies	3,816	1,345	4,162	5,425	184,856	184,356	732,308	793,632	2,504,077	2,408,156
Grants and contributions	-	-	-	-	-	-	-	-	246,751	335,394
Amortization	-	-	29,664	27,425	448,548	412,769	646,850	536,962	1,953,336	1,756,952
Interest on long term debt	-	-	-	-	-	-	195,349	-	307,252	131,893
Other	-	-	150,272	39,372	338,654	250,672	29,886	18,195	952,639	671,212
Total expenses	10,516	9,627	348,741	182,262	3,216,517	2,521,062	2,844,692	2,643,211	15,920,532	14,062,280
Surplus (Deficit)	\$ (10,516)	\$ (9,627)	\$ (271,163)	\$ (122,349)	\$ (2,028,611)	\$ (1,688,527)	\$ 9,269,078	\$ (479,197)	\$ 9,897,126	\$ 935,590

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2022

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE								
Property taxes	\$ 6,634,650	\$ 6,530,227	\$ -	\$ -	\$ -	\$ -	\$ 6,634,650	6,530,227
Grants in lieu of taxation	1,075,084	1,059,894	-	-	-	-	1,075,084	1,059,894
User fees	2,736,800	2,065,035	18,396	11,943	-	-	2,755,196	2,076,978
Grants - other	721,697	731,433	161,537	155,648	-	-	883,234	887,081
Permits, licences and fines	106,175	113,579	-	-	-	-	106,175	113,579
Investment income	198,579	80,624	157	82	-	-	198,736	80,706
Other revenue	704,482	686,786	35,892	43,823	-	-	740,374	730,609
Water and sewer	12,113,770	2,164,014	-	-	-	-	12,113,770	2,164,014
Prov of MB - Unconditional Grants	1,123,892	1,119,914	-	-	-	-	1,123,892	1,119,914
Prov of MB - Conditional Grants	63,160	80,073	123,387	154,795	-	-	186,547	234,868
Total revenue	25,478,289	14,631,579	339,369	366,291	-	-	25,817,658	14,997,870
EXPENSES								
Personnel services	4,603,368	4,276,743	404,243	340,716	-	-	5,007,611	4,617,459
Contract services	3,604,366	3,079,519	105,104	51,292	-	-	3,709,470	3,130,811
Utilities	1,182,554	960,089	56,842	50,314	-	-	1,239,396	1,010,403
Maintenance materials and supplies	2,449,395	2,308,139	54,682	100,017	-	-	2,504,077	2,408,156
Grants and contributions	246,751	337,007	-	(1,613)	-	-	246,751	335,394
Amortization	1,950,322	1,754,467	3,014	2,485	-	-	1,953,336	1,756,952
Interest on long term debt	307,252	131,893	-	-	-	-	307,252	131,893
Other	729,454	605,719	223,185	65,493	-	-	952,639	671,212
Total expenses	15,073,462	13,453,576	847,070	608,704	-	-	15,920,532	14,062,280
Surplus (Deficit)	\$ 10,404,827	\$ 1,178,003	\$ (507,701)	\$ (242,413)	\$ -	\$ -	\$ 9,897,126	\$ 935,590

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2022

	2022							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	\$ -	\$ 14,324	\$ 2,131	\$ 13,930	\$ 383	\$ -	\$ 1,364	\$ 366
Other income	-	-	-	-	-	-	-	-
Total revenue	-	14,324	2,131	13,930	383	-	1,364	366
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	14,324	2,131	13,930	383	-	1,364	366
TRANSFERS								
Transfers to reserve fund	-	81,000	21,376	108,050	7,500	17,457	44,988	10,000
Transfers from reserve fund	8	(163,476)	(50,271)	-	(4,719)	-	(26,225)	-
CHANGE IN RESERVE FUND BALANCES	8	(68,152)	(26,764)	121,980	3,164	17,457	20,127	10,366
FUND SURPLUS, BEGINNING OF YEAR	(8)	523,476	87,590	424,078	11,792	(5,613)	37,422	7,554
FUND SURPLUS, END OF YEAR	\$ -	\$ 455,324	\$ 60,826	\$ 546,058	\$ 14,956	\$ 11,844	\$ 57,549	\$ 17,920

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2022

	2022							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetery Improvement
REVENUE								
Investment income	\$ 50,036	\$ 43,728	\$ 3,771	\$ 10,354	\$ 398	\$ 2,997	\$ 2,504	\$ 367
Other income	-	-	-	-	-	-	-	-
Total revenue	<u>50,036</u>	<u>43,728</u>	<u>3,771</u>	<u>10,354</u>	<u>398</u>	<u>2,997</u>	<u>2,504</u>	<u>367</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	50,036	43,728	3,771	10,354	398	2,997	2,504	367
TRANSFERS								
Transfers to reserve fund	-	150,000	-	5,483	5,000	39,625	-	-
Transfers from reserve fund	<u>(1,509,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCES	(1,459,022)	193,728	3,771	15,837	5,398	42,622	2,504	367
FUND SURPLUS, BEGINNING 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>
FUND SURPLUS, END OF YEAR	<u>\$ 1,012,873</u>	<u>\$ 1,634,398</u>	<u>\$ 133,206</u>	<u>\$ 365,735</u>	<u>\$ 16,532</u>	<u>\$ 125,675</u>	<u>\$ 88,446</u>	<u>\$ 12,958</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2022

	2022							
	Columbarium	Parks and Playgrounds	Waste Dispo -sal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask River Waterfront	
REVENUE								
Investment income	\$ -	\$ 2,535	\$ 6,700	\$ 35,359	\$ 1,939	\$ 3,436	\$ 835	\$ 1,252
Other income	-	-	-	-	-	-	-	-
Total revenue	-	2,535	6,700	35,359	1,939	3,436	835	1,252
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	2,535	6,700	35,359	1,939	3,436	835	1,252
TRANSFERS								
Transfers to reserve fund	-	-	-	126,689	113,819	56,909	5,000	-
Transfers from reserve fund	-	-	-	(1,231)	-	(34,387)	(5,541)	-
CHANGE IN RESERVE FUND BALANCES	-	2,535	6,700	160,817	115,758	25,958	294	1,252
FUND SURPLUS, BEGINNING OF YEAR	-	87,067	229,561	1,153,621	9,637	106,655	28,923	42,991
FUND SURPLUS, END OF YEAR	\$ -	\$ 89,602	\$ 236,261	\$ 1,314,438	\$ 125,395	\$ 132,613	\$ 29,217	\$ 44,243

TOWN OF THE PAS

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2022

	2022						2021
	Municipal Election	Sam Waller Museum	Rec Infrastructure				Total
REVENUE							
Investment income	\$ 206	\$ 3,253	\$ 970	\$ -	\$ -	\$ -	\$ 203,138
Other income	-	-	-	-	-	-	-
Total revenue	206	3,253	970	-	-	-	203,138
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	246
NET REVENUES	206	3,253	970	-	-	-	203,138
TRANSFERS							
Transfers to reserve fund	1,000	5,000	56,909	-	-	-	855,805
Transfers from reserve fund	(8,894)	(40,321)	-	-	-	-	(1,844,115)
CHANGE IN RESERVE FUND BALANCES	(7,688)	(32,068)	57,879	-	-	-	(785,172)
FUND SURPLUS, BEGINNING OF YEAR	11,057	129,129	4,819	-	-	-	7,474,369
FUND SURPLUS, END OF YEAR	\$ 3,369	\$ 97,061	\$ 62,698	\$ -	\$ -	\$ -	\$ 6,689,197

SCHEDULE OF L.U.D. OPERATIONS

For the Year Ended December 31, 2022

	2022 Budget	2022 Actual	2021 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, 2022

SCHEDULE 8

	2022						2021	
	Water and Sewer						Total	Total
FINANCIAL ASSETS								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	621,657	-	-	-	-	-	621,657	581,989
Portfolio investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
	<u>\$ 621,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621,657</u>	<u>\$ 581,989</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-
Long-term debt (Note 9)	4,680,808	-	-	-	-	-	4,680,808	-
Due to other funds	2,351,414	-	-	-	-	-	2,351,414	2,337,772
	<u>7,032,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,032,222</u>	<u>2,337,772</u>
NET FINANCIAL ASSETS	<u>\$ (6,410,565)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,410,565)</u>	<u>\$ (1,755,783)</u>
NON-FINANCIAL ASSETS								
Tangible capital assets (Schedule 1)	22,606,138	-	-	-	-	-	22,606,138	7,173,220
FUND SURPLUS	<u>\$ 16,195,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,195,573</u>	<u>\$ 5,417,437</u>

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Water			
Water fees	\$ 1,505,529	\$ 1,759,549	\$ 1,636,668
Bulk water sales	206,228	7,712	9,116
sub-total- water	<u>1,711,757</u>	<u>1,767,261</u>	<u>1,645,784</u>
Sewer			
Sewer fees	474,253	474,555	455,147
Lagoon tipping fees	-	2,990	2,630
sub-total- sewer	<u>474,253</u>	<u>477,545</u>	<u>457,777</u>
Recovery			
Recovery	125,454	-	-
sub-total- recovery	<u>125,454</u>	<u>-</u>	<u>-</u>
Government transfers			
(Capital	10,440,000	9,730,935	-
sub-total- government transfers	<u>10,440,000</u>	<u>9,730,935</u>	<u>-</u>
Other			
Hydrant rentals	26,700	26,700	26,700
Penalties	35,000	38,037	33,472
Other income (miscellaneous)	5,400	73,292	281
sub-total- other	<u>67,100</u>	<u>138,029</u>	<u>60,453</u>
Total revenue	<u>12,818,564</u>	<u>12,113,770</u>	<u>2,164,014</u>

TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
EXPENSES			
General			
Administration	\$ 308,255	\$ 299,771	\$ 309,879
Training costs		83	1,869
Billing and collection	16,949	44,280	21,459
sub-total- general	<u>325,204</u>	<u>344,134</u>	<u>333,207</u>
Water General			
Purification and treatment	411,064	639,420	578,810
Transmission and distribution	511,859	627,595	704,774
sub-total- water general	<u>922,923</u>	<u>1,267,015</u>	<u>1,283,584</u>
Water Amortization & Interest			
Amortization	353,300	353,300	358,510
Interest	315,053	195,349	
sub-total- water amortization & interest	<u>668,353</u>	<u>548,649</u>	<u>358,510</u>
Sewer General			
Collection system costs	160,237	209,735	262,056
Treatment and disposal cost	156,095	75,608	89,107
Lift Station costs	107,019	106,001	138,295
sub-total- sewer general	<u>423,351</u>	<u>391,344</u>	<u>489,458</u>
Sewage Amortization & Interest			
Amortization	293,550	293,550	178,452
sub-total- sewer amortization & interest	<u>293,550</u>	<u>293,550</u>	<u>178,452</u>
Total expenses	<u>2,633,381</u>	<u>2,844,692</u>	<u>2,643,211</u>
NET OPERATING SURPLUS (DEFICIT)	10,185,183	9,269,078	(479,197)
TRANSFERS			
Transfers from (to) operating fund	(125,454)		
Transfers from (to) reserve funds	<u>(40,186)</u>	<u>1,509,058</u>	<u>(416,999)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 10,019,543</u>	10,778,136	(896,196)
FUND SURPLUS, BEGINNING OF YEAR		<u>5,417,437</u>	<u>6,313,633</u>
FUND SURPLUS, END OF YEAR		<u>\$ 16,195,573</u>	<u>\$ 5,417,437</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 6,632,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,632,072
Grants in lieu of taxation	1,075,084	-	-	-	-	-	-	1,075,084
User fees	2,188,466	-	-	-	-	-	4,900	2,193,366
Permits, licences and fines	122,500	-	-	-	-	-	-	122,500
Investment income	130,000	-	-	-	-	-	-	130,000
Other revenue	285,000	-	-	-	-	-	2,000	287,000
Water and sewer	-	12,693,110	-	-	-	-	-	12,693,110
Grants - Province of Manitoba	1,186,914	-	-	-	-	-	89,758	1,276,672
Grants - other	640,258	-	-	-	-	-	105,018	745,276
Transfers from accumulated surplus	-	125,454	-	-	(125,454)	-	-	-
Transfers from reserves	112,500	-	-	-	(112,500)	-	-	-
Total revenue	12,372,794	12,818,564	-	-	(237,954)	-	201,676	25,155,080
EXPENSES								
General government services	\$ 1,363,531	\$ -	\$ 26,214	\$ -	\$ -	\$ -	\$ -	\$ 1,389,745
Protective services	3,730,679	-	68,868	-	-	-	-	3,799,547
Transportation services	2,105,116	-	707,732	-	-	-	-	2,812,848
Environmental health services	561,700	-	24,243	-	-	29,055	-	614,998
Public health and welfare services	73,707	-	1,218	-	-	-	-	74,925
Regional planning and development	5,000	-	-	-	-	-	-	5,000
Resource cons and industrial dev	7,750	-	29,664	-	-	-	141,518	178,932
Recreation and cultural services	2,209,999	-	448,548	-	-	-	290,895	2,949,442
Water and sewer services	-	1,897,871	646,850	-	-	-	-	2,544,721
Fiscal services:								
Transfer to capital		10,440,000	-	-	(10,440,000)	-	-	-
Debt charges	567,160	-	-	(567,160)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Deficit recovery	23,590	125,454	-	-	(149,044)	-	-	-
Transfer to reserves	1,457,934	40,186	-	-	(1,498,120)	-	-	-
Allowance for tax assets	266,628	-	-	-	(266,628)	-	-	-
Total expenses	12,372,794	12,503,511	1,953,337	(567,160)	(12,353,792)	29,055	432,413	14,370,158
Surplus (Deficit)	\$ -	\$ 315,053	\$ (1,953,337)	\$ (567,160)	\$ (12,591,746)	\$ (29,055)	\$ (230,737)	\$ 10,784,922

**TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2022**

SCHEDULE 11

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 763,232	\$ 1,013,570
Add:		
Tax levy (Schedule 12)	9,497,927	9,365,014
Taxes added	3,026	27,708
Penalties or interest	128,117	94,097
Other accounts added	-	-
Municipal fees	-	-
Other added to taxes	31,671	3,710
Water added to taxes	142,007	103,355
Tax overpaid refunds	24,289	12,449
Sub-total	<u>9,827,037</u>	<u>9,606,333</u>
Deduct:		
Cash collections - current	8,866,234	8,521,587
Cash collections - arrears	97,976	105,144
Tax cancelled	32,463	8,638
Tax discounts	9,105	13,759
E.P.T.C. - cash advance	495,883	599,256
Other credits	58,748	608,287
Sub-total	<u>9,560,409</u>	<u>9,856,671</u>
Balance, end of year	<u><u>\$ 1,029,860</u></u>	<u><u>\$ 763,232</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2022

	2022			2021
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ -	\$ -	\$ -	\$ -
LI.D. #4381	\$ 194,270,280	\$ 0.77	149,588	147,858
LI.D. #4435	\$ 194,270,280	\$ 0.93	180,671	180,715
LI.D. #4486	\$ 194,270,280	\$ 0.87	169,015	167,379
sub-total- Debt charges			499,274	495,952
Reserves:				
Infrastructure	\$ 170,454,900	\$ 0.76	129,546	128,857
Machinery equip. repl.	\$ 170,454,900	\$ 0.38	64,773	64,513
Municipal election	\$ 170,454,900	\$ 0.01	1,705	1,863
Computer	\$ 170,454,900	\$ 0.04	6,818	6,604
Arena reserve	\$ 170,454,900	\$ 0.08	13,636	13,038
Museum	\$ 170,454,900	\$ 0.03	5,114	4,402
Wellness equip.	\$ 170,454,900	\$ 0.03	5,114	4,402
Winton pool	\$ 170,454,900	\$ 0.08	13,636	13,038
Civic Centre	\$ 170,454,900	\$ 0.06	10,227	8,636
Fire Equipment	\$ 170,454,900	\$ 0.26	44,318	43,009
Garage/Tanks	\$ 170,454,900	\$ 0.10	17,045	17,102
Library	\$ 170,454,900	\$ 0.03	5,114	4,402
			317,046	309,866
General municipal	\$ 170,454,900	\$ 32.68	5,570,466	5,448,911
Deficit recovery	\$ 170,454,900	\$ 1.39	236,250	234,686
At large			-	-
Business fees			8,356	8,120
Total municipal taxes (Schedule 2)			6,631,392	6,497,535
Education support levy			417,957	420,887
Special levies:				
Kelsey School Division #45			2,448,578	2,446,592
Total education taxes			2,866,535	2,867,479
Total tax levy (Schedule 11)			\$ 9,497,927	\$ 9,365,014

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ending December 31, 2022

	2022 Actual	2021 Actual
General government services:		
Legislative	\$ 81,967	\$ 81,880
General administrative	995,311	938,897
Other (miscellaneous)	444,983	535,293
	<u>1,522,261</u>	<u>1,556,070</u>
Protective services:		
Police	2,950,498	2,563,522
Fire	414,289	416,978
Emergency measures	29,668	32,748
Other (animal control)	31,225	81,625
	<u>3,425,680</u>	<u>3,094,873</u>
Transportation services:		
Road transport		
Administration and engineering	291,873	350,883
Road and street maintenance	1,090,239	959,691
Street lighting	153,958	152,365
Other (signage, marking and festive lighting)	279,142	196,114
Air transport	2,012,560	1,681,000
	<u>3,827,772</u>	<u>3,340,053</u>
Environmental health services:		
Waste collection and disposal	448,914	429,709
Recycling	109,650	159,649
Other (miscellaneous)	132,745	88,137
	<u>691,309</u>	<u>677,495</u>
Public health and welfare services:		
Public health	33,802	39,240
Regional planning and development		
Urban area weed control	10,516	9,627
Resource conservation and industrial development		
Regional development	29,664	27,425
Tourism	11,062	8,191
	<u>40,726</u>	<u>35,616</u>
Recreation and cultural services:		
Other recreational facilities	2,604,344	1,983,123
Museums	211,535	222,346
Libraries	169,090	167,858
	<u>2,984,969</u>	<u>2,373,327</u>
Total expenses	<u><u>\$ 12,537,035</u></u>	<u><u>\$ 11,126,301</u></u>

TOWN OF THE PAS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2022

SCHEDULE 14

	General	2022 Utility	Total	2021 Total
MUNICIPAL DEFICIT UNDER THE MUNICIPAL ACT	\$ (217,131)	\$ (4,974)	\$ (222,105)	\$ (170,363)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	855,805	-	855,805	1,606,447
Eliminate revenue - transfers from reserves	(84,228)	-	(84,228)	(363,522)
Decrease revenue - loss on disposal of TCA	-	-	-	-
Increase revenue - reserve funds interest	203,138	-	203,138	83,121
Increase revenue - Net surplus (deficit) of consolidated entities	140,183	-	140,183	523,847
Eliminate revenue - transfer from / to nominal surpluses	-	-	-	273,311
Increase expense - amortization of tangible capital assets	(1,303,473)	(646,850)	(1,950,323)	(1,754,467)
Decrease expense - principal portion of debenture debt	456,358	119,192	575,550	435,294
Eliminate expense - acquisitions of tangible capital assets	577,397	9,801,709	10,379,106	301,922
	\$ 628,049	\$ 9,269,077	\$ 9,897,126	\$ 935,590
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS				