TOWN OF THE PAS

Consolidated Financial Statements
For the Year Ended December 31, 2025

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.

Bola Adedoyin
Chief Administrative Officer

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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, 2025, 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 consolidated financial position of the Town of The Pas and its consolidated financial performance, cash flows and supporting schedules 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.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

(continued…..)

Baker Tilly HMA LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

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 consolidated 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Town of The Pas as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Baker Tilly HMA LLP

Chartered Professional Accountants

The Pas, Manitoba
October 13, 2026

TOWN OF THE PAS

Consolidated Financial Statements
For the Year Ended December 31, 2025

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TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	**$ 13,697,821**	$ 7,822,055
Amounts receivable (Note 4)	**4,984,864**	3,585,462
Real estate properties held for sale	**447,478**	427,947
Other inventories for sale (Note 5)	**483,649**	495,608
Investments (Note 6)	**1,594,847**	1,518,574
	$ 21,208,659	$ 13,849,646
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	**$ 2,514,049**	$ 2,330,975
Severance and sick leave payable	**60,724**	51,885
Unearned revenue (Note 8)	**5,647,234**	2,200,775
Asset retirement obligations (Note 9)	**3,999,324**	3,854,770
Long-term debt (Note 10)	**4,654,891**	5,313,947
Obligations under capital lease (Note 11)	**221,550**	267,759
Other liabilities (Note 19)	**182,522**	122,208
	17,280,294	14,142,319
NET FINANCIAL ASSETS (DEBT)	**$ 3,928,365**	$ (292,673)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 46,291,457**	$ 46,077,785
Inventories (Note 5)	**553,017**	522,353
Prepaid expenses	**127,145**	139,677
	46,971,619	46,739,815
ACCUMULATED SURPLUS	**$ 50,899,984**	$ 46,447,142

CONTINGENCY (NOTES 13)

Approved on behalf of Council:

Carrie Atkinson
Deputy Mayor

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, 2025

	2025 Budget (Note 15)	2025	2024 Actual
REVENUE			
Property taxes	**$ 7,818,259**	**$ 7,844,229**	$ 7,492,426
Grants in lieu of taxation	**1,348,971**	**1,348,971**	1,207,229
User fees	**8,477,810**	**5,548,106**	3,037,185
Permits, licences and fines	**85,500**	**118,039**	119,566
Investment income	**350,000**	**416,615**	377,593
Other revenue	**388,450**	**956,636**	693,857
Water and sewer	**3,588,837**	**3,074,312**	3,017,087
Grants - Province of Manitoba	**2,955,262**	**1,948,871**	1,833,303
Grants - other	**458,002**	**1,373,725**	1,512,374
Total revenue (Schedules 2, 4 and 5)	**25,471,091**	**22,629,504**	19,290,620
EXPENSES			
General government services	**1,803,177**	**1,717,670**	1,545,384
Protective services	**4,300,099**	**4,040,759**	3,513,985
Transportation services	**3,689,008**	**4,469,180**	3,614,785
Environmental health services	**885,501**	**794,925**	752,585
Public health and welfare services	**113,107**	**128,069**	78,911
Regional planning and development	**20,600**	**14,450**	29,294
Resource conservation and industrial development	**324,460**	**204,106**	183,115
Recreation and cultural services	**3,402,732**	**3,496,209**	3,378,439
Water and sewer services	**3,415,305**	**3,311,294**	3,227,535
Total expenses (Schedules 3, 4 and 5)	**17,953,989**	**18,176,662**	16,324,033
ANNUAL SURPLUS	**$ 7,517,102**	**4,452,842**	2,966,587
ACCUMULATED SURPLUS, BEGINNING OF YEAR		**46,447,142**	43,480,555
ACCUMULATED SURPLUS, END OF YEAR		**$ 50,899,984**	$ 46,447,142

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)
For the Year Ended December 31, 2025

	2025 Budget (Note 15)	2025	2024 Actual
ANNUAL SURPLUS	**$ 7,517,102**	**$ 4,452,842**	$ 2,966,587
Acquisition of tangible capital assets	**(2,385,076)**	**(2,385,076)**	(2,633,534)
Amortization of tangible capital assets	**2,171,404**	**2,171,404**	2,020,548
Loss on sale of tangible capital assets	**-**		-
Proceeds on sale of tangible capital assets	**-**		-
Decrease (increase) in inventories	**(30,664)**	**(30,664)**	(77,795)
Decrease (increase) in prepaid expense	**12,532**	**12,532**	(28,674)
	(231,804)	**(231,804)**	(719,455)
CHANGE IN NET FINANCIAL ASSETS (DEBT)	**$ 7,285,298**	**4,221,038**	2,247,132
NET FINANCIAL DEBT, BEGINNING OF YEAR		**(292,673)**	(2,539,805)
NET FINANCIAL ASSETS (DEBT), END OF YEAR		**$ 3,928,365**	$ (292,673)

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, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	**$ 4,452,842**	$ 2,966,587
Changes in non-cash items:		
Amounts receivable	**(1,399,402)**	(901,854)
Inventories	**(18,705)**	(43,716)
Prepaids	**12,532**	(28,674)
Accounts payable and accrued liabilities	**183,074**	(696,998)
Severance and sick leave payable	**8,839**	(4,816)
Asset retirement obligations	**144,554**	139,329
Unearned revenue	**3,446,459**	(1,629,428)
Other liabilities	**60,314**	15,723
Amortization	**2,171,404**	2,020,548
Cash provided by operating transactions	**9,061,911**	1,836,701
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**-**	-
Cash used to acquire tangible capital assets	**(2,385,076)**	(2,633,534)
Cash applied to capital transactions	**(2,385,076)**	(2,633,534)
INVESTING TRANSACTIONS		
Proceeds on maturity of portfolio investments		14,821
Purchase of portfolio investments	**(76,273)**	(1,518,574)
Acquisition of real estate properties	**(19,531)**	(80,026)
Cash applied to investing transactions	**(95,804)**	(1,583,779)
FINANCING TRANSACTIONS		
Proceeds of long-term debt		
Debt repayment	**(659,056)**	(629,928)
Obligation under capital lease	**(46,209)**	267,759
Cash received from (applied to) financing transactions	**(705,265)**	(362,169)
CHANGE IN CASH AND CASH EQUIVALENTS	**5,875,766**	(2,742,781)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**7,822,055**	10,564,836
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 13,697,821**	$ 7,822,055

The accompanying notes are an integral part of this financial statement

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%) (2024 - 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) Financial instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion that the municipality 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.

The Town classifies its financial instruments as either fair value, cost or amortized cost. The municipality's accounting policy for each category is as follows:

Fair value:

This category includes derivatives and equity instruments quoted in an active market. The Town has not designated any of its portfolio investments or borrowings at fair value that would otherwise be classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. When realized they are transferred to the Consolidated Statement of Operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the Consolidated Statement of Operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

d) Foreign currency translation

The Town's foreign currency risk is reflected in its financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year-end rate of exchange. Revenue and expense arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

At each financial statement date, monetary assets, and liabilities, must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the period of settlement, the cumulative amount of foreign exchange gains and losses is removed from the Consolidated Statement of Remeasurement Gains and Losses and is recognized in the Consolidated Statement of Operations.

e) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value.

f) Portfolio Investments

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at December 31. Changes in the value of portfolio investments due to foreign currency changes are recorded in the Statement of Remeasurement Gains and Losses until the investments are sold.

Investment income on portfolio investments denominated in a foreign currency are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

g) 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.

h) 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 (debt) 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.

i) 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.

j) 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.

k) 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.

l) Revenue Recognition

Fees and other revenues:

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service or series of distinct goods or services to a payor for consideration. The Town recognizes revenue when the performance obligations are satisfied and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The Town receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the Town has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery of products.

Government transfers:

Transfer payments from other governments include all accruals determined for current year entitlements are recognized in the financial statements when the transfer is authorized, eligibility criteria are met and the transfer can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 *Liabilities* . 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 grants as well as 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 related expenditures are made or services are provided.

Property taxes:

Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

Externally restricted inflows:

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

m) Asset Retirement Obligations

Asset retirement obligations reflect the legal obligations arising from the retirement of the Town's tangible capital assets and are recognized when:

- there is a legal obligation for the Town to incur costs in relation to a specific tangible capital asset,
- there is a past transaction or event causing the liability that has occurred,
- economic benefits will need to be given up to remediate the liability, and
- a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the Town derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

n) 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.

o) 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 estimate of asset retirement obligations. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the financial statement date. The actual future cash flows and timing of obligations arising from asset retirement may differ significantly from these estimates. Measurement uncertainty also exists in the the allowance for doubtful accounts which depends on management's views on future counterparty payment performance.

p) 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:

• The Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of PSAS 1000 (Financial Statement Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after January 1, 2027. The Conceptual Framework is applied prospectively.

• PSAS 1202, Financial Statement Presentation, replaces PSAS 1201 for fiscal years beginning January 1, 2027.

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 Cash Equivalents

Cash and cash equivalents are comprised of the following:

	2025	2024
Cash	**$ 13,697,821**	$ 7,822,055

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2025	2024
Taxes on roll (Schedule 11)	**$ 1,611,543**	$ 1,294,025
Government grants	**-**	6,000
Utility customers	**932,029**	590,129
Organizations and individuals	**2,093,690**	938,939
Other governments	**70,000**	105,000
Other	**499,733**	892,807
	5,206,995	3,826,900
Less: allowances for doubtful amounts	**(222,131)**	(241,438)
	$ 4,984,864	$ 3,585,462

Included in amounts receivable from other governments is $70,000 payable at $35,000 annually maturing October 31, 2026. (2025 - $105,000) This amount is non-interest bearing.

5. Inventories

Inventories for sale:

	2025	2024
Aviation fuel	**$ 71,009**	$ 103,524
Other	**412,640**	392,084
	$ 483,649	$ 495,608

Inventories for use:

	2025	2024
Fuel	**$ 26,854**	$ 23,817
Aggregate	**164,594**	142,193
Other supplies (general inventories)	**361,569**	356,343
	$ 553,017	$ 522,353

6. Investments

	2025	2024
TD Canada Trust guaranteed investment certificate	**$ 15,757**	$ 15,147
Royal Bank of Canada linear account notes	**1,579,090**	1,503,427
	$ 1,594,847	$ 1,518,574

On September 9, 2024, the Town of The Pas invested $1,500,000 in Royal Bank of Canada Extendible Linear Accrual Notes. These senior, unsecured notes accrue interest at a simple linear rate of 5.40% per annum, with annualized returns ranging from 5.262% at the initial maturity to 4.412% at the final maturity. The initial maturity date is September 9, 2026, and the issuer may extend the maturity annually up to the final maturity date of September 9, 2034, unless notice of redemption is provided at least 15 Toronto business days prior to any maturity date. Repayment of principal and interest is subject to the credit risk of Royal Bank of Canada, as the notes rank equally with other unsecured debt and are not insured by the Canada Deposit Insurance Corporation. The value of the notes may be affected by changes in prevailing interest rates, credit ratings, and market conditions, and early redemption by the issuer may require reinvestment at lower rates. The notes are not listed on any exchange, and there is no assurance of a secondary market, which may limit liquidity. The notes are registered in the Canadian Depository for Securities book-based system and are subject to the Canadian bail-in regime, meaning they may be converted into common shares of the issuer in the event of certain regulatory actions.

7. Accounts Payable and Accrued Liabilities

	2025	2024
Accounts payable	**$ 1,987,902**	$ 1,219,881
Accrued expenses	**189,987**	883,872
School levies	**336,160**	227,222
	$ 2,514,049	$ 2,330,975

8. Unearned Revenue

	2025	2024
Gas Tax balance, beginning of year	**$ 1,063,425**	$ 1,908,856
Funding received during the year	**328,784**	315,633
Interest earned	**24,519**	74,385
Recognized as revenue during the year	**(1,074,192)**	(1,235,449)
Gas Tax balance, end of year	**342,536**	1,063,425
Other deferred revenue	**5,304,698**	1,137,350
	$ 5,647,234	$ 2,200,775

9. Asset Retirement Obligations

	2025	2024
Balance, beginning of year	**$ 3,854,770**	$ 3,715,441
Liabilities incurred during the year		
Accretion expense	**144,554**	139,329
Change in assumptions	**-**	-
Estimated total liability	**$ 3,999,324**	$ 3,854,770

a) Landfill Site
Legislation requires the Town to conduct 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.

The Town operates a Class 1 landfill, with an estimated remaining capacity of .02 ha of the landfill's total estimated capacity of 5.50 ha. The estimated remaining life of the landfill is seven years. The period for post-closure care is estimated to be 25 years.

The estimated total liability of $458,280 (2024 - $441,716) is based on the sum of discounted future cash flows using a discount rate of 3.75%.

b) Lagoon
The Town is required to appropriately close wastewater lagoon sites at the end of their operating life. The Town operates a wastewater lagoon, with an estimated remaining life of 47 years.

The estimated total liability of $3,283,082 (2024 - $3,160,282) is based on the sum of discounted future cash flows using a discount rate of 3.75%.

c) Asbestos and lead paint
Legislation requires the Town to appropriately handle and dispose of any material containing asbestos and lead paint when renovating or demolishing a municipal structure. The Town owns the Civic Centre, Sam Waller Museum, The Pas Regional Library, Winton Swimming Pool, Water Treatment Plant and Bell Avenue Lift Station, which contain asbestos.

The estimated total liability of $257,962 (2024 - $248,312) is based on the sum of discounted future cash flows using a discount rate of 3.75%.

10. Long-Term Debt

	2025	2024
General Authority:		
Debenture, interest at 5.625%, payable at $169,100 annually including interest, maturing December 1, 2025	$ -	$ 160,093
Debenture, interest at 4.625%, payable at $206,615 annually including interest, maturing December 31, 2025	**-**	197,482
Debenture, interest at 4.375%, payable at $191,447 annually including interest, maturing December 31, 2027	**359,157**	527,525
Utility Fund Debenture, interest at 3.750%, payable at $299,192 annually including interest, maturing December 31, 2046	**4,295,734**	4,428,847
	$ 4,654,891	$ 5,313,947

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

2026	$ 313,836
2027	326,704
2028	148,654
2029	154,228
2030	160,012
Thereafter	3,551,460

Schedule of Debentures Pending

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

11. Obligation Under Capital Lease

Future minimum lease payments under the capital lease together with the obligation due under the capital lease are as follows:

	2025	2024
2025	$ -	$ 63,834
2026	**63,834**	63,834
2027	**63,834**	63,834
2028	**63,834**	63,834
2029	**63,845**	63,845
Total minimum lease payments	**$ 255,347**	$ 319,181
Less: amount representing future interest at 7.14%	**33,797**	51,422
Balance of obligation	**$ 221,550**	$ 267,759

Assets under capital lease include equipment.

	2025	2024
Cost of leased tangible capital assets	**$ 267,759**	$ 267,759
Accumulated amortization of leased tangible capital assets	**(60,283)**	(6,731)
	$ 207,476	$ 261,028

Amortization expense includes $53,552 (2024 - $6,731) on leased tangible capital assets.

12. Liability for Contaminated Sites

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

13. 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.

14. 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 PS 3250.

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. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by town on behalf of their employees amount to $282,483 and are included in town's 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, 2024, indicated the plan was 109.97% funded on a going concern basis and had an unfunded solvency liability of $16.325 million, making the plan 98.4% funded on a solvency basis. 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, 2024.

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.

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

	2025	2024
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	**$ 2,961,322**	$ 2,137,320
Utility operating fund - Nominal surplus	**(73,159)**	(510,249)
TCA net of related borrowings	**37,402,428**	36,632,559
Reserve funds	**9,562,598**	7,266,929
Accumulated surplus of Town unconsolidated	**49,853,189**	45,526,559
Accumulated surpluses of consolidated entities	**1,046,795**	920,583
Accumulated surplus per Consolidated Statement of Financial Position	**$ 50,899,984**	$ 46,447,142

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 $85,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2025:

a) There were no members of council receiving compensation in excess of $85,000 individually.

It is a requirement of The Municipal Act that the annual financial statements disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the Town. For the year ended December 31, 2025:

b) Compensation paid to members of council amounted to $104,059 in aggregate.

Council Members:

	Compensation	Expenses	Total
Mayor - Andre Murphy	$ 19,303	$ 4,282	$ 23,585
Councillor - Carrie Atkinson	12,932	4,389	17,321
Councillor - Gary Hopper	11,140		11,140
Councillor - Lawrence Forster	11,564		11,564
Councillor - Margaret Commodore	11,564		11,564
Councillor - Randy Manych	11,564	566	12,130
Councillor - Trent Allen	11,564	5,191	16,755
	$ 89,631	$ 14,428	$ 104,059

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:

Description of Utility	Unamortized Opening Balance	Additions (Disposals) During Year	Amortization During Year	Unamortized Amortization During Year
Water treatment study	$ 3,349	$ -	$ 837	$ 2,512
Lagoon study	20,859		2,086	18,773
Sewage lagoon	750		125	625
Bell Ave. lift station	176,400		19,600	156,800
Water treatment plant	146,387		20,913	125,474
LaRose Ave. renewal	820,021		66,667	753,354
Water treatment plant	580,064		82,866	497,198
Lagoon upgrade	9,097,393	-	193,562	8,903,831
	$ 10,845,223	$ -	$ 386,656	$ 10,458,567

19. Trust Funds

The Town administers the following trusts that are not consolidated in these financial statements:

	Balance, beg. of the year	Excess of Receipts Over Disbursements	Balance, end of the year
Handivan	$ 122,208	$ 60,314	$ 182,522

20. Segmented Information

The Town provides a wide ranges of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

21. 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, 2025 and 2024, the Town did not have any contingent assets.

22. 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;
- Licence agreements;

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, 2025 and 2024 the Town did not have any contractual rights which meet its criteria for disclosure.

23. 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 transfers 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, 2025 and 2024, the Town did not have any related party transactions which met its criteria for disclosure.

24. Public Private Partnerships

The Town is not a party to any public private partnerships.

25. Financial Instrument Risk Disclosure

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Town's principal exposures to credit risk arise through cash and cash equivalents, amounts receivable and investments. Amounts receivable are comprised primarily of taxes on roll, utility customer accounts, government grants receivable and other receivables. The Town manages credit risk through regular monitoring of outstanding balances and by maintaining an allowance for doubtful accounts where collection is uncertain.

The Town also holds investments with Canadian financial institutions, including guaranteed investment certificates and Royal Bank of Canada notes. Management considers the risk of non-performance by these counterparties to be low.

There is a material concentration of credit risk with a counterparty with a balance outstanding of $1.8M as December 31, 2025. As of the date of preparation, the balance outstanding was reduced to approximately $1.3M with $0.7M relating to 2025 amounts. Management believes that there is no impairment present based on payments received from and communications with the counterparty.

The maximum exposure to credit risk at year end is represented by the carrying value of the related financial assets in the consolidated statement of financial position.

26. Subsequent Event

Subsequent to year-end, the Town commenced a recreation hub and parks renewal project with an estimated total cost of $3,875,000. The project is expected to be funded through $1,375,000 from the Manitoba Growth, Renewal and Opportunities Fund and approximately $2,500,000 of long-term borrowing. The Town has submitted the proposed borrowing by-law to the Province of Manitoba and, as of the date of these financial statements, approval remains outstanding.

27. Comparative Figures

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

TOWN OF THE PAS **SCHEDULE 1**

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2025

	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	2025	2024
Cost										
Opening costs	$ 3,339,876	$ 19,276,794	$ 9,165,798	$ 249,836	$ 165,571	$ 11,889,699	$ 41,036,371	$ -	**$ 85,123,945**	$ 82,490,411
Additions during the year	70,506	8,725	805,461	62,413	139,375	1,299,921	34,745	-	**2,421,146**	2,651,849
Disposals and write downs	-	-	-	-	(36,070)	-	-	-	**(36,070)**	(18,315)
Closing costs	**3,410,382**	**19,285,519**	**9,971,259**	**312,249**	**268,876**	**13,189,620**	**41,071,116**	**-**	**87,509,021**	85,123,945
Accumulated Amortization										
Opening accum'd amortization	(909,480)	(9,779,050)	(5,438,881)	(134,410)	-	(6,224,360)	(16,559,979)	-	**(39,046,160)**	(37,025,612)
Amortization	(69,536)	(459,777)	(549,769)	(26,282)		(278,116)	(787,924)	-	**(2,171,404)**	(2,020,548)
Disposals and write downs	-	-	-	-	-	-	-	-	**-**	-
Closing accum'd amortization	**(979,016)**	**(10,238,827)**	**(5,988,650)**	**(160,692)**	**-**	**(6,502,476)**	**(17,347,903)**	**-**	**(41,217,564)**	(39,046,160)
Net Book Value of Tangible Capital Assets	**$ 2,431,366**	**$ 9,046,692**	**$ 3,982,609**	**$ 151,557**	**$ 268,876**	**$ 6,687,144**	**$ 23,723,213**	**$ -**	**$ 46,291,457**	$ 46,077,785

TOWN OF THE PAS **SCHEDULE 2**

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2025

	2025	2024 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	**$ 7,818,163**	$ 7,460,324
Taxes added	**26,066**	32,102
	7,844,229	7,492,426
Grants in lieu of taxation:		
Federal government	**141,200**	136,494
Federal government enterprises	**12,372**	12,041
Provincial government	**314,789**	280,022
Provincial government enterprises	**880,610**	778,672
	1,348,971	1,207,229
User fees:		
Sales of service	**1,469,439**	1,010,734
Sales of goods	**3,493,164**	1,413,352
Facility use fees	**585,503**	613,099
	5,548,106	3,037,185
Permits, licences and fines:		
Permits	**70,230**	68,496
Fines	**47,809**	51,070
	118,039	119,566
Investment income:		
Cash and investments	**416,615**	377,593
Other revenue:		
Miscellaneous	**774,730**	495,106
Penalties	**181,906**	198,751
	956,636	693,857
Water and sewer:		
Municipal utility (Schedule 9)	**3,074,312**	3,017,087
Grants - Province of Manitoba:		
Municipal operating grants	**888,527**	819,924
Other unconditional grants	**827,731**	811,501
Conditional grants	**232,613**	201,878
	1,948,871	1,833,303
Grants - other:		
Federal government - gas tax funding	**1,074,192**	1,235,449
Federal government - other	**15,813**	44,895
Other municipal governments	**283,720**	232,030
	1,373,725	1,512,374
Total revenue	**$ 22,629,504**	$ 19,290,620

TOWN OF THE PAS **SCHEDULE 3**

CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2025

	2025	2024 Actual
General government services:		
Legislative	**$ 89,632**	$ 81,912
General administrative	**906,491**	974,128
Other expenses	**721,547**	489,344
	1,717,670	1,545,384
Protective services:		
Police	**2,823,718**	2,745,602
Fire	**823,559**	607,875
Emergency measures	**91,748**	31,930
Other (animal control)	**301,734**	128,578
	4,040,759	3,513,985
Transportation services:		
Road transport		
Administration and engineering	**386,390**	372,547
Road and street maintenance	**1,174,247**	1,084,226
Street lighting	**151,619**	155,138
Other (signage, marking and festive lighting)	**262,950**	251,253
Air transport	**2,493,974**	1,751,621
	4,469,180	3,614,785
Environmental health services:		
Waste collection and disposal	**513,678**	510,410
Recycling	**228,531**	176,519
Other	**52,716**	65,656
	794,925	752,585
Public health and welfare services:		
Public health	**128,069**	78,911
Regional planning and development:		
Urban area weed control	**14,450**	29,294
Resource conservation and industrial development:		
Regional development	**163,089**	134,467
Tourism	**41,017**	48,648
	204,106	183,115
Recreation and cultural services:		
Administration	**177,961**	176,705
Swimming pool	**628,704**	644,294
Skating and curling rinks	**658,140**	636,151
Parks and playgrounds	**190,378**	152,982
Other recreational facilities	**1,222,595**	1,209,965
Museums	**297,296**	293,983
Libraries	**321,135**	264,359
	3,496,209	3,378,439
Water and sewer services:		
Municipal utility	**3,311,294**	3,227,535
Total expenses	**$ 18,176,662**	$ 16,324,033

TOWN OF THE PAS **SCHEDULE 4**

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2025

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE										
Property taxes	**$ 7,844,229**	$ 7,492,426		$ -		$ -		$ -		$ -
Grants in lieu of taxation	**1,348,971**	1,207,229								
User fees	**145,513**	124,340	**598,906**	151,164	**3,741,359**	1,613,845	**283,270**	346,801	**63,893**	50,215
Grants - other	**1,074,192**	1,239,733				750				
Permits, licences and fines	**118,039**	119,566								
Investment income	**415,974**	377,262								
Other revenue	**769,207**	547,825			**930**	4,936				
Water and sewer										
Prov of MB - Unconditional Grants	**1,716,258**	1,631,424								
Prov of MB - Conditional Grants	**40,442**	43,160		-		-		-		-
Total revenue	**13,472,825**	12,782,965	**598,906**	151,164	**3,742,289**	1,619,531	**283,270**	346,801	**63,893**	50,215
EXPENSES										
Personnel services	**856,560**	815,428	**789,594**	423,637	**1,094,674**	1,086,389	**348,968**	351,148	**71,886**	52,220
Contract services	**373,091**	247,689	**2,849,922**	2,757,097	**197,632**	163,548	**28,834**	54,045	**8,464**	1,949
Utilities	**76,322**	101,718	**46,605**	39,138	**281,147**	284,130	**3,924**	3,638		
Maintenance materials and supplies	**43,261**	46,076	**253,937**	178,294	**1,927,349**	1,339,467	**56,075**	51,164	**46,586**	23,723
Grants and contributions	**188,893**	142,799					**228,531**	176,519		
Amortization	**32,831**	25,377	**68,072**	83,356	**665,338**	493,216	**79,087**	55,231	**1,133**	1,019
Interest on long-term debt	**41,218**	65,615								
Other	**105,494**	100,682	**32,629**	32,463	**303,040**	248,035	**49,506**	60,840		-
Total expenses	**1,717,670**	1,545,384	**4,040,759**	3,513,985	**4,469,180**	3,614,785	**794,925**	752,585	**128,069**	78,911
Surplus (Deficit)	**$ 11,755,155**	$ 11,237,581	**$ (3,441,853)**	$ (3,362,821)	**$ (726,891)**	$ (1,995,254)	**$ (511,655)**	$ (405,784)	**$ (64,176)**	$ (28,696)

* 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
For the Year Ended December 31, 2025

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE										
Property taxes		$ -		$ -		$ -		$ -	**$ 7,844,229**	$ 7,492,426
Grants in lieu of taxation									**1,348,971**	1,207,229
User fees					**715,166**	750,819			**5,548,107**	3,037,184
Grants (recovery) - other			**35,009**	35,009	**264,524**	236,881			**1,373,725**	1,512,373
Permits, licences and fines									**118,039**	119,566
Investment income					**641**	331			**416,615**	377,593
Other revenue			**15,030**	17,275	**171,468**	123,825			**956,635**	693,861
Water and sewer							**3,074,312**	2,592,375	**3,074,312**	2,592,375
Prov of MB - Unconditional Grants								424,711	**1,716,258**	2,056,135
Prov of MB - Conditional Grants		-		-	**192,171**	158,718		-	**232,613**	201,878
Total revenue	**-**	-	**50,039**	52,284	**1,343,970**	1,270,574	**3,074,312**	3,017,086	**22,629,504**	19,290,620
EXPENSES										
Personnel services			**104,181**	92,321	**1,750,711**	1,768,880	**1,125,036**	942,852	**6,141,610**	5,532,875
Contract services	**9,303**	24,169	**6,216**	3,228	**151,849**	96,932	**22,988**	27,571	**3,648,299**	3,376,228
Utilities			**755**	349	**489,751**	472,088	**259,398**	297,071	**1,157,902**	1,198,132
Maintenance materials and supplies	**5,147**	5,125	**3,538**	2,559	**260,207**	202,534	**772,444**	797,412	**3,368,544**	2,646,354
Grants and contributions									**417,424**	319,318
Amortization			**36,376**	37,131	**500,643**	500,019	**787,924**	825,199	**2,171,404**	2,020,548
Interest on long-term debt							**166,082**	170,893	**207,300**	236,508
Other		-	**53,040**	47,527	**343,048**	337,986	**177,422**	166,537	**1,064,179**	994,070
Total expenses	**14,450**	29,294	**204,106**	183,115	**3,496,209**	3,378,439	**3,311,294**	3,227,535	**18,176,662**	16,324,033
Surplus (Deficit)	**$ (14,450)**	$ (29,294)	**$ (154,067)**	$ (130,831)	**$ (2,152,239)**	$ (2,107,865)	**$ (236,982)**	$ (210,449)	**$ 4,452,842**	$ 2,966,587

TOWN OF THE PAS **SCHEDULE 5**

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2025

	Core Government		Controlled Entities		Government Partnerships		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE								
Property taxes	**$ 7,844,229**	$ 7,492,426	**$ -**	$ -	**$ -**	$ -	**$ 7,844,229**	7,492,426
Grants in lieu of taxation	**1,348,971**	1,207,229					**1,348,971**	1,207,229
User fees	**5,507,815**	2,992,953	**40,291**	44,232			**5,548,106**	3,037,185
Grants - other	**1,262,903**	1,398,924	**110,822**	113,450			**1,373,725**	1,512,374
Permits, licences and fines	**118,039**	119,566					**118,039**	119,566
Investment income	**415,974**	377,262	**641**	331			**416,615**	377,593
Other revenue	**916,829**	662,322	**39,807**	31,536			**956,636**	693,858
Water and sewer	**3,074,312**	3,017,086					**3,074,312**	3,017,086
Prov of MB - Unconditional Grants	**1,716,258**	1,631,426					**1,716,258**	1,631,426
Prov of MB - Conditional Grants	**71,674**	88,750	**160,939**	113,127		-	**232,613**	201,877
Total revenue	**22,277,004**	18,987,944	**352,500**	302,676	**-**	-	**22,629,504**	19,290,620
EXPENSES								
Personnel services	**5,424,557**	5,087,504	**717,053**	445,371			**6,141,610**	5,532,875
Contract services	**3,616,788**	3,356,596	**31,511**	19,632			**3,648,299**	3,376,228
Utilities	**1,107,524**	1,151,942	**50,378**	46,190			**1,157,902**	1,198,132
Maintenance materials and supplies	**3,295,920**	2,592,452	**72,624**	53,902			**3,368,544**	2,646,354
Grants and contributions	**417,424**	319,318					**417,424**	319,318
Amortization	**2,166,657**	2,017,276	**4,747**	3,272			**2,171,404**	2,020,548
Interest on long-term debt	**207,300**	236,508					**207,300**	236,508
Other	**975,271**	918,897	**88,908**	75,173	**-**	-	**1,064,179**	994,070
Total expenses	**17,211,441**	15,680,493	**965,221**	643,540	**-**	-	**18,176,662**	16,324,033
Surplus (Deficit)	**$ 5,065,563**	$ 3,307,451	**$ (612,721)**	$ (340,864)	**$ -**	$ -	**$ 4,452,842**	$ 2,966,587

TOWN OF THE PAS **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	$ -	$ 23,369	$ 2,787	$ 14,326	$ -	$ 421	$ 5,507	$ 506
Other income	-	-	-	-	-	-	-	-
Total revenue	-	23,369	2,787	14,326	-	421	5,507	506
EXPENSES								
Investment charges								
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES		23,369	2,787	14,326	-	421	5,507	506
TRANSFERS								
Transfers to reserve fund	-	325,000	20,954	403,696	2,201	-	88,647	15,000
Transfers from reserve fund	-	(266,192)	(27,295)	(16,236)	33,404	-	(4,772)	(32,987)
CHANGE IN RESERVE FUND BALANCES		82,177	(3,554)	401,786	35,605	421	89,382	(17,481)
FUND SURPLUS, BEGINNING OF YEAR	-	628,924	81,707	209,857	(33,416)	11,844	113,213	23,237
FUND SURPLUS, END OF YEAR	$ -	$ 711,101	$ 78,153	$ 611,643	$ 2,189	$ 12,265	$ 202,595	$ 5,756

TOWN OF THE PAS **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025							
	Utility Replacement	Infrastructure	Lakeside Development	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetery Improvement
REVENUE								
Investment income	$ 27,368	$ 59,996	$ 5,266	$ 32,676	$ 1,117	$ 3,456	$ 3,496	$ 1,278
Other income	-	-	-	-	-	-	-	-
Total revenue	27,368	59,996	5,266	32,676	1,117	3,456	3,496	1,278
EXPENSES								
Investment charges								
Other expenses		-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	27,368	59,996	5,266	32,676	1,117	3,456	3,496	1,278
TRANSFERS								
Transfers to reserve fund	100,000	-	-	1,300,000	5,000	39,624	-	31,043
Transfers from reserve fund	(78,706)	(261,041)	-	-	-	(203,792)	-	-
CHANGE IN RESERVE FUND BALANCES	48,662	(201,045)	5,266	1,332,676	6,117	(160,712)	3,496	32,321
FUND SURPLUS, BEGINNING OF YEAR	760,314	1,820,651	148,348	270,506	28,951	179,441	98,500	20,437
FUND SURPLUS, END OF YEAR	$ 808,976	$ 1,619,606	$ 153,614	$ 1,603,182	$ 35,068	$ 18,729	$ 101,996	$ 52,758

TOWN OF THE PAS **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025							
	Recreation Infrastructure	Columbarium	Parks and Playgrounds	Waste Disposal Grounds	Community Enhancement	Destination Marketing	Wellness Equipment	Sask. River Waterfront
REVENUE								
Investment income	$ 862	$ 3,541	$ 7,450	$ 68,091	$ 14,318	$ 5,831	$ 1,012	$ 1,749
Other income	-	-	-		-	-	-	
Total revenue	862	3,541	7,450	68,091	14,318	5,831	1,012	1,749
EXPENSES								
Investment charges								
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	862	3,541	7,450	68,091	14,318	5,831	1,012	1,749
TRANSFERS								
Transfers to reserve fund	67,374	-	-	162,338	134,748	67,374	47,630	
Transfers from reserve fund	(96,599)	-	(3,644)	(2,405)	(17,695)	(19,750)	(12,217)	-
CHANGE IN RESERVE FUND BALANCES	(28,363)	3,541	3,806	228,024	131,371	53,455	36,425	1,749
FUND SURPLUS, BEGINNING OF YEAR	38,905	99,762	211,705	1,838,182	344,832	140,443	10,793	49,273
FUND SURPLUS, END OF YEAR	$ 10,542	$ 103,303	$ 215,511	$ 2,066,206	$ 476,203	$ 193,898	$ 47,218	$ 51,022

TOWN OF THE PAS **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025							2024
	Municipal Election	**Sam Waller Museum**	**Medical Recruitment**				**Total**	Total
REVENUE								
Investment income	$ 226	$ 7,760	$ 1,634	$ -	$ -	$ -	**$ 294,043**	$ 346,744
Other income	-	-	-	-	-	-	**-**	-
Total revenue	226	7,760	1,634	-	-	-	**294,043**	346,744
EXPENSES								
Investment charges								
Other expenses	-	-	-	-	-	-	**-**	7
Total expenses	-	-	-	-	-	-	**-**	7
NET REVENUES	226	7,760	1,634				**294,043**	346,737
TRANSFERS								
Transfers to reserve fund	1,000	199,924					**3,011,553**	1,528,804
Transfers from reserve fund	-	-	-	-	-	-	**(1,009,927)**	(1,187,544)
CHANGE IN RESERVE FUND BALANCES	1,226	207,684	1,634				**2,295,669**	687,997
FUND SURPLUS, BEGINNING OF YEAR	5,861	118,629	46,030	-	-	-	**7,266,929**	6,578,932
FUND SURPLUS, END OF YEAR	$ 7,087	$ 326,313	$ 47,664	$ -	$ -	$ -	**$ 9,562,598**	$ 7,266,929

TOWN OF THE PAS **SCHEDULE 7**

SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2025

	2025 Budget	2025	2024 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 8**

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
December 31, 2025

	2025								2024
								Total	Water and Sewer
FINANCIAL ASSETS									
Cash and cash equivalents		$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -
Amounts receivable	932,029	-	-	-	-	-		**932,029**	590,129
Portfolio investments		-	-	-	-	-		**-**	-
Due from other funds		-	-	-	-	-		**-**	-
	$ 932,029	$ -	$ -	$ -	$ -	$ -	$ -	**$ 932,029**	$ 590,129
LIABILITIES									
Accounts payable and accrued liabilities		$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -
Unearned revenue		-	-	-	-	-		**-**	-
Asset retirement obligations (Note 9)	3,299,473							**3,299,473**	3,180,216
Long-term debt (Note 10)	4,295,734	-	-	-	-	-		**4,295,734**	4,428,847
Due to other funds	1,887,078	-	-	-	-	-		**1,887,078**	2,047,519
	9,482,285	-	-	-	-	-		**9,482,285**	9,656,582
NET FINANCIAL DEBT	$ (8,550,256)	$ -	$ -	$ -	$ -	$ -	$ -	**$ (8,550,256)**	$ (9,066,453)
NON-FINANCIAL ASSETS									
Tangible capital assets (Schedule 1)	23,723,213	-	-	-	-	-		**23,723,213**	24,476,392
FUND SURPLUS	$ 15,172,957	$ -	$ -	$ -	$ -	$ -	$ -	**$ 15,172,957**	$ 15,409,939

TOWN OF THE PAS **SCHEDULE 9**

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2025

	Budget	2025	2024
REVENUE			
Water			
Water fees	**$ 2,453,882**	**$ 2,155,763**	$ 1,747,512
Bulk water sales	**10,000**	**9,596**	5,915
Sub-total - water	**2,463,882**	**2,165,359**	1,753,427
Sewer			
Sewer fees	**791,157**	**512,870**	621,222
Lagoon tipping fees	**5,000**	**9,035**	2,630
Sub-total - sewer	**796,157**	**521,905**	623,852
Recovery			
Debenture recovery	**250,550**	**300,433**	142,838
Sub-total - recovery	**250,550**	**300,433**	142,838
Government transfers			
Capital	**-**	**-**	424,711
Sub-total - government transfers	**-**	**-**	424,711
Other			
Hydrant rentals	**26,700**	**26,700**	26,700
Penalties	**50,000**	**59,555**	45,289
Miscellaneous income	**1,550**	**360**	270
Sub-total - other	**78,250**	**86,615**	72,259
Total revenue	**3,588,839**	**3,074,312**	3,017,087

TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2025

	Budget	2025	2024
EXPENSES			
General			
Administration	**$ 422,760**	**$ 389,522**	$ 399,505
Training costs	**-**	**-**	189
Billing and collection	**44,464**	**46,708**	26,509
sub-total- general	**467,224**	**436,230**	426,203
Water General			
Purification and treatment	**652,838**	**655,450**	597,276
Transmission and distribution	**766,636**	**718,358**	704,022
sub-total- water general	**1,419,474**	**1,373,808**	1,301,298
Water Amort., Accretion & Interest			
Amortization		**257,079**	300,588
Accretion		**265**	255
Interest	**-**	**166,082**	170,893
sub-total - water amort., accretion & interest	**-**	**423,426**	471,736
Sewer General			
Collection system costs	**171,331**	**193,886**	150,274
Treatment and disposal cost	**176,009**	**137,261**	152,856
Lift Station costs	**108,003**	**96,845**	85,865
sub-total- sewer general	**455,343**	**427,992**	388,995
Sewage Amort., Accretion & Interest			
Amortization		**530,845**	524,611
Accretion	**-**	**118,993**	114,693
sub-total - sewer amort., accretion & interest	**-**	**649,838**	639,304
Total expenses	**2,342,041**	**3,311,294**	3,227,536
NET OPERATING DEFICIT	**1,246,798**	**(236,982)**	(210,449)
TRANSFERS			
Transfers from (to) operating fund			
Transfers from (to) reserve funds	**-**		-
CHANGE IN UTILITY FUND BALANCE	**$ 1,246,798**	**(236,982)**	(210,449)
FUND SURPLUS, BEGINNING OF YEAR		**15,409,939**	15,620,388
FUND SURPLUS, END OF YEAR		**$ 15,172,957**	$ 15,409,939

TOWN OF THE PAS **SCHEDULE 10**

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2025

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Accretion	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 7,818,259	$ -	$ -	$ -	$ -	$ -	$ -	**$ 7,818,259**
Grants in lieu of taxation	1,348,971							**1,348,971**
User fees	8,477,285						525	**8,477,810**
Permits, licences and fines	85,500							**85,500**
Investment income	350,000							**350,000**
Other revenue	385,000						3,450	**388,450**
Water and sewer		3,588,837						**3,588,837**
Grants - Province of Manitoba	2,872,724						82,538	**2,955,262**
Grants - other	344,484						113,518	**458,002**
Transfers from accumulated surplus		125,418			(125,418)			**-**
Transfers from reserves	158,000	-	-	-	(158,000)	-	-	**-**
Total revenue	21,840,223	3,714,255	-	-	(283,418)	-	200,031	**25,471,091**
EXPENSES								
General government services	$ 1,724,654	$ -	$ 32,831	$ 41,218	$ -	$ 4,474		**$ 1,803,177**
Protective services	4,231,763		68,071			265		**4,300,099**
Transportation services	3,023,670		665,338					**3,689,008**
Environmental health services	790,851		78,086			16,564		**885,501**
Public health and welfare services	111,974		1,133					**113,107**
Regional planning and development	20,600							**20,600**
Resource conservation and industrial development	178,666		36,376				109,418	**324,460**
Recreation and cultural services	2,898,098		500,643			3,991		**3,402,732**
Water and sewer services		2,342,041	787,924	166,082		119,258		**3,415,305**
Fiscal services:								**-**
Transfer to capital	6,350,935				(6,350,935)			**-**
Debt charges	567,161	299,192		(866,353)				**-**
Deficit recovery	159,494	125,418			(284,912)			**-**
Transfer to reserves	1,778,469	100,000			(1,878,469)			**-**
Allowance for tax assets	3,888	-	-	-	(3,888)	-		**-**
Total expenses	21,840,223	2,866,651	2,170,402	(659,053)	(8,518,204)	144,552	109,418	**17,953,989**
Surplus (Deficit)	$ -	$ 847,604	$ (2,170,402)	$ 659,053	$ 8,234,786	$ (144,552)	$ 90,613	**$ 7,517,102**

TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2025

SCHEDULE 11

	2025	2024
Balance, beginning of year	**$ 1,294,025**	$ 1,057,159
Add:		
Tax levy (Schedule 12)	**10,825,102**	10,418,467
Taxes added	**17,178**	34,796
Penalties or interest	**146,117**	135,050
Other accounts added	**588**	880
Municipal fees	**25**	22
Other added to taxes	**5,067**	1,501
Water added to taxes	**6,255**	230,962
Tax overpaid refunds	**18,817**	6,993
Sub-total	**11,019,149**	10,828,671
Deduct:		
Cash collections - current	**9,601,205**	9,165,274
Cash collections - arrears	**-**	108,013
Tax cancelled	**(5,042)**	37,896
Tax discounts	**3,613**	6,990
E.P.T.C. - cash advance	**1,239,421**	396,405
Other credits	**(137,566)**	877,227
Sub-total	**10,701,631**	10,591,805
Balance, end of year	**$ 1,611,543**	$ 1,294,025

TOWN OF THE PAS **SCHEDULE 12**

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2025

	2025			2024
		Mill Rate	**Levy**	Assessment
Debt charges:				
LI.D. #4381	$ 211,626,780	$ 0.696	**$ 147,292**	$ 148,182
LI.D. #4435	$ 211,626,780	$ 0.850	**179,883**	181,001
LI.D. #4486	$ 211,626,780	$ 0.788	**166,762**	167,674
Sub-total - Debt charges			**493,937**	496,857
Reserves:				
Infrastructure	$ 181,191,860	$ -	**-**	-
Machinery and equipment	$ 181,191,860	$ 1.528	**276,861**	250,564
Municipal election	$ 181,191,860	$ 0.005	**906**	868
Computer equipment	$ 181,191,860	$ 0.011	**1,993**	18,059
Arena	$ 181,191,860	$ 0.071	**12,865**	30,214
Museum	$ 181,191,860	$ 0.024	**4,349**	4,341
Wellness equipment	$ 181,191,860	$ 0.024	**4,349**	4,341
Winton pool	$ 181,191,860	$ 0.071	**12,865**	13,023
Civic Centre	$ 181,191,860	$ 0.071	**12,865**	10,418
Fire equipment	$ 181,191,860	$ 0.235	**42,580**	43,063
Garage	$ 181,191,860	$ 0.094	**17,032**	17,190
Library	$ 181,191,860	$ 0.024	**4,349**	4,341
			391,014	396,422
General municipal	$ 181,191,860	$ 37.460	**6,787,447**	6,369,150
Deficit recovery	$ 181,191,860	$ 0.750	**135,894**	187,532
Business fees			**9,871**	10,363
Total municipal taxes (Schedule 2)			**7,818,163**	7,460,324
Education support levy			**371,026**	406,243
Special levies:				
Kelsey School Division #45			**2,635,913**	2,551,900
Total education taxes			**3,006,939**	2,958,143
Total tax levy (Schedule 11)			**$ 10,825,102**	$ 10,418,467

TOWN OF THE PAS **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

	2025	2024 Actual
General government services:		
Legislative	**$ 89,632**	$ 81,912
General administrative	**906,491**	974,128
Other services	**721,556**	489,353
	1,717,679	1,545,393
Protective services:		
Police	**2,823,718**	2,745,602
Fire	**823,559**	607,875
Emergency measures	**91,748**	31,930
Other (animal control)	**301,734**	128,578
	4,040,759	3,513,985
Transportation services:		
Road transport		
Administration and engineering	**386,390**	372,547
Road and street maintenance	**1,174,247**	1,084,226
Street lighting	**151,619**	155,138
Other (signage, marking and festive lighting)	**262,950**	251,253
Air transport	**2,493,974**	1,751,621
	4,469,180	3,614,785
Environmental health services:		
Waste collection and disposal	**513,678**	510,410
Recycling	**228,531**	176,519
Other	**52,716**	65,656
	794,925	752,585
Public health and welfare services:		
Public health	**128,069**	78,911
Regional planning and development:		
Urban area weed control	**14,450**	29,294
Resource conservation and industrial development:		
Regional development	**36,376**	37,131
Tourism	**15,787**	19,506
	52,163	56,637
Recreation and cultural services:		
Other recreational facilities	**2,937,096**	2,876,010
Museums	**148,462**	157,067
Libraries	**204,036**	192,692
	3,289,594	3,225,769
Total expenses	**$ 14,506,819**	$ 12,817,359

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SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS
For the Year Ended December 31, 2025

	2025			2024
		Utility	Total	General
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ 824,002	$ 437,090	**$ 1,261,092**	$ 1,337,503
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	3,205,597	100,000	**3,305,597**	1,875,544
Eliminate revenue - transfers from reserves	(119,684)		**(119,684)**	(178,576)
Decrease revenue - loss on disposal of TCA				
Increase revenue - reserve funds interest				
Increase revenue - Net surplus (deficit) of consolidated entities	132,791		**132,791**	142,197
Eliminate revenue - transfer from / to nominal surpluses				
Increase expense - amortization of tangible capital assets	(1,378,733)	(787,924)	**(2,166,657)**	(2,017,275)
Increase expense - asset retirement obligation accretion	(25,296)	(119,258)	**(144,554)**	(139,329)
Decrease expense - principal portion of debenture debt	525,943	133,110	**659,053**	629,929
Decrease expense - principal portion of capital lease	46,209		**46,209**	
Eliminate expense - acquisitions of tangible capital assets	1,478,995		**1,478,995**	1,316,594
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 4,689,824	$ (236,982)	**$ 4,452,842**	$ 2,966,587