

TOWN OF THE PAS

**Consolidated Financial Statements
For the Year Ended December 31, 2012**

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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 Canadian Institute of Chartered Accountants.

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.

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

Randi Salamanowicz
Chief Administrative Officer

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INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
TOWN OF THE PAS

We have audited the accompanying consolidated financial statements of the Town of The Pas, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of The Pas as at December 31, 2012, and the results of its operations, change in net financial debt, and cash flows for the year ended December 31, 2012 in accordance with Canadian Public Sector Accounting Standards.

Chartered Accountants LLP

***** DATE *****

The Pas, Manitoba

TOWN OF THE PAS
Consolidated Financial Statements
For the Year Ended December 31, 2012

Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	16
Schedule 2 - Consolidated Schedule of Revenues	17
Schedule 3 - Consolidated Schedule of Expenses	18
Schedule 4 - Consolidated Statement of Operations by Program	19
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	20
Schedule 6 - Schedule of Change in Reserve Fund Balances	22
Schedule 7 - Schedule of Trust Funds	26
Schedule 8 - Schedule of Financial Position for Utilities	27
Schedule 9 - Schedule of Utility Operations	28
Schedule 10 - Reconciliation of the Financial Plan to the Budget	30
Schedule 11 - Analysis of Taxes on Roll	31
Schedule 12 - Analysis of Tax Levy	32
Schedule 13 - Analysis of School Accounts	33
Schedule 14 - Schedule of General Operating Fund Expenses	34
Schedule 15 - Schedule of Debentures Pending	35
Schedule 16 - Reconciliation of Annual Surplus	36

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**TOWN OF THE PAS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2012**

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 4,177,654	\$ 4,592,298
Amounts receivable (Note 4)	1,970,110	1,715,090
Real estate properties held for sale	39,777	35,499
Other inventories for sale (Note 5)	<u>65,648</u>	<u>58,155</u>
	<u>\$ 6,253,189</u>	<u>\$ 6,401,042</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 2,329,932	\$ 1,427,664
Deferred revenue	81,510	85,788
Landfill closure and post closure liabilities (Note 7)	211,939	189,719
Long-term debt (Note 8)	4,365,763	4,713,539
Other liabilities	<u>24,297</u>	<u>16,139</u>
	<u>7,013,441</u>	<u>6,432,849</u>
NET FINANCIAL DEBT	<u>\$ (760,252)</u>	<u>\$ (31,807)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 28,852,727	\$ 27,303,533
Inventories (Note 5)	343,867	295,003
Prepaid expenses	<u>65,202</u>	<u>60,365</u>
	<u>29,261,796</u>	<u>27,658,901</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 28,501,544</u>	<u>\$ 27,627,094</u>

CONTINGENCIES AND COMMITMENT (NOTES 9 AND 10)

Approved on behalf of Council:

Alan McLauchlan
Mayor

Jim Scott
Deputy Mayor and Councillor

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2012

	<u>2012 Budget (Note 13)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
REVENUE			
Property taxes	\$ 5,403,497	\$ 5,430,980	\$ 4,946,063
Grants in lieu of taxation	897,037	843,963	812,912
User fees	1,927,432	2,462,574	2,127,919
Permits, licences and fines	37,000	47,373	39,581
Investment income	57,000	108,616	86,939
Other revenue	1,066,704	511,478	212,676
Water and sewer	1,950,000	2,206,717	1,961,975
Grants - Province of Manitoba	1,245,034	1,417,271	2,519,070
Grants - other	835,824	898,943	683,164
	<u>13,419,528</u>	<u>13,927,915</u>	<u>13,390,299</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	2,075,845	1,848,153	1,761,088
Protective services	2,466,919	2,539,081	2,177,848
Transportation services	2,787,859	2,844,208	2,651,589
Environmental health services	714,403	724,743	597,693
Public health and welfare services	79,700	79,428	74,698
Regional planning and development	42,600	26,727	32,824
Resource conservation and industrial development	189,952	181,610	116,541
Recreation and cultural services	2,573,040	2,792,188	2,586,186
Water and sewer services	2,095,989	2,017,327	1,792,349
	<u>13,026,307</u>	<u>13,053,465</u>	<u>11,790,816</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>393,221</u>	874,450	1,599,483
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>27,627,094</u>	<u>26,027,611</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$28,501,544</u>	<u>\$ 27,627,094</u>

The accompanying notes are an integral part of this financial statement

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
For the Year Ended December 31, 2012

	<u>2012 Budget (Note 13)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
ANNUAL SURPLUS	\$ 393,221	\$ 874,450	\$ 1,599,483
Acquisition of tangible capital assets	(3,106,823)	(3,106,823)	(2,338,965)
Amortization of tangible capital assets	1,551,752	1,551,752	1,418,565
Loss on sale of tangible capital assets	2,944	2,944	-
Proceeds on sale of tangible capital assets	2,933	2,933	-
Decrease (increase) in inventories	(48,864)	(48,864)	38,973
Decrease (increase) in prepaid expense	(4,837)	(4,837)	17,781
	<u>(1,602,895)</u>	<u>(1,602,895)</u>	<u>(863,646)</u>
CHANGE IN NET FINANCIAL DEBT	<u>(1,209,674)</u>	(728,445)	735,837
NET FINANCIAL DEBT, BEGINNING OF YEAR		<u>(31,807)</u>	<u>(767,644)</u>
NET FINANCIAL DEBT, END OF YEAR		<u>\$ (760,252)</u>	<u>\$ (31,807)</u>

The accompanying notes are an integral part of this financial statement

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TOWN OF THE PAS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

	<u>2012</u>	<u>2011</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 874,450	\$ 1,599,483
Changes in non-cash items:		
Amounts receivable	(255,020)	118,653
Inventories	(56,357)	(65)
Prepays	(4,837)	17,781
Accounts payable and accrued liabilities	902,268	(92,200)
Landfill closure and post closure liabilities	22,220	20,585
Deferred revenue	(4,278)	(1,455)
Other liabilities	8,158	(2,283)
Loss on sale of tangible capital asset	2,944	-
Amortization	1,551,752	1,418,565
Cash provided by operating transactions	<u>3,041,300</u>	<u>3,079,064</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	2,933	-
Cash used to acquire tangible capital assets	(3,106,823)	(2,338,965)
Cash applied to capital transactions	<u>(3,103,890)</u>	<u>(2,338,965)</u>
INVESTING TRANSACTIONS		
Acquisition of real estate properties	(4,278)	(1,352)
Cash applied to investing transactions	<u>(4,278)</u>	<u>(1,352)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt		2,200,000
Debt repayment	(347,776)	(329,721)
Cash applied to financing transactions	<u>(347,776)</u>	<u>1,870,279</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(414,644)	2,609,026
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>4,592,298</u>	<u>1,983,272</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 4,177,654</u>	<u>\$ 4,592,298</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, 2012

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 Canadian Institute of Chartered Accountants 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:

Kelsey Recreation Commission
Sam Waller Museum
The Pas Regional Library
The Pas and Area Recycling Centre
The Pas Wellness Centre

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 presented in Schedule 7 - Schedule of Trust Funds.

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 are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

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

l) Measurement Uncertainty

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

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2012</u>	<u>2011</u>
Cash	\$ 4,157,591	\$ 4,579,162
Temporary investments	<u>20,063</u>	<u>13,136</u>
	<u>\$ 4,177,654</u>	<u>\$ 4,592,298</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>2012</u>	<u>2011</u>
Taxes on roll (Schedule 11)	\$ 743,642	\$ 487,165
Government grants	17,974	394,102
Utility customers	1,055,537	617,433
Organizations and individuals	178,779	299,521
Other governments	178,915	138,520
Miscellaneous	<u>236,168</u>	<u>176,941</u>
	2,411,015	2,113,682
Less allowances for doubtful amounts	<u>(440,905)</u>	<u>(398,592)</u>
	<u>\$ 1,970,110</u>	<u>\$ 1,715,090</u>

5. Inventories

Inventories for sale:

	<u>2012</u>	<u>2011</u>
Aviation fuel	\$ 28,989	\$ 37,523
Other	<u>36,659</u>	<u>20,632</u>
	<u>\$ 65,648</u>	<u>\$ 58,155</u>

Inventories for use:

	<u>2012</u>	<u>2011</u>
Fuel	\$ 17,973	\$ 48,745
Aggregate	172,460	69,259
Other supplies	<u>153,434</u>	<u>176,999</u>
	<u>\$ 343,867</u>	<u>\$ 295,003</u>

6. **Accounts Payable and Accrued Liabilities**

	<u>2012</u>	<u>2011</u>
Accounts payable	\$ 1,540,268	\$ 912,320
Accrued expenses	584,445	380,269
School levies (Schedule 13)	<u>205,219</u>	<u>135,075</u>
	<u><u>\$ 2,329,932</u></u>	<u><u>\$ 1,427,664</u></u>

7. **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>2012</u>	<u>2011</u>
Estimated closure and post closure costs over the next 20 years	<u>\$ 259,300</u>	<u>\$ 259,300</u>
Discount rate	<u>5.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 250,143</u>	<u>\$ 238,232</u>
Expected year capacity will be reached	2015	2015
Capacity (ha):		
Used to date	4.66	4.38
Remaining	0.84	1.12
Total	5.50	5.50
Percent utilized	<u>84.73%</u>	<u>79.64%</u>
Liability based on percentage	<u>\$ 211,939</u>	<u>\$ 189,719</u>

8. **Long Term Debt**

	<u>2012</u>	<u>2011</u>
General Authority:		
Debenture, interest at 5.75%, payable at \$150,918 annually including interest, maturing December 1, 2019	\$ 850,022	\$ 946,516
Debenture, interest at 5.63%, payable at \$169,100 annually including interest, maturing December 1, 2025	1,530,320	1,608,917
Debenture, interest at 4.625%, payable at \$206,615 annually including interest, maturing December 31, 2025	<u>1,985,421</u>	<u>2,095,135</u>
	<u>\$ 4,365,763</u>	<u>\$ 4,650,568</u>
Utility Funds:		
Debenture, interest at 6.38%, payable at \$66,986 annually including interest, maturing December 1, 2012	\$ -	\$ 62,971
	<u>\$ 4,365,763</u>	<u>\$ 4,713,539</u>

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

2013	309,849
2014	315,696
2015	332,386
2016	349,970
2017	374,853

9. Contingencies

During a previous year a breach of contract claim was filed against the Town by Titan X, a company involved in the construction of the Wellness Centre. At the current time the likelihood of success is not determinable. If the Town is not successful in defending the claim it will be liable for \$99,772 plus costs. The Town has filed a counter-claim against Titan X.

The Town owns properties that may contain environmental contamination and require site reclamation. The amount of any such obligation has not been determined.

10. Commitment

The Town has committed to developing a lake front subdivision. Budgeted capital expenditures are \$846,052 of which \$252,735 has been incurred prior to year end. To date, the Town has collected \$425,000 from lot sales and the differential is anticipated to be covered by internal borrowing until such time as future lot sales exceed related outlays.

11. 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 Canadian Institute of Chartered Accountants 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. Prior to the contribution rate increase noted below, the MEPP required that employees contribute 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$198,706 (2011 - \$186,672) 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, 2011 indicated the plan was 97.5% funded on a going concern basis and had an unfunded solvency liability of \$161.3 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, 2011. The valuation also disclosed that the existing contribution rate was insufficient to pay the minimum required contribution being the normal actuarial cost of the annual benefit accrued and the required amortization payment in respect of the going concern unfunded actuarial liability. The Board of Trustees amended the plan to increase the contribution rate by 1% effective July 1, 2012 and by another 1% effective January 1, 2013 to meet the minimum contribution requirement.

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.

12. 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.

13. 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.

14. Accumulated Surplus

	<u>2012</u>	<u>2011</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	(770,199)	1,436,927
Utility operating fund - Nominal surplus	1,145,196	753,832
TCA net of related borrowings	24,287,762	19,960,346
Reserve funds	<u>3,719,548</u>	<u>2,831,919</u>
Accumulated surplus of Town unconsolidated	28,382,307	24,983,024
Accumulated surpluses of consolidated entities	<u>119,237</u>	<u>2,644,070</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 28,501,544</u>	<u>\$ 27,627,094</u>

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15. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2012:

- a) Compensation paid to members of council amounted to \$82,093 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor- Alan McLauchlan	\$ 17,999	\$ 6,892	\$ 24,891
Councillor - Raymond Clarkson	10,524		10,524
Councillor - James Scott	11,978	6,724	18,702
Councillor - Ken Gurba	10,524		10,524
Councillor - John Marnock	10,272	2,954	13,226
Councillor - Bert Lagimodiere	10,272	2,660	12,932
Councillor - Andrew Forward	10,524	-	10,524
	<u>\$ 82,093</u>	<u>\$ 19,230</u>	<u>\$ 101,323</u>

- c) The following officers and employees received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Randi Salamanowicz</i>	<i>Chief Administrative Officer</i>	\$ 89,482
<i>Vincent Anderson</i>	<i>Municipal Superintendent</i>	\$ 88,403
<i>Amber Whitehead</i>	<i>KRC Director</i>	\$ 72,049
<i>Don Ayres</i>	<i>Deputy Fire Chief</i>	\$ 71,041
<i>Tom Kobar</i>	<i>Chief Financial Officer</i>	\$ 70,721
<i>Conrad Watts</i>	<i>Public Works Supervisor</i>	\$ 69,710
<i>Glenn Lorch</i>	<i>WTP - Chief Operator</i>	\$ 64,631
<i>Jennifer Early</i>	<i>Assistant Chief Admin. Officer</i>	\$ 64,317
<i>Ian Snow</i>	<i>Airport Manager</i>	\$ 60,730
<i>Wayne Finnerty</i>	<i>Airport Equipment Operator</i>	\$ 58,520
<i>Dennis Lajambe</i>	<i>Airport Operator 4</i>	\$ 56,732
<i>Travis Ducharme</i>	<i>Airport Operator 1</i>	\$ 56,158
<i>Gordon Lagace</i>	<i>Maintenance Labourer</i>	\$ 56,041
<i>Brian Larock</i>	<i>Garage Mechanic</i>	\$ 55,381
<i>Keith Coutts</i>	<i>Airport Operator 3</i>	\$ 53,995
<i>Clayton Paul</i>	<i>Winton Pool Maintenance</i>	\$ 52,985
<i>Keri Zaharia</i>	<i>Human Resource Officer</i>	\$ 52,797
<i>John Gislason</i>	<i>WTP Operator 2</i>	\$ 51,192

16. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

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

17. 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, 2012

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	2012	2011
Cost										
Opening costs	1,394,968	15,303,100	3,299,474	244,616	157,498	8,939,371	17,303,122	664,452	47,306,601	44,967,636
Additions during the year	78,883	88,708	832,001	12,837	2,183,503		58,964	52,621	3,307,517	4,960,238
Disposals and write downs	-	-	(19,815)	-	(200,694)	-	-	-	(220,509)	(2,621,273)
Closing costs	1,473,851	15,391,808	4,111,660	257,453	2,140,307	8,939,371	17,362,086	717,073	50,393,609	47,306,601
Accumulated Amortization										
Opening accum'd amortization	163,478	4,275,116	1,632,094	134,376	-	4,914,579	8,883,425	-	20,003,068	18,584,503
Amortization	32,027	394,297	306,768	35,493		300,829	482,338		1,551,752	1,418,565
Disposals and write downs	-	-	(13,938)	-	-	-	-	-	(13,938)	-
Closing accum'd amortization	195,505	4,669,413	1,924,924	169,869	-	5,215,408	9,365,763	-	21,540,882	20,003,068
Net Book Value of Tangible Capital Assets	1,278,346	10,722,395	2,186,736	87,584	2,140,307	3,723,963	7,996,323	717,073	28,852,727	27,303,533

TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2012

SCHEDULE 2

	<u>2012 Actual</u>	<u>2011 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,357,156	\$ 4,927,146
Taxes added	<u>73,824</u>	<u>18,916</u>
	<u>5,430,980</u>	<u>4,946,062</u>
Grants in lieu of taxation:		
Federal government	1,197	1,160
Federal government enterprises	5,936	5,229
Provincial government	326,701	313,408
Provincial government enterprises	<u>510,129</u>	<u>493,115</u>
	<u>843,963</u>	<u>812,912</u>
User fees		
Sales of service	725,899	878,584
Sales of goods	1,175,807	573,949
Facility use fees	<u>560,868</u>	<u>675,386</u>
	<u>2,462,574</u>	<u>2,127,919</u>
Permits, licences and fines		
Permits	12,638	11,714
Fines	<u>34,735</u>	<u>27,867</u>
	<u>47,373</u>	<u>39,581</u>
Investment income:		
Cash and temporary investments	<u>108,616</u>	<u>86,939</u>
Other revenue:		
Miscellaneous	431,749	138,230
Penalties and interest	<u>79,729</u>	<u>74,446</u>
	<u>511,478</u>	<u>212,676</u>
Water and sewer		
Municipal utility (Schedule 9)	<u>2,206,717</u>	<u>1,961,975</u>
Grants - Province of Manitoba		
General assistance payment	954,205	920,884
General support grant	84,911	80,679
VLT revenues	86,976	83,330
Conditional grants	<u>291,179</u>	<u>1,434,178</u>
	<u>1,417,271</u>	<u>2,519,071</u>
Grants - other		
Federal government - gas tax funding	305,042	305,042
Federal government - other	290,356	164,414
Other local governments	<u>303,545</u>	<u>213,708</u>
	<u>898,943</u>	<u>683,164</u>
Total revenue	<u><u>13,927,915</u></u>	<u><u>13,390,299</u></u>

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TOWN OF THE PAS
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2012

SCHEDULE 3

	<u>2012 Actual</u>	<u>2011 Actual</u>
General government services:		
Legislative	\$ 82,292	\$ 81,995
General administrative	1,270,603	1,269,673
Other	495,258	409,420
	<u>1,848,153</u>	<u>1,761,088</u>
Protective services:		
Police	2,093,653	1,736,389
Fire	397,596	299,653
Emergency measures	23,278	92,986
Other	24,554	48,820
	<u>2,539,081</u>	<u>2,177,848</u>
Transportation services:		
Road transport		
Administration and engineering	329,427	340,655
Road and street maintenance	822,140	722,665
Street lighting	119,410	126,472
Other	229,054	180,979
Air transport	1,344,177	1,280,819
	<u>2,844,208</u>	<u>2,651,590</u>
Environmental health services:		
Waste collection and disposal	378,515	317,911
Recycling	239,858	174,704
Other	106,370	105,079
	<u>724,743</u>	<u>597,694</u>
Public health and welfare services:		
Public health	79,428	74,698
	<u>79,428</u>	<u>74,698</u>
Regional planning and development		
Urban area weed control	26,727	32,823
	<u>26,727</u>	<u>32,823</u>
Resource conservation and industrial development		
Regional development	108,753	70,321
Tourism	72,857	46,219
	<u>181,610</u>	<u>116,540</u>
Recreation and cultural services:		
Administration	212,617	176,934
Swimming pools and beaches	502,353	499,144
Skating and curling rinks	336,107	396,909
Parks and playgrounds	175,766	130,006
Other recreational facilities	1,020,885	864,983
Museums	272,697	265,266
Libraries	271,763	252,943
	<u>2,792,188</u>	<u>2,586,185</u>
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	2,017,327	1,792,350
	<u>2,017,327</u>	<u>1,792,350</u>
Total expenses	<u><u>13,053,465</u></u>	<u><u>11,790,816</u></u>

TOWN OF THE PAS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2012

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE										
Property taxes	\$ 5,430,980	\$ 4,946,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	843,963	812,912	-	-	-	-	-	-	-	-
User fees	6,184	129,955	88,222	108,994	1,061,979	1,017,021	123,592	110,580	22,180	20,010
Grants - other	445,357	383,842	-	-	-	-	127,486	70,000	-	-
Permits, licences and fines	47,373	39,581	-	-	-	-	-	-	-	-
Investment income	108,616	86,939	-	-	-	-	-	-	-	-
Other revenue	899,141	128,126	-	-	8,401	6,619	70,755	19,803	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,126,093	1,084,893	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	139,852	40,000	-	-	-	-	-	-	-	-
Total revenue	\$ 9,047,559	\$ 7,652,311	\$ 88,222	\$ 108,994	\$ 1,070,380	\$ 1,023,640	\$ 321,833	\$ 200,383	\$ 22,180	\$ 20,010
EXPENSES										
Personnel services	\$ 765,780	\$ 805,162	\$ 240,223	\$ 197,323	\$ 1,160,193	\$ 983,066	\$ 410,665	\$ 367,714	\$ 67,093	\$ 67,392
Contract services	200,583	186,126	1,746,230	1,566,854	36,947	23,578	41,037	22,232	1,090	250
Utilities	79,801	81,896	29,104	29,980	212,383	183,985	11,969	10,083	-	-
Maintenance materials and supplies	105,994	86,814	88,664	128,662	884,365	935,266	85,440	75,793	11,245	7,056
Grants and contributions	228,826	125,684	-	-	-	-	-	-	-	-
Amortization	59,711	57,670	60,216	60,080	462,825	452,673	57,990	41,034	-	-
Interest on long term debt	241,826	256,109	-	-	-	-	-	-	-	-
Other	165,632	161,627	374,644	194,949	87,495	73,021	117,642	79,591	-	-
Total expenses	\$ 1,848,153	\$ 1,761,088	\$ 2,539,081	\$ 2,177,848	\$ 2,844,208	\$ 2,651,589	\$ 724,743	\$ 596,447	\$ 79,428	\$ 74,698
Surplus (Deficit)	\$ 7,199,406	\$ 5,891,223	\$ (2,450,859)	\$ (2,068,854)	\$ (1,773,828)	\$ (1,627,949)	\$ (402,910)	\$ (396,064)	\$ (57,248)	\$ (54,688)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2012

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,430,980	\$ 4,946,063
Grants in lieu of taxation	-	-	-	-	-	-	-	-	843,963	812,912
User fees	-	-	-	-	621,265	741,360	-	-	1,923,422	2,127,920
Grants - other	-	-	-	-	310,352	231,962	-	-	883,195	685,804
Permits, licences and fines	-	-	-	-	-	-	-	-	47,373	39,581
Investment income	-	-	-	-	-	-	-	-	108,616	86,939
Other revenue	-	-	-	-	88,437	55,926	-	-	1,066,734	210,474
Water and sewer	-	-	-	-	-	-	2,206,717	1,961,975	2,206,717	1,961,975
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,126,093	1,084,893
Prov of MB - Conditional Grants	-	-	-	-	150,970	144,755	-	1,248,983	290,822	1,433,738
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,171,024	\$ 1,174,003	\$ 2,206,717	\$ 3,210,958	\$ 13,927,915	\$ 13,390,299
EXPENSES										
Personnel services	\$ 4,484	\$ 3,713	\$ 24,514	\$ 50,219	\$ 1,519,949	\$ 1,484,248	\$ 750,813	\$ 652,327	\$ 4,943,714	\$ 4,611,164
Contract services	6,272	13,760	-	-	117,099	107,876	1,605	850	2,150,863	1,921,526
Utilities	-	-	2,564	1,784	266,352	248,441	156,935	237,853	759,108	794,022
Maintenance materials and supplies	6,170	5,549	16,736	7,287	227,890	181,150	586,849	406,005	2,013,353	1,833,582
Grants and contributions	-	-	-	-	-	-	-	-	228,826	125,684
Amortization	-	-	22,852	23,068	386,184	381,319	501,975	402,722	1,551,753	1,418,566
Interest on long term debt	-	-	-	-	-	-	4,014	7,788	245,840	263,897
Other	9,801	9,801	114,944	21,009	274,714	197,572	15,136	84,805	1,160,008	822,375
Total expenses	\$ 26,727	\$ 32,823	\$ 181,610	\$ 103,367	\$ 2,792,188	\$ 2,600,606	\$ 2,017,327	\$ 1,792,350	\$ 13,053,465	\$ 11,790,816
Surplus (Deficit)	\$ (26,727)	\$ (32,823)	\$ (181,610)	\$ (103,367)	\$ (1,621,164)	\$ (1,426,603)	\$ 189,390	\$ 1,418,608	\$ 874,450	\$ 1,599,483

TOWN OF THE PAS

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2012

	Core Government		Controlled Entities		Government Partnerships		Total	
	2012	2011	2012	2011	2012	2011	2012	2010
REVENUE								
Property taxes	\$ 5,430,980	\$ 4,946,063	\$ -	\$ -	\$ -	\$ -	\$ 5,430,980	\$ 4,946,063
Grants in lieu of taxation	843,963	812,912	-	-	-	-	843,963	812,912
User fees	1,280,597	1,357,299	642,825	770,621	-	-	1,923,422	2,127,920
Grants - other	445,357	383,842	437,838	299,323	-	-	883,195	683,165
Permits, licences and fines	47,373	39,581	-	-	-	-	47,373	39,581
Investment income	108,616	86,939	-	-	-	-	108,616	86,939
Other revenue	907,542	134,745	159,192	77,928	-	-	1,066,734	212,673
Water and sewer	2,206,717	1,961,975	-	-	-	-	2,206,717	1,961,975
Prov of MB - Unconditional Grants	1,126,093	1,084,893	-	-	-	-	1,126,093	1,084,893
Prov of MB - Conditional Grants	139,852	1,288,983	150,970	145,195	-	-	290,822	1,434,178
Total revenue	\$ 12,537,090	\$ 12,097,232	\$ 1,390,825	\$ 1,293,067	\$ -	\$ -	\$ 13,927,915	\$ 13,390,299
EXPENSES								
Personnel services	\$ 3,283,895	\$ 3,012,190	\$ 1,659,819	\$ 1,598,974	\$ -	\$ -	\$ 4,943,714	\$ 4,611,164
Contract services	2,024,148	1,807,916	126,715	113,610	-	-	2,150,863	1,921,526
Utilities	482,887	536,984	276,221	257,038	-	-	759,108	794,022
Maintenance materials and supplies	1,749,798	1,633,336	263,555	200,246	-	-	2,013,353	1,833,582
Grants and contributions	228,826	125,684	-	-	-	-	228,826	125,684
Amortization	1,139,589	1,023,509	412,164	395,057	-	-	1,551,753	1,418,566
Interest on long term debt	245,840	263,897	-	-	-	-	245,840	263,897
Other	866,436	613,239	293,572	209,136	-	-	1,160,008	822,375
Total expenses	\$ 10,021,419	\$ 9,016,755	\$ 3,032,046	\$ 2,774,061	\$ -	\$ -	\$ 13,053,465	\$ 11,790,816
Surplus (Deficit)	\$ 2,515,671	\$ 3,080,477	\$ (1,641,221)	\$ (1,480,994)	\$ -	\$ -	\$ 874,450	\$ 1,599,483

TOWN OF THE PAS
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2012

SCHEDULE 6

	2012							
	General	Equipment Replacement	Winton Pool	Fire Equipment	Computer Replacement	Land Development	Arena Renovations	Civic Centre
REVENUE								
Investment income	\$ 6,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	-
Total revenue	6,391	-	-	-	-	-	-	-
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	6,391	-	-	-	-	-	-	-
TRANSFERS								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	300,000	42,110	87,439	-	101,500	73,421	-
Transfers from (to) utility fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(535,025)	(2,849)	(6,242)	(12,837)	-	(3,966)	-
CHANGE IN RESERVE FUND BALANCES	6,391	(235,025)	39,261	81,197	(12,837)	101,500	69,455	-
FUND SURPLUS, BEGINNING OF YEAR	(108,175)	330,955	28,787	76,006	28,702	154,718	145,104	1,993
FUND SURPLUS, END OF YEAR	\$ (101,784)	\$ 95,930	\$ 68,048	\$ 157,203	\$ 15,865	\$ 256,218	\$ 214,559	\$ 1,993

TOWN OF THE PAS
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2012

SCHEDULE 6

	2012							
	Utility Replacement	Infrastructure	Lakeside Develop.	Airport Capital Improvement	Library	Fuel Tank Replacement	Sidewalk Renewal	Cemetary Improvement
REVENUE								
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	-	-	-	-	-	-	-	-
TRANSFERS								
Debt repayments	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	100,000	345,878	55,173	-	-	-	-
Transfers from (to) utility fund	300,000	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(58,964)	-	(252,953)	(40,097)	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	241,036	100,000	92,925	15,076	-	-	-	-
FUND SURPLUS, BEGINNING OF YEAR	391,856	245,246	-	416,675	2,634	5,141	77,602	56,109
FUND SURPLUS, END OF YEAR	\$ 632,892	\$ 345,246	\$ 92,925	\$ 431,751	\$ 2,634	\$ 5,141	\$ 77,602	\$ 56,109

TOWN OF THE PAS
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2012

SCHEDULE 6

	2012						
	Centennial Celebration	Federal Fuel Tax	Parks and Playgrounds	Waste Dispo- sal Grounds	Community Enhancement	Destination Marketing	Welness Equipment
REVENUE							
Investment income	\$ -	\$ 12,578	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-
Total revenue	-	12,578	-	-	-	-	-
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	-	12,578	-	-	-	-	-
TRANSFERS							
Debt repayments	-	-	-	-	-	-	-
Transfers from (to) operating fund	13,177	305,042	-	43,461	45,251	60,180	12,985
Transfers from (to) utility fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(95,817)	-	-	-	-	(8,207)
CHANGE IN RESERVE FUND BALANCES	13,177	221,803	-	43,461	45,251	60,180	4,778
FUND SURPLUS, BEGINNING OF YEAR	36,425	788,982	40,000	113,159	-	-	-
FUND SURPLUS, END OF YEAR	\$ 49,602	\$ 1,010,785	\$ 40,000	\$ 156,620	\$ 45,251	\$ 60,180	\$ 4,778

TOWN OF THE PAS
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2012

SCHEDULE 6

	2012						2011
							Total
REVENUE							
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,969
Other income	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	18,969
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	-	-	-	-	-	-	18,969
TRANSFERS							
Debt repayments	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	-	-	-	-	-	1,585,617
Transfers from (to) utility fund	-	-	-	-	-	-	300,000
Acquisition of tangible capital assets	-	-	-	-	-	-	(1,016,957)
CHANGE IN RESERVE FUND BALANCES	-	-	-	-	-	-	887,629
FUND SURPLUS, BEGINNING OF YEAR	-	-	-	-	-	-	2,831,919
FUND SURPLUS, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,719,548

TOWN OF THE PAS
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2012

SCHEDULE 7

	<u>EMO</u>	<u>Handivan</u>					<u>Total</u>	
							<u>2012</u>	<u>2011</u>
ASSETS								
Cash and temporary investments	\$ -	\$ 24,297	\$ -	\$ -	\$ -	\$ -	\$ 24,297	\$ 16,139
Portfolio investments	-	-	-	-	-	-	-	-
Due from Municipality	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 24,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,297</u>	<u>\$ 16,139</u>
LIABILITIES AND FUND BALANCES								
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES								
Contributions and donations	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 3,323
Investment income	-	658	-	-	-	-	658	558
	-	<u>8,158</u>	-	-	-	-	<u>8,158</u>	<u>3,881</u>
EXPENDITURES								
Cemetery maintenance	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	6,164
	-	-	-	-	-	-	-	<u>6,164</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	8,158	-	-	-	-	8,158	(2,283)
FUND BALANCE, BEGINNING OF YEAR	-	16,139	-	-	-	-	16,139	18,422
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 24,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,297</u>	<u>\$ 16,139</u>

TOWN OF THE PAS
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 December 31, 2012

SCHEDULE 8

	2012						2011	
	Water and Sewer			Total			Total	
FINANCIAL ASSETS								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	1,055,537	-	-	-	-	-	1,055,537	642,359
Portfolio investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
	<u>\$ 1,055,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,537</u>	<u>\$ 642,359</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	-
Long-term debt (Note 8)	-	-	-	-	-	-	-	62,971
Due to other funds	518,827	-	-	-	-	-	518,827	434,043
	<u>518,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,827</u>	<u>497,014</u>
NET FINANCIAL ASSETS	<u>\$ 536,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,710</u>	<u>\$ 145,345</u>
NON-FINANCIAL ASSETS								
Tangible capital assets (Schedule 1)	\$ 8,713,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,713,396	\$ 9,084,149
FUND SURPLUS	<u>\$ 9,250,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,250,106</u>	<u>\$ 9,229,494</u>

CONTINGENCIES (Note 9)

**SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2012**

REVENUE	Budget	2012	2011
Water			
Water fees	\$ 1,370,000	\$ 1,543,135	\$ 1,403,777
Bulk water sales	8,000	5,415	9,050
sub-total- sewer	<u>1,378,000</u>	<u>1,548,550</u>	<u>1,412,827</u>
Sewer			
Sewer fees	522,000	574,467	488,307
Lagoon tipping fees	4,800	4,815	4,815
sub-total- sewer	<u>526,800</u>	<u>579,282</u>	<u>493,122</u>
Government transfers			
Capital		-	1,248,983
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>1,248,983</u>
Other			
Hydrant rentals	26,700	26,700	26,700
Connection charges	-	-	-
Penalties	18,000	50,775	19,763
Other income	500	1,410	9,563
sub-total- other	<u>45,200</u>	<u>78,885</u>	<u>56,026</u>
Total revenue	<u>1,950,000</u>	<u>2,206,717</u>	<u>3,210,958</u>

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TOWN OF THE PAS
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
For the Year Ended December 31, 2012

EXPENSES	Budget	2012	2011
General			
Administration	352,906	264,393	200,083
Training costs		35,423	30,411
Billing and collection	40,700	61,211	29,492
sub-total- general	<u>393,606</u>	<u>361,027</u>	<u>259,986</u>
Water General			
Purification and treatment	425,380	453,859	366,393
Transmission and distribution	493,189	371,170	524,152
sub-total- water general	<u>918,569</u>	<u>825,029</u>	<u>890,545</u>
Water Amortization & Interest			
Amortization	288,442	288,442	193,044
Interest on long term debt	4,014	4,014	7,788
sub-total- water amortization & interest	<u>292,456</u>	<u>292,456</u>	<u>200,832</u>
Sewer General			
Collection system costs	114,132	173,852	84,682
Treatment and disposal cost	63,503	70,474	61,828
Lift Station costs	100,190	80,957	84,800
sub-total- sewer general	<u>277,825</u>	<u>325,283</u>	<u>231,310</u>
Sewage Amortization & Interest			
Amortization	213,532	213,532	209,677
sub-total- sewer amortization & interest	<u>213,532</u>	<u>213,532</u>	<u>209,677</u>
Total expenses	<u>2,095,988</u>	<u>2,017,327</u>	<u>1,792,350</u>
NET OPERATING SURPLUS	(145,988)	189,390	1,418,608
TRANSFERS			
Transfers from (to) operating fund	-	72,258	377,179
Transfers from (to) reserve funds	(300,000)	(241,036)	(237,118)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (445,988)</u>	20,612	1,558,669
FUND SURPLUS, BEGINNING OF YEAR		<u>9,229,494</u>	<u>7,670,825</u>
FUND SURPLUS, END OF YEAR		<u>\$ 9,250,106</u>	<u>\$ 9,229,494</u>

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RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2012

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 5,403,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,403,497
Grants in lieu of taxation	897,037	-	-	-	-	-	-	897,037
User fees	1,155,050	-	-	-	-	-	772,382	1,927,432
Permits, licences and fines	37,000	-	-	-	-	-	-	37,000
Investment income	50,000	-	-	-	-	-	7,000	57,000
Other revenue	991,000	-	-	-	-	-	75,704	1,066,704
Water and sewer	-	1,950,000	-	-	-	-	-	1,950,000
Grants - Province of Manitoba	1,171,379	-	-	-	-	-	73,655	1,245,034
Grants - other	518,842	-	-	-	-	-	316,982	835,824
Transfers from accumulated surplus	789,700	-	-	-	(789,700)	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	\$ 11,013,505	\$ 1,950,000	\$ -	\$ -	\$ (789,700)	\$ -	\$ 1,245,723	\$ 13,419,528
EXPENSES								
General government services	\$ 1,774,308	\$ -	\$ 59,711	\$ 241,826	\$ -	\$ -	\$ -	\$ 2,075,845
Protective services	2,406,703	-	60,216	-	-	-	-	2,466,919
Transportation services	2,325,034	-	462,825	-	-	-	-	2,787,859
Environmental health services	420,314	-	57,990	-	-	22,221	213,878	714,403
Public health and welfare services	79,700	-	-	-	-	-	-	79,700
Regional planning and development	42,600	-	-	-	-	-	-	42,600
Resource cons and industrial dev	167,100	-	22,852	-	-	-	-	189,952
Recreation and cultural services	1,149,492	-	386,184	-	-	-	1,037,364	2,573,040
Water and sewer services	-	1,590,000	501,975	4,014	-	-	-	2,095,989
Fiscal services:								
Transfer to capital	244,000	-	(244,000)	-	-	-	-	-
Debt charges	593,617	-	-	(593,617)	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	1,805,092	300,000	-	-	(2,105,092)	-	-	-
Allowance for tax assets	5,545	-	-	-	(5,545)	-	-	-
Total expenses	\$ 11,013,505	\$ 1,890,000	\$ 1,307,753	\$ (347,777)	\$ (2,110,637)	\$ 22,221	\$ 1,251,242	\$ 13,026,307
Surplus (Deficit)	\$ -	\$ 60,000	\$ (1,307,753)	\$ 347,777	\$ 1,320,937	\$ (22,221)	\$ (5,519)	\$ 393,221

**TOWN OF THE PAS
ANALYSIS OF TAXES ON ROLL
December 31, 2012**

SCHEDULE 11

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 487,165	\$ 525,316
Add:		
Tax levy (Schedule 12)	8,378,859	7,900,129
Taxes added	73,825	27,683
Penalties or interest	79,728	74,446
Other accounts added	22,923	14,040
Municipal fees	1,200	1,100
Other added to taxes	3,460	
Water added to taxes	1,734	1,762
Tax overpaid refunds	6,582	18,422
Sub-total	<u>8,568,311</u>	<u>8,037,582</u>
Deduct:		
Cash collections - current	6,997,114	6,726,887
Cash collections - arrears	426,426	460,233
Tax cancelled	4,463	8,500
Tax discounts	-	-
M.P.T.C. - cash advance	882,905	881,083
Other credits	926	(970)
Sub-total	<u>8,311,834</u>	<u>8,075,733</u>
Balance, end of year	<u>\$ 743,642</u>	<u>\$ 487,165</u>

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TOWN OF THE PAS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2012

SCHEDULE 12

	2012			2011
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D. #4358	\$ 146,842,460	\$ 0.91	\$ 133,627	\$ 133,542
LI.D. #4335	\$ 146,842,460	\$ 0.41	60,205	59,668
LI.D. #4349	\$ 146,842,460	\$ 1.02	149,779	149,169
LI.D. #4435	\$ 146,842,460	\$ 1.24	182,085	181,844
sub-total- Debt charges			<u>525,696</u>	<u>524,223</u>
Reserves:				
Infrastructure reserve	\$ 123,972,260	\$ 0.70	86,781	119,703
Machinery equipment repl.	\$ 123,972,260	\$ 2.09	259,102	256,840
Arena reserve	\$ 123,972,260	\$ 0.42	52,068	
Centennial 2012	\$ 123,972,260	\$ 0.07	8,678	4,649
Wellness equipment	\$ 123,972,260	\$ 0.07	8,678	
Winton pool	\$ 123,972,260	\$ 0.25	30,993	
sub-total- Reserves			<u>446,300</u>	<u>381,192</u>
General municipal	\$ 123,972,260	\$ 35.28	<u>4,373,742</u>	<u>4,011,898</u>
At large			<u>-</u>	<u>-</u>
Business fees			<u>11,418</u>	<u>9,833</u>
Total municipal taxes (Schedule 2)			<u>5,357,156</u>	<u>4,927,146</u>
Education support levy			<u>468,618</u>	<u>478,795</u>
Special levies:				
Kelsey School Division #45			<u>2,553,085</u>	<u>2,494,188</u>
Total education taxes			<u>3,021,703</u>	<u>2,972,983</u>
Total tax levy (Schedule 11)			<u>\$ 8,378,859</u>	<u>\$ 7,900,129</u>

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TOWN OF THE PAS
 ANALYSIS OF SCHOOL ACCOUNTS
 December 31, 2012

SCHEDULE 13

	2012				2011
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 31,169	\$ 613,130	\$ (598,927)	\$ 45,372	\$ 31,169
Special levies Kelsey School Division #45	103,906	2,160,105	(2,104,164)	159,847	103,906
Total	\$ 135,075	\$ 2,773,235	\$ (2,703,091)	\$ 205,219	\$ 135,075

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TOWN OF THE PAS
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ending December 31, 2012

SCHEDULE 14

	<u>2012 Actual</u>	<u>2011 Actual</u>
General government services:		
Legislative	\$ 82,292	\$ 81,995
General administrative	1,270,603	1,269,673
Other	495,258	484,420
	<u>1,848,153</u>	<u>1,836,088</u>
Protective services:		
Police	2,093,653	1,736,389
Fire	397,596	299,653
Emergency measures	23,278	92,986
Other	24,554	48,820
	<u>2,539,081</u>	<u>2,177,848</u>
Transportation services:		
Road transport		
Administration and engineering	329,427	340,655
Road and street maintenance	822,140	722,665
Street lighting	119,410	126,472
Other	229,054	105,079
Air transport	1,344,177	1,280,819
	<u>2,844,208</u>	<u>2,575,690</u>
Environmental health services:		
Waste collection and disposal	378,515	317,911
Recycling	193,000	75,000
Other	106,369	105,079
	<u>677,884</u>	<u>497,990</u>
Public health and welfare services:		
Public health	79,428	74,698
Regional planning and development		
Urban area weed control	26,727	32,823
Resource conservation and industrial development		
Regional development	108,753	70,321
Tourism	72,856	46,219
	<u>181,609</u>	<u>116,540</u>
Recreation and cultural services:		
Other recreational facilities	1,204,402	871,168
Museums	187,555	187,555
Libraries	131,102	130,977
	<u>1,523,059</u>	<u>1,189,700</u>
Total expenses	<u><u>9,720,149</u></u>	<u><u>8,501,377</u></u>

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TOWN OF THE PAS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2012

SCHEDULE 16

	General	2012 Utility	Total	2011 Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 438,139	\$ 391,364	\$ 829,503	\$ 626,540
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,626,635	300,000	1,926,635	2,489,746
Eliminate revenue - transfers from reserves	(999,009)	(58,964)	(1,057,973)	(2,290,397)
Increase revenue - reserve funds interest	18,969	-	18,969	11,560
Decrease revenue - Net deficit of consolidated entities	1,600	-	1,600	(20,773)
Eliminate revenue - transfer from / to nominal surpluses	(2,647,397)	(52,620)	(2,700,017)	(640,610)
Increase expense - amortization of tangible capital assets	(1,011,180)	(501,975)	(1,513,155)	(1,230,278)
Decrease expense - principal portion of debenture debt	347,777	-	347,777	329,721
Eliminate expense - acquisitions of tangible capital assets	2,909,526	111,585	3,021,111	2,323,974
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 685,060</u>	<u>\$ 189,390</u>	<u>\$ 874,450</u>	<u>\$ 1,599,483</u>