

THE CITY OF FLIN FLON
INDEPENDENT AUDITOR'S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

**THE CITY OF FLIN FLON
CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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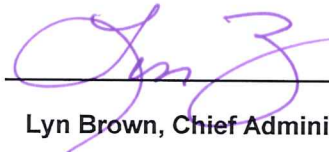
STATEMENT OF MANAGEMENT RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of The City of Flin Flon and have been prepared in compliance with legislation and in accordance with Canadian public sector accounting standards 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 City of Flin Flon 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.

Fort Group Chartered Professional Accountants Inc., as The City of Flin Flon'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 City of Flin Flon in accordance with Canadian public sector accounting standards.



Lyn Brown, Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the City of Flin Flon:

Opinion

We have audited the accompanying consolidated financial statements of The City of Flin Flon (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, consolidated changes in net financial assets, and consolidated cash flows for the year then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for 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 Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 City 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Winnipeg, Manitoba
May 20, 2025

Fort Group
CHARTERED PROFESSIONAL
ACCOUNTANTS INC.



**THE CITY OF FLIN FLON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash	\$ 1,918,626	2,509,672
Amounts receivable (Note 3)	6,126,749	5,625,460
Portfolio investments (Note 4)	<u>1,213,343</u>	<u>2,417,989</u>
	<u>9,258,718</u>	<u>10,553,121</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	5,780,737	6,910,559
Deferred revenue (Note 7)	351,551	2,947,733
Asset retirement obligation (Note 8)	4,783,220	128,597
Debt (Note 9)	1,680,467	2,577,191
Lines of credit (Note 10)	<u>2,386,676</u>	<u>-</u>
	<u>14,982,651</u>	<u>12,564,080</u>
NET DEBT	<u>(5,723,933)</u>	<u>(2,010,959)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	68,936,604	57,889,645
Inventories (Note 5)	1,189,743	1,206,341
Prepaid expenses	<u>166,905</u>	<u>151,299</u>
	<u>70,293,252</u>	<u>59,247,285</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 64,569,319</u>	<u>57,236,326</u>

APPROVED ON BEHALF OF COUNCIL:


George Fontaine - Mayor


Alison Dallas-Funk - Finance Committee Chair

The accompanying notes are an integral part of this financial statement.

**THE CITY OF FLIN FLON
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024**

	2024		2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 12)		
REVENUE			
Property taxes	\$ 5,515,764	5,554,088	5,296,748
Grants in lieu of taxation	3,588,812	3,424,687	4,175,136
User fees	1,261,300	994,739	716,661
Permits, licenses, and fines	1,189,610	1,650,311	1,107,510
Investment income	90,000	55,776	78,450
Other revenue	638,000	858,648	897,249
Water and sewer	4,307,700	3,359,734	3,345,835
Grants - Province of Manitoba	1,305,000	3,733,703	1,638,502
Grants - Other	<u>822,000</u>	<u>4,197,883</u>	<u>946,442</u>
Total revenue (Schedule 2, 4 and 5)	<u>18,718,186</u>	<u>23,829,569</u>	<u>18,202,533</u>
EXPENSES			
General government services	2,980,536	3,494,117	3,158,381
Protective services	736,050	872,569	666,234
Transportation services	4,275,936	4,015,953	4,129,229
Environmental health services	720,000	826,162	848,141
Public health welfare services	60,284	60,284	60,284
Regional planning and development	610,000	298,927	540,271
Resource conservation and industrial development	485,000	327,787	362,511
Recreation and cultural services	2,475,225	2,722,926	2,663,944
Water and sewer services	<u>5,063,778</u>	<u>3,877,851</u>	<u>4,547,431</u>
Total expenses (Schedule 3, 4 and 5)	<u>17,406,809</u>	<u>16,496,576</u>	<u>16,976,426</u>
ANNUAL SURPLUS	<u>\$ 1,311,377</u>	<u>7,332,993</u>	<u>1,226,107</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>57,236,326</u>	<u>56,010,219</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 64,569,319</u>	<u>57,236,326</u>

The accompanying notes are an integral part of this financial statement.

**THE CITY OF FLIN FLON
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED DECEMBER 31, 2024**

	2024		2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 12)		
ANNUAL SURPLUS	\$ <u>1,311,377</u>	<u>7,332,993</u>	<u>1,226,107</u>
Acquisition of tangible capital assets	(13,400,000)	(12,677,491)	(4,037,108)
Amortization of tangible capital assets	1,680,000	1,630,532	1,515,860
Loss on disposal of tangible capital assets	-	-	1,101,720
Decrease in inventories	-	16,598	53,086
Increase in prepaid expense	<u>-</u>	<u>(15,606)</u>	<u>(14,360)</u>
	<u>(11,720,000)</u>	<u>(11,045,967)</u>	<u>(1,380,802)</u>
CHANGE IN NET DEBT	\$ <u>(10,408,623)</u>	(3,712,974)	(154,695)
NET DEBT, BEGINNING OF YEAR		<u>(2,010,959)</u>	<u>(1,856,264)</u>
NET DEBT, END OF YEAR		\$ <u>(5,723,933)</u>	<u>(2,010,959)</u>

The accompanying notes are an integral part of this financial statement.

**THE CITY OF FLIN FLON
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN):		
OPERATING TRANSACTIONS		
Annual surplus	\$ 7,332,993	1,226,107
Change in non-cash items:		
Amounts receivable	(501,289)	(1,259,174)
Inventories	16,598	53,086
Prepaid expenses	(15,606)	(14,360)
Accounts payable and accrued liabilities	(1,129,822)	(37,812)
Asset retirement obligation	4,654,623	-
Deferred revenue	(2,596,182)	(247,703)
Amortization of tangible capital assets	1,630,532	1,515,860
Loss on disposal of tangible capital assets	<u>-</u>	<u>1,101,720</u>
	<u>9,391,847</u>	<u>2,337,724</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(12,677,491)</u>	<u>(4,037,108)</u>
INVESTING TRANSACTIONS		
Proceeds from portfolio investments	<u>1,204,646</u>	<u>948,714</u>
FINANCING TRANSACTIONS		
Line of credit advance	2,386,676	-
Debt repayment	<u>(896,724)</u>	<u>(852,259)</u>
CHANGE IN CASH	(591,046)	(1,602,929)
CASH, BEGINNING OF YEAR	<u>2,509,672</u>	<u>4,112,601</u>
CASH, END OF YEAR	<u>\$ 1,918,626</u>	<u>2,509,672</u>

The accompanying notes are an integral part of this financial statement.

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. STATUS OF THE CITY OF FLIN FLON

The incorporated City of Flin Flon (the "City") is a municipal government that was created on August 15, 1933, pursuant to the Manitoba Municipal Act. The City provides or funds municipal services such as fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City owns one 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 Canadian 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 City. 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 City. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

City of Flin Flon Community Development Corporation
Flin Flon Station Museum

(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 City as part of its operations carries a number of financial instruments. It is management's opinion that the City 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 City classifies its financial instruments as either fair value, cost or amortized cost. The City's accounting policy for each category is as follows:

Fair value

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

Cost or amortized cost

This category includes cash, amounts receivable, portfolio investments, accounts payable and accrued liabilities, asset retirement obligation, debt and lines of credit. 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.

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Portfolio Investments

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

(e) 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.

(f) 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 unavailable. The City does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land improvements	50 years
Landfill	35 years
Buildings and leasehold improvements	
Buildings	75 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	10 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	10 years
Computer hardware and software	5 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	50 years
Road grade	50 years
Bridges	50 years
Traffic lights and equipment	10 years
Water and sewer	
Land	Indefinite
Land improvements	50 years
Buildings	75 years
Underground networks	50 years
Machinery and equipment	10 years
Dams and other surface water structures	50 years

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Tangible Capital Assets (Continued)

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

(g) 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.

(h) 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 City 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 City 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 City 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.

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

Government transfers

Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31, for which any eligibility criteria have been met and that 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.

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.

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Asset Retirement Obligations

Asset retirement obligations reflect the legal obligations arising from the retirement of the City's tangible capital assets, and are recognized when a) there is a legal obligation for the City to incur costs in relation to a specific tangible capital asset; b) there is a past transaction or event causing the liability that has occurred; c) when economic benefits will need to be given up to remediate the liability; and d) when 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 City 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.

(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) 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 determining the amount at which an item is recognized in the consolidated 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 consolidated financial statements exists in the estimate of asset retirement obligations. The liability associated with the 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.

(l) 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 Statements Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after January 1, 2027. The Conceptual Framework is applied prospectively.

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Future Changes in Accounting Standards (Continued)

- 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 City is currently assessing the impact of the new standards, and the extend of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2024</u>	<u>2023</u>
Taxes on roll (Schedule 11)	\$ 3,165,595	3,561,811
Utility customers	542,243	418,230
Organizations and individuals	<u>2,419,911</u>	<u>1,668,851</u>
	6,127,749	5,648,892
Less allowances for doubtful amounts	<u>(1,000)</u>	<u>(23,432)</u>
	<u>\$ 6,126,749</u>	<u>5,625,460</u>

4. PORTFOLIO INVESTMENTS

	<u>2024</u>	<u>2023</u>
Fixed income investments	\$ <u>1,213,343</u>	<u>2,417,989</u>

The aggregate market value of the GICs at December 31, 2024, is \$1,213,343 (2023 - \$2,417,989). Portfolio investments earned investment income during the year of \$57,472 (2023 - 106,649).

5. INVENTORIES

	<u>2024</u>	<u>2023</u>
Inventories for use:		
Fuel	\$ 136,265	93,687
Culverts	53,068	59,851
Aggregate	196,234	255,662
Water, sanitary sewer and utility pipes	581,260	540,661
Other supplies	184,991	218,555
Other	<u>37,925</u>	<u>37,925</u>
	<u>\$ 1,189,743</u>	<u>1,206,341</u>

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 1,023,198	1,430,110
Payroll vacation liability	378,335	370,986
Payroll banked overtime payable	11,247	7,026
Cemetery perpetual care	487,202	456,368
Other liabilities and holdbacks	750,937	200,664
School levies	<u>3,129,818</u>	<u>4,445,405</u>
	<u>\$ 5,780,737</u>	<u>6,910,559</u>

7. DEFERRED REVENUE

During the 2021 fiscal year, the City received funding as part of two new separate agreements.

Funding was provided by the Manitoba Housing and Renewal Corporation ("MHRC") to help develop or redevelop affordable housing for vulnerable Manitobans within the City. MHRC funding is being administered by the City of Flin Flon Community Development Corporation (Flin Flon CDC) and has been accounted for in the City's financial statements (see note 2(a)). Amounts disclosed as deferred revenue represent amounts available under this agreement.

Funding was provided by the Province of Manitoba ("the Province") to help build a new aqua centre as part of the Investing in Canada Infrastructure Program. During the year, significant construction occurred, and all provincial revenue was recognized as applicable expenditures were incurred.

	<u>2024</u>	<u>2023</u>
Affordable housing project	\$ 351,551	367,551
Community aqua centre	<u>-</u>	<u>2,580,182</u>
	<u>\$ 351,551</u>	<u>2,947,733</u>

8. ASSET RETIREMENT OBLIGATION

Legislation requires the City 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 City operates a Class 1 landfill, with an estimated remaining capacity of 189,645 cubic metres of the landfill's total estimated capacity. The estimated remaining life of the landfill is 35 years. The period for post-closure care is estimated to be 25 years.

The estimated total liability of \$4,783,220 (2023 - \$128,597) is based on the sum of discounted future cash flows using a discount rate of 2.5%.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 128,597	128,597
Liabilities settled during the year	4,597,159	-
Accretion expense	<u>57,464</u>	<u>-</u>
Estimated total liability	<u>\$ 4,783,220</u>	<u>128,597</u>

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

9. DEBT

	<u>2024</u>	<u>2023</u>
General Authority		
Debenture for The City of Flin Flon, interest at 5.52%, payable at \$117,346 annually including interest, maturing November 30, 2027	\$ 316,473	411,124
Utility Funds		
Debenture for The City of Flin Flon Water & Sewer, interest at 6.50%, payable at \$6,625 annually including interest, maturing December 31, 2024	-	6,221
Debenture for The City of Flin Flon Water & Sewer, interest at 6.50%, payable at \$363,026 annually including interest, maturing December 31, 2024	-	340,869
Debenture for The City of Flin Flon Water & Sewer, interest at 5.50%, payable at \$11,532 annually including interest, maturing December 31, 2026	21,292	31,113
Debenture for The City of Flin Flon Water & Sewer, interest at 5.90%, payable at \$103,774 annually including interest, maturing March 31, 2029	438,325	511,896
Debenture for The City of Flin Flon Water & Sewer, interest at 5.58%, payable at \$33,694 annually including interest, maturing March 31, 2030	167,895	190,935
Debenture for The City of Flin Flon Water & Sewer, interest at 3.72%, payable at \$388,914 annually including interest, maturing February 1, 2026	<u>736,482</u>	<u>1,085,033</u>
	<u>\$ 1,680,467</u>	<u>2,577,191</u>

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

2025	\$ 573,993
2026	599,478
2027	225,701
2028	121,162
2029	128,219
Thereafter	<u>31,914</u>
	<u>\$ 1,680,467</u>

10. LINES OF CREDIT

The City holds three lines of credit through the Royal Bank of Canada:

1. The City holds overdraft protection with a maximum limit of \$1,000,000. At December 31, 2024, the City had a balance of \$nil (2023 - \$nil). Any amount outstanding during the year is charged interest at the prime rate and is due on demand.
2. The City holds a second overdraft protection agreement with a maximum limit of \$1,000,000. At December 31, 2024, the City had a balance of \$980,000 (2023 - \$nil). Any amount outstanding during the year is charged interest at the prime rate. Interest is payable monthly.
3. The City holds a term loan with a maximum limit of \$7,450,000 and a maturity date of February 27, 2026. At December 31, 2024, the City had a balance of \$1,406,676 (2023 - \$nil). Any amount outstanding during the year is charged interest at the prime rate. Interest is payable monthly.

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

11. RETIREMENT BENEFITS

The majority of the employees of the City are members of the Municipal Employees' Pension Plan (MEPP), 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 public sector accounting standard 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, 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 municipalities on behalf of their employees are expected to be \$45.2 million (2023 - \$43.8 million) and are included in each municipality'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, 2023, indicated the plan was 111.4% funded on a going concern basis and had an unfunded solvency liability of \$24.3 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, 2023.

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. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City 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 consolidated financial statements have been approved by Council.

The reconciliation between the financial plan and the budget figures used in these consolidated statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

13. ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal Surplus	\$ 541,786	8,245,905
Utility operating fund(s) - Nominal Deficit	(9,051,116)	(12,696,811)
Tangible capital assets net of related borrowings	67,256,137	55,312,454
Reserve funds	<u>5,822,512</u>	<u>6,374,778</u>
Accumulated surplus of the City	<u>\$ 64,569,319</u>	<u>57,236,326</u>

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

14. 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 City. For the year ended December 31, 2024:

a) Compensation paid to members of Council amounted to \$112,410 in aggregate.

b) There were no members of Council receiving compensation in excess of \$85,000 individually.

<u>Council Member</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - George Fontaine	\$ 23,460	720	24,180
Councillor - Alison Dallas-Funk	12,840	-	12,840
Councillor - Judith Eagle	12,840	-	12,840
Councillor - William Hanson	12,840	-	12,840
Councillor - Steve Lytwyn	15,660	-	15,660
Councillor - Heather Richardson	12,840	5,798	18,638
Councillor - Michael Slipp	12,840	2,572	15,412
	<u>\$ 103,320</u>	<u>9,090</u>	<u>112,410</u>

c) The following officers received compensation in excess of \$85,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lyn Brown	Chief Administrative Officer	\$ 124,812
James Reitlo	Assistant Director Works and Operations	118,126
Michael Funk	Facility Maintenance	114,650
Jeni East	Airport Manager	95,083
Anthony Batteson	Equipment Operator	91,835
Jason Kuras	Fire Chief	90,859
Matthew Neubuhr	Garage Mechanic	89,859
Matthew Lies	Airport Operator	88,849
Scott Rodabaugh	Airport Operator	88,667
Caitlin Bailey	Director of Parks and Recreation	87,747
Allen Church	Sub Foreman	86,775
Regan Bailey	Health and Safety Officer	86,379
Stephen O'Connor	Airport Operator	86,367
Jon Evans	Treatment Plant Operator	85,886

15. SEGMENTED INFORMATION

The City provides a wide range 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

THE CITY OF FLIN FLON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

15. SEGMENTED INFORMATION (Continued)

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 preparing the consolidated financial statements as described in the summary of significant accounting policies.

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 Public Sector Accounting Board.

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

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
City of Flin Flon Water System	\$ <u>12,124,017</u>	<u>-</u>	<u>288,524</u>	<u>11,835,493</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
City of Flin Flon Sanitary Sewer System	\$ <u>7,198,796</u>	<u>-</u>	<u>125,094</u>	<u>7,073,702</u>

17. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to better conform with current year presentation.

**THE CITY OF FLIN FLON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2024**

	General Capital Assets					Infrastructure			Totals	
	<u>Land and Land Improvements</u>	<u>Buildings and Leasehold Improvements</u>	<u>Vehicles and Equipment</u>	<u>Equipment</u>	<u>General Asset Under Construction</u>	<u>Roads, Streets, and Bridges</u>	<u>Water and Sewer</u>	<u>Assets Under Construction</u>	<u>2024</u>	<u>2023</u>
Cost										
Opening costs	\$ 4,109,554	8,941,458	7,822,844	4,367,942	2,159,519	11,999,996	53,521,308	1,223,643	94,146,264	91,417,915
Additions during the year	4,597,159	361,510	-	63,904	7,671,312	-	-	-	12,693,885	4,037,108
Disposals, write downs, transfers	-	-	(283,827)	-	(16,394)	-	-	-	(300,221)	(1,308,759)
Closing costs	<u>8,706,713</u>	<u>9,302,968</u>	<u>7,539,017</u>	<u>4,431,846</u>	<u>9,814,437</u>	<u>11,999,996</u>	<u>53,521,308</u>	<u>1,223,643</u>	<u>106,539,928</u>	<u>94,146,264</u>
Accumulated amortization										
Opening accumulated amortization	-	3,548,940	5,813,730	3,779,899	-	5,468,793	17,645,257	-	36,256,619	34,947,798
Amortization	131,347	121,439	349,390	191,187	-	186,582	650,587	-	1,630,532	1,515,860
Disposals, write downs, transfers	-	-	(283,827)	-	-	-	-	-	(283,827)	(207,039)
Closing accumulated amortization	<u>131,347</u>	<u>3,670,379</u>	<u>5,879,293</u>	<u>3,971,086</u>	<u>-</u>	<u>5,655,375</u>	<u>18,295,844</u>	<u>-</u>	<u>37,603,324</u>	<u>36,256,619</u>
NET BOOK VALUE	<u>\$ 8,575,366</u>	<u>5,632,589</u>	<u>1,659,724</u>	<u>460,760</u>	<u>9,814,437</u>	<u>6,344,621</u>	<u>35,225,464</u>	<u>1,223,643</u>	<u>68,936,604</u>	<u>57,889,645</u>

SCHEDULE 2

**THE CITY OF FLIN FLON
CONSOLIDATED SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 5,515,779	5,292,658
Taxes added	<u>38,309</u>	<u>4,090</u>
	<u>5,554,088</u>	<u>5,296,748</u>
Grants in lieu of taxation:		
Provincial government	29,575	47,537
Non-government organizations	<u>3,395,112</u>	<u>4,127,599</u>
	<u>3,424,687</u>	<u>4,175,136</u>
User fees:		
Sales of service	409,900	318,022
Rentals	300,594	192,265
Facility use fees	<u>284,245</u>	<u>206,374</u>
	<u>994,739</u>	<u>716,661</u>
Permits, licenses and fines:		
Permits	6,524	7,705
Licenses	16,432	14,880
Fees	1,571,692	1,026,007
Fines	<u>55,662</u>	<u>58,918</u>
	<u>1,650,310</u>	<u>1,107,510</u>
Investment income:		
Portfolio investments	<u>55,776</u>	<u>78,450</u>
Other revenue:		
Penalties and interest	263,313	233,157
Gain on sale of tangible capital assets	105,173	5,104
Miscellaneous	<u>490,162</u>	<u>658,988</u>
	<u>858,648</u>	<u>897,249</u>
Water and sewer:		
Municipal utilities	<u>3,359,734</u>	<u>3,345,835</u>
Grants - Province of Manitoba:		
Municipal operating grants	836,714	1,199,649
Other conditional grants	2,896,990	438,703
Other unconditional grants	<u>-</u>	<u>150</u>
	<u>3,733,704</u>	<u>1,638,502</u>
Grants - other:		
Other conditional grants	3,817,280	566,836
Federal government - Canada Community-Building Fund	330,810	306,699
MHRC - affordable housing	16,000	35,600
Other local governments	<u>33,793</u>	<u>37,307</u>
	<u>4,197,883</u>	<u>946,442</u>
TOTAL REVENUE	<u>\$ 23,829,569</u>	<u>18,202,533</u>

SCHEDULE 3

**THE CITY OF FLIN FLON
CONSOLIDATED SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
General government services:		
Legislative	\$ 212,675	243,853
General administrative	1,908,340	1,684,313
Other	<u>1,373,102</u>	<u>1,230,215</u>
	<u>3,494,117</u>	<u>3,158,381</u>
Protective services:		
Police	79,081	66,943
Fire	591,796	474,760
Other	<u>201,692</u>	<u>124,531</u>
	<u>872,569</u>	<u>666,234</u>
Transportation services:		
Road transport		
Administration and engineering	1,384,142	1,351,234
Road and street maintenance	1,147,799	1,146,551
Bridge maintenance	40,217	20,481
Sidewalk and boulevard maintenance	50,617	145,869
Street lighting	107,894	135,324
Other	46,638	42,211
Air transport	1,000,645	1,044,853
Public transit	<u>238,001</u>	<u>242,706</u>
	<u>4,015,953</u>	<u>4,129,229</u>
Environmental health services:		
Waste collection and disposal	762,198	784,365
Recycling	<u>63,964</u>	<u>63,776</u>
	<u>826,162</u>	<u>848,141</u>
Public health and welfare services:		
Social assistance	<u>60,284</u>	<u>60,284</u>
Regional planning and development:		
Other	<u>298,927</u>	<u>540,271</u>
Resource conservation and industrial development:		
Regional development	<u>327,787</u>	<u>362,511</u>
SUB-TOTAL	<u>\$ 9,895,799</u>	<u>9,765,051</u>

SCHEDULE 3

**THE CITY OF FLIN FLON
CONSOLIDATED SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
SUB-TOTALS FORWARD	\$ <u>9,895,799</u>	\$ <u>9,765,051</u>
Recreation and cultural services:		
Administration	151,377	141,977
Community centers and halls	380,736	390,335
Cemeteries	83,123	68,539
Skating and curling rinks	1,079,404	1,044,740
Parks and playgrounds	619,661	644,322
Other recreational facilities	256,335	228,436
Museums	6,213	7,827
Libraries	<u>146,077</u>	<u>137,768</u>
	<u>2,722,926</u>	<u>2,663,944</u>
Water and sewer services:		
General services	<u>3,877,851</u>	<u>4,547,431</u>
TOTAL EXPENSES	\$ <u>16,496,576</u>	\$ <u>16,976,426</u>

SCHEDULE 4

THE CITY OF FLIN FLON
CONSOLIDATED STATEMENTS OF OPERATIONS BY PROGRAM
YEAR ENDED DECEMBER 31, 2024

	<u>General Government</u>		<u>Protective Services</u>		<u>Transportation Services</u>		<u>Environmental Health Services</u>		<u>Public Health and Welfare Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
REVENUE										
Property taxes	\$ 4,646,523	2,889,183	-	-	-	-	-	-	-	-
Grants in lieu of taxation	3,424,687	4,175,136	-	-	-	-	-	-	-	-
User fees	-	-	224,372	159,078	34,095	32,185	298,861	232,522	-	-
Grants - other	364,603	344,006	-	-	-	-	-	-	-	-
Permits, licences and fines	15,892	14,329	52,733	58,895	1,581,146	1,033,736	-	-	-	-
Investment income	55,776	78,450	-	-	-	-	-	-	-	-
Other revenue	653,074	543,560	-	-	118,364	215,257	29,164	32,029	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Province of Manitoba -										
Unconditional grants	-	-	-	-	-	-	-	-	-	-
Province of Manitoba -										
Conditional grants	836,713	1,199,649	-	-	-	5,941	-	-	-	-
	<u>9,997,268</u>	<u>9,244,313</u>	<u>277,105</u>	<u>217,973</u>	<u>1,733,605</u>	<u>1,287,119</u>	<u>328,025</u>	<u>264,551</u>	<u>-</u>	<u>-</u>
EXPENSES										
Personnel services	821,935	760,513	364,707	210,755	1,967,567	2,032,523	270,659	251,860	-	-
Contract services	606,064	566,923	129,724	125,957	400,331	479,173	181,752	306,022	-	-
Utilities	59,444	52,268	149,445	149,446	295,140	322,697	5,037	5,500	-	-
Maintenance, materials and supplies	123,588	125,991	175,048	133,090	691,993	679,999	74,300	26,513	-	-
City owned and hired equipment	8,157	5,273	53,645	46,986	660,922	614,837	230,450	194,470	-	-
Grants and contributions	5,100	16,936	-	-	-	-	63,964	63,776	60,284	60,284
Amortization	979,945	868,241	-	-	-	-	-	-	-	-
Interest on long term debt	22,694	27,645	-	-	-	-	-	-	-	-
Other	867,190	734,591	-	-	-	-	-	-	-	-
	<u>3,494,117</u>	<u>3,158,381</u>	<u>872,569</u>	<u>666,234</u>	<u>4,015,953</u>	<u>4,129,229</u>	<u>826,162</u>	<u>848,141</u>	<u>60,284</u>	<u>60,284</u>
SURPLUS (DEFICIT)	<u>\$ 6,503,151</u>	<u>6,085,932</u>	<u>(595,464)</u>	<u>(448,261)</u>	<u>(2,282,348)</u>	<u>(2,842,110)</u>	<u>(498,137)</u>	<u>(583,590)</u>	<u>(60,284)</u>	<u>(60,284)</u>

SCHEDULE 4

THE CITY OF FLIN FLON
CONSOLIDATED STATEMENTS OF OPERATIONS BY PROGRAM
YEAR ENDED DECEMBER 31, 2024

	<u>Regional Planning and Development</u>		<u>Resource Conservation and Industrial Development</u>		<u>Recreation and Cultural Services</u>		<u>Water and Sewer Services</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
REVENUE										
Property taxes	\$ -	-	-	-	-	-	907,565	2,407,565	5,554,088	5,296,748
Grants in lieu of taxation	-	-	-	-	-	-	-	-	3,424,687	4,175,136
User fees	101,964	49,576	-	-	335,447	243,300	-	-	994,739	716,661
Grants - other	16,000	35,600	-	-	3,817,280	566,836	-	-	4,197,883	946,442
Permits, licences and fines	540	550	-	-	-	-	-	-	1,650,311	1,107,510
Investment income	-	-	-	-	-	-	-	-	55,776	78,450
Other revenue	10,255	487	24,640	49,493	23,151	56,423	-	-	858,648	897,249
Water and sewer	-	-	-	-	-	-	3,359,734	3,345,835	3,359,734	3,345,835
Province of Manitoba -										
Unconditional grants	-	-	-	-	-	150	-	-	-	150
Province of Manitoba -										
Conditional grants	-	-	-	-	2,896,990	432,762	-	-	3,733,703	1,638,352
	<u>128,759</u>	<u>86,213</u>	<u>24,640</u>	<u>49,493</u>	<u>7,072,868</u>	<u>1,299,471</u>	<u>4,267,299</u>	<u>5,753,400</u>	<u>23,829,569</u>	<u>18,202,533</u>
EXPENSES										
Personnel services	14,519	10,451	173,286	165,646	1,426,176	1,293,215	1,049,960	1,253,252	6,088,809	5,978,215
Contract services	6,444	43,450	97,630	115,749	293,738	355,482	488,837	464,534	2,204,520	2,457,290
Utilities	6,054	9,711	2,325	2,288	357,385	410,932	774,793	902,384	1,649,623	1,855,226
Maintenance, materials and supplies	31,395	23,454	45,207	51,370	465,262	455,670	623,939	756,821	2,230,732	2,252,908
City owned and hired equipment	219,662	360,045	5,599	122	85,365	53,645	184,244	377,816	1,448,044	1,653,194
Grants and contributions	-	-	3,740	27,336	95,000	95,000	-	-	228,088	263,332
Amortization	-	-	-	-	-	-	650,587	647,619	1,630,532	1,515,860
Interest on long term debt	-	-	-	-	-	-	105,491	145,005	128,185	172,650
Other	20,853	93,160	-	-	-	-	-	-	888,043	827,751
	<u>298,927</u>	<u>540,271</u>	<u>327,787</u>	<u>362,511</u>	<u>2,722,926</u>	<u>2,663,944</u>	<u>3,877,851</u>	<u>4,547,431</u>	<u>16,496,576</u>	<u>16,976,426</u>
SURPLUS (DEFICIT)	<u>\$ (170,168)</u>	<u>(454,058)</u>	<u>(303,147)</u>	<u>(313,018)</u>	<u>4,349,942</u>	<u>(1,364,473)</u>	<u>389,448</u>	<u>1,205,969</u>	<u>7,332,993</u>	<u>1,226,107</u>

THE CITY OF FLIN FLON
DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
YEAR ENDED DECEMBER 31, 2024

	<u>Core Government</u>		<u>Controlled Entities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
REVENUE						
Property taxes	\$ 5,554,088	5,296,748	-	-	5,554,088	5,296,748
Grants in lieu of taxation	3,424,687	4,175,136	-	-	3,424,687	4,175,136
User fees	994,739	716,661	-	-	994,739	716,661
Grants - other	4,181,883	910,842	16,000	35,600	4,197,883	946,442
Permits, licences and fines	1,650,311	1,107,510	-	-	1,650,311	1,107,510
Investment income	55,776	78,450	-	-	55,776	78,450
Other revenue	848,393	896,762	10,255	487	858,648	897,249
Water and sewer	3,359,734	3,345,835	-	-	3,359,734	3,345,835
Province of Manitoba - Unconditional grants	-	150	-	-	-	150
Province of Manitoba - Conditional grants	<u>3,733,703</u>	<u>1,638,352</u>	<u>-</u>	<u>-</u>	<u>3,733,703</u>	<u>1,638,352</u>
	23,803,314	18,166,446	26,255	36,087	23,829,569	18,202,533
EXPENSES						
Personnel services	6,088,809	5,978,215	-	-	6,088,809	5,978,215
Contract services	2,204,520	2,457,290	-	-	2,204,520	2,457,290
Utilities	1,649,623	1,855,226	-	-	1,649,623	1,855,226
Maintenance, materials and supplies	2,230,732	2,252,908	-	-	2,230,732	2,252,908
City owned and hired equipment	1,448,044	1,653,194	-	-	1,448,044	1,653,194
Grants and contributions	228,088	263,332	-	-	228,088	263,332
Amortization	1,630,532	1,515,860	-	-	1,630,532	1,515,860
Interest on long term debt	128,185	172,650	-	-	128,185	172,650
Other	<u>867,190</u>	<u>734,591</u>	<u>20,853</u>	<u>93,160</u>	<u>888,043</u>	<u>827,751</u>
	<u>16,475,723</u>	<u>16,883,266</u>	<u>20,853</u>	<u>93,160</u>	<u>16,496,576</u>	<u>16,976,426</u>
SURPLUS (DEFICIT)	<u>\$ 7,327,591</u>	<u>1,283,180</u>	<u>5,402</u>	<u>(57,073)</u>	<u>7,332,993</u>	<u>1,226,107</u>

CITY OF FLIN FLON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
YEAR ENDED DECEMBER 31, 2024

SCHEDULE 6

	<u>General Reserve</u>	<u>Equipment Reserve</u>	<u>Meter Reserve</u>	<u>Gas Tax Transit</u>	<u>Saskatchewan Capital Trust</u>	<u>Fire Dept Equipment</u>	<u>NWMO Reserve</u>	<u>Capital Reserve</u>	<u>2024</u>	<u>2023</u>
REVENUE										
Investment income	\$ 30,593	5,669	216	797	184	2,534	-	-	39,993	44,416
EXPENSES										
Miscellaneous purchases	-	-	-	-	-	-	-	1,843,707	1,843,707	431,046
NET REVENUES	<u>30,593</u>	<u>5,669</u>	<u>216</u>	<u>797</u>	<u>184</u>	<u>2,534</u>	<u>-</u>	<u>(1,843,707)</u>	<u>(1,803,714)</u>	<u>(386,630)</u>
Transfers from general operating fund	220,000	125,000	-	-	-	65,000	-	1,103,565	1,513,565	1,010,000
Transfers to general operating fund	-	-	-	-	-	-	(262,118)	-	(262,118)	-
Transfers to reserve fund	-	-	-	-	-	-	-	-	-	500,759
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	(299,193)
CHANGE IN RESERVE FUND BALANCES	<u>250,593</u>	<u>130,669</u>	<u>216</u>	<u>797</u>	<u>184</u>	<u>67,534</u>	<u>(262,118)</u>	<u>(740,142)</u>	<u>(552,267)</u>	<u>824,936</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>4,053,155</u>	<u>716,442</u>	<u>29,269</u>	<u>107,943</u>	<u>24,937</u>	<u>316,419</u>	<u>262,118</u>	<u>864,496</u>	<u>6,374,779</u>	<u>5,549,842</u>
FUND SURPLUS, END OF YEAR	<u>\$ 4,303,748</u>	<u>847,111</u>	<u>29,485</u>	<u>108,740</u>	<u>25,121</u>	<u>383,953</u>	<u>-</u>	<u>124,354</u>	<u>5,822,512</u>	<u>6,374,778</u>

**CITY OF FLIN FLON
SCHEDULE OF L.U.D. OPERATIONS
YEAR ENDED DECEMBER 31, 2024**

SCHEDULE 7

Schedule is left blank because all current year and prior year numbers are nil.

THE CITY OF FLIN FLON
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
YEAR ENDED DECEMBER 31, 2024

SCHEDULE 8

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Amounts receivable (Note 3)	\$ 541,243	417,230
LIABILITIES		
Long-term debt (Note 9)	1,363,994	2,166,067
Due to other funds	10,173,619	10,246,971
	<u>11,537,613</u>	<u>12,413,038</u>
NET DEBT	<u>(10,996,370)</u>	<u>(11,995,808)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	36,449,107	37,099,696
Inventories (Note 5)	581,260	540,661
	<u>37,030,367</u>	<u>37,640,357</u>
FUND SURPLUS	<u>\$ 26,033,997</u>	<u>25,644,549</u>

**THE CITY OF FLIN FLON
SCHEDULE OF UTILITY OPERATIONS
YEAR ENDED DECEMBER 31, 2024**

SCHEDULE 9

REVENUE	<u>Budget</u>	<u>2024</u>	<u>2023</u>
Water			
Water fees	\$ 1,550,000	1,540,746	1,512,501
Bulk water fees	89,700	85,806	89,062
sub-total- water	<u>1,639,700</u>	<u>1,626,552</u>	<u>1,601,563</u>
Sewer			
Sewer fees	<u>1,550,000</u>	<u>1,540,747</u>	<u>1,512,500</u>
Property taxes	<u>907,000</u>	<u>907,565</u>	<u>2,407,565</u>
Recovery			
Deficit recovery	<u>-</u>	<u>15</u>	<u>30,380</u>
Other			
Hydrant rentals	136,000	136,080	136,080
Penalties	55,000	49,558	50,274
Other income	20,000	6,782	15,038
sub-total- other	<u>211,000</u>	<u>192,420</u>	<u>201,392</u>
Total revenue	<u><u>\$ 4,307,700</u></u>	<u><u>4,267,299</u></u>	<u><u>5,753,400</u></u>

THE CITY OF FLIN FLON
SCHEDULE OF UTILITY OPERATIONS
YEAR ENDED DECEMBER 31, 2024

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2024</u>	<u>2023</u>
General			
Administration	\$ 424,000	287,399	390,182
Training costs	25,500	41,242	6,688
Billing and collection	160,728	145,180	135,566
Utilities (telephone, electricity, etc.)	2,200	4,203	1,783
sub-total- general	<u>612,428</u>	<u>478,024</u>	<u>534,219</u>
Water General			
Purification and treatment	643,800	521,511	604,720
Water purchases	184,500	184,548	181,258
Transmission and distribution	1,150,000	699,258	1,074,856
Hydrant maintenance	50,000	53,539	59,880
Connection costs	160,000	101,366	92,756
sub-total- water general	<u>2,188,300</u>	<u>1,560,222</u>	<u>2,013,470</u>
Water Amortization and Interest			
Amortization	-	416,646	403,252
Interest on long term debt	105,000	81,219	99,037
sub-total- water amortization and interest	<u>105,000</u>	<u>497,865</u>	<u>502,289</u>
Sewer General			
Collection system costs	335,000	137,132	215,589
Treatment and disposal cost	622,000	540,752	518,163
Lift Station costs	265,000	236,363	298,399
Connection costs	45,000	53,881	43,652
Delivery Sewer	134,972	114,853	131,315
Other sewage and disposal costs	-	546	-
sub-total- sewer general	<u>1,401,972</u>	<u>1,083,527</u>	<u>1,207,118</u>
Sewage Amortization and Interest			
Amortization	-	233,941	244,367
Interest on long term debt	-	24,272	45,968
sub-total- sewer amortization and interest	<u>-</u>	<u>258,213</u>	<u>290,335</u>
Total expenses	<u>4,307,700</u>	<u>3,877,851</u>	<u>4,547,431</u>
NET OPERATING SURPLUS	<u>\$ -</u>	<u>389,448</u>	<u>1,205,969</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>25,644,549</u>	<u>24,438,580</u>
FUND SURPLUS, END OF YEAR		<u>\$ 26,033,997</u>	<u>25,644,549</u>

THE CITY OF FLIN FLON
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
YEAR ENDED DECEMBER 31, 2024

SCHEDULE 10

	<u>Financial Plan General</u>	<u>Financial Plan Utility(ies)</u>	<u>Financial Plan Airport</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>PSAB Budget</u>
REVENUE							
Property taxes	\$ 5,515,764	-	-	-	-	-	5,515,764
Grants in lieu of taxation	3,588,812	-	-	-	-	-	3,588,812
User fees	1,261,300	-	-	-	-	-	1,261,300
Permits, licences and fines	84,060	-	1,105,550	-	-	-	1,189,610
Investment income	90,000	-	-	-	-	-	90,000
Other revenue	638,000	-	-	-	-	-	638,000
Water and sewer	-	4,307,700	-	-	-	-	4,307,700
Grants - Province of Manitoba	1,305,000	-	-	-	-	-	1,305,000
Grants - other	822,000	-	-	-	-	-	822,000
Transfers from reserves	263,000	-	-	-	-	(263,000)	-
Total revenue	<u>13,567,936</u>	<u>4,307,700</u>	<u>1,105,550</u>	<u>-</u>	<u>-</u>	<u>(263,000)</u>	<u>18,718,186</u>
EXPENSES							
General government services	1,928,505	-	-	979,945	22,694	49,392	2,980,536
Protective services	736,050	-	-	-	-	-	736,050
Transportation services	3,175,500	-	1,100,436	-	-	-	4,275,936
Environmental health services	720,000	-	-	-	-	-	720,000
Public health and welfare services	60,284	-	-	-	-	-	60,284
Regional planning and development	610,000	-	-	-	-	-	610,000
Resource cons and industrial dev	485,000	-	-	-	-	-	485,000
Recreation and cultural services	2,475,225	-	-	-	-	-	2,475,225
Water and sewer services	-	4,307,700	-	650,587	105,491	-	5,063,778
Fiscal services:							
Transfer to capital	1,893,565	-	-	-	-	(1,893,565)	-
Debt charges	1,024,415	-	-	-	-	(1,024,415)	-
Transfer to Utility	-	-	-	-	-	-	-
Transfer to reserves	410,000	-	-	-	-	(410,000)	-
Allowance for tax assets	49,392	-	-	-	-	(49,392)	-
Total expenses	<u>13,567,936</u>	<u>4,307,700</u>	<u>1,100,436</u>	<u>1,630,532</u>	<u>128,185</u>	<u>(3,327,980)</u>	<u>17,406,809</u>
Surplus (Deficit)	<u>\$ -</u>	<u>-</u>	<u>5,114</u>	<u>(1,630,532)</u>	<u>(128,185)</u>	<u>3,064,980</u>	<u>1,311,377</u>

**THE CITY OF FLIN FLON
ANALYSIS OF TAXES ON ROLL
YEAR ENDED DECEMBER 31, 2024**

SCHEDULE 11

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 3,561,811	\$ 3,306,665
Add:		
Tax levy (Schedule 12)	9,497,254	8,859,962
Taxes added	38,308	4,089
Penalties or interest	263,313	233,157
Other accounts added	789,325	692,260
Grants	98,731	90,260
	<u>10,686,931</u>	<u>9,879,728</u>
Deduct:		
Cash collections - current	7,109,890	7,091,442
Cash collections - arrears	1,254,686	1,251,431
Writeoffs	763,221	752,795
Tax discounts	119,261	110,154
M.P.T.C. - cash advance	420,161	418,760
School Tax Rebate	1,415,928	-
	<u>11,083,146</u>	<u>9,624,582</u>
Balance, end of year	<u><u>\$ 3,165,596</u></u>	<u><u>\$ 3,561,811</u></u>

**THE CITY OF FLIN FLON
ANALYSIS OF TAX LEVY
YEAR ENDED DECEMBER 31, 2024**

SCHEDULE 12

			<u>2024</u>	<u>2023</u>
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
LI.D.	\$ 150,769,880	4.94	744,803	745,562
Other (at large)	127,320,240	0.89	113,315	113,374
sub-total- Debt charges			<u>858,118</u>	<u>858,936</u>
Reserves:				
General reserve	127,320,240	1.66	211,352	211,462
Equipment reserve	127,320,240	0.94	119,681	312,097
sub-total- Reserves			<u>331,033</u>	<u>523,559</u>
General municipal	127,320,240	10.10	<u>1,285,934</u>	<u>876,420</u>
Special levies:				
Utilities	127,320,240	1.04	132,413	132,482
Residential Special Service Levy	2,928	912.05	2,670,482	2,661,200
sub-total- Special levies			<u>2,802,895</u>	<u>2,793,682</u>
Business Taxes and Fees				
Business tax (rate %)	3,475,600	0.05	173,780	175,750
Business fees			8,321	9,165
Business Special Service Levy	138	403.61	55,698	55,146
sub-total Business Taxes and Fees			<u>237,799</u>	<u>240,061</u>
Total municipal taxes (Schedule 2)			<u>5,515,779</u>	<u>5,292,658</u>
Education support levy	35,946,420	8.13	<u>292,244</u>	<u>294,397</u>
Special levies:				
Flin Flon School Division 46	127,340,190	28.97	<u>3,689,231</u>	<u>3,272,907</u>
Total education taxes			<u>3,981,475</u>	<u>3,567,304</u>
Total tax levy (Schedule 11)			<u>\$ 9,497,254</u>	<u>8,859,962</u>

THE CITY OF FLIN FLON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
YEAR ENDED DECEMBER 31, 2024

SCHEDULE 13

	<u>2024</u>	<u>2023</u>
General government services:		
Legislative	\$ 212,675	\$ 243,853
General administrative	1,908,340	1,684,313
Other	1,373,102	1,230,215
	<u>3,494,117</u>	<u>3,158,381</u>
Protective services:		
Police	79,081	66,943
Fire	591,796	474,760
Other	201,691	124,531
	<u>872,568</u>	<u>666,234</u>
Transportation services:		
Road transport		
Administration and engineering	1,384,142	1,351,234
Road and street maintenance	1,147,799	1,146,551
Bridge maintenance	40,217	20,481
Sidewalk and boulevard maintenance	50,617	145,869
Street lighting	107,894	135,324
Other	46,638	42,211
Air transport	1,000,645	1,044,853
Public transit	238,001	242,706
	<u>4,015,953</u>	<u>4,129,229</u>
Environmental health services:		
Waste collection and disposal	762,198	784,365
Recycling	63,964	63,776
	<u>826,162</u>	<u>848,141</u>
Public health and welfare services:		
Social assistance	60,284	60,284
Regional planning and development	<u>298,926</u>	<u>540,271</u>
Resource conservation and industrial development		
Regional development	<u>327,787</u>	<u>362,511</u>
Recreation and cultural services:		
Administration	151,377	141,977
Community centers and halls	380,736	390,335
Cemeteries	83,123	68,539
Skating and curling rinks	1,079,404	1,044,740
Parks and playgrounds	619,661	644,322
Other recreational facilities	256,337	228,436
Museums	6,213	7,827
Libraries	146,077	137,768
	<u>2,722,928</u>	<u>2,663,944</u>
Total expenses	<u><u>\$ 12,618,725</u></u>	<u><u>12,428,995</u></u>

**THE CITY OF FLIN FLON
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
YEAR ENDED DECEMBER 31, 2024**

SCHEDULE 14

	<u>General</u>	<u>Utility</u>	<u>2024</u>	<u>2023</u>
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (4,563,904)	237,961	(4,325,943)	(1,426,279)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,513,565	-	1,513,565	1,010,000
Eliminate revenue - transfers from reserves	-	-	-	(299,193)
Increase revenue - reserve funds interest	39,993	-	39,993	44,416
Increase expense - reserve fund expenditures	(1,843,707)	-	(1,843,707)	(431,046)
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	5,402	-	5,402	(57,073)
Increase expense - amortization of tangible capital assets	(979,945)	(650,587)	(1,630,532)	(1,515,860)
Decrease expense - principal portion of debenture debt	94,650	802,074	896,724	852,259
Eliminate expense - acquisitions of tangible capital assets	12,677,491	-	12,677,491	3,048,883
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 6,943,545</u>	<u>389,448</u>	<u>7,332,993</u>	<u>1,226,107</u>