



January 25, 2017

Ms. Michelle Wazny
Chief Administrative Officer
Town of Lac du Bonnet
PO Box 339
84 Second Street
Lac du Bonnet, MB
R0E 1A0

Dear Ms. Wazny:

Re: Town of Lac du Bonnet

Please find enclosed the following:

1. One copy of the Consolidated Financial Statements for the year ended December 31, 2015.
2. One copy of the Supplementary Audit Report completed in accordance with the provisions of Section 190 of The Municipal Act.
4. One copy of the management letter.
5. Our statement of account for services rendered.

We have forwarded one copy of the Consolidated Financial Statements to the Mayor for presentation to Council. As required, we have also sent copies of the Consolidated Financial Statements and Supplementary Audit Report to Manitoba Intergovernmental Affairs.

We would like to thank you for the co-operation and hospitality extended to our staff. If we can be of any assistance during the year, please do not hesitate to contact us.

Yours very truly,

Exchange

Chartered Professional Accountants LLP

TOWN OF LAC DU BONNET

**Consolidated Financial Statements
For the Year Ended December 31, 2015**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Les Éboules and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Town met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Exchange chartered professional accountants, LLP as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' 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.



Michèle Wazny
Chief Administrative Officer



INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
TOWN OF LAC DU BONNET

We have audited the accompanying consolidated financial statements of the Town of Lac du Bonnet, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2015, 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.

Auditors' 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' 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 Lac du Bonnet as at December 31, 2015, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2015 in accordance with Canadian Public Sector Accounting Standards.

The financial statements for the year ended December 31, 2014 were audited by another accounting firm and are presented for comparative purposes only.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
January 12, 2017

TOWN OF LAC DU BONNET
Consolidated Financial Statements
For the Year Ended December 31, 2015

Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	15
Schedule 2 - Consolidated Schedule of Revenues	16
Schedule 3 - Consolidated Schedule of Expenses	17
Schedule 4 - Consolidated Statement of Operations by Program	19
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	21
Schedule 6 - Schedule of Change in Reserve Fund Balances	22
Schedule 7 - Schedule of Trust Funds	24
Schedule 8 - Schedule of Financial Position for Utilities	25
Schedule 9 - Schedule of Utility Operations	26
Schedule 10 - Reconciliation of the Financial Plan to the Budget	28
Schedule 11 - Analysis of Taxes on Roll	29
Schedule 12 - Analysis of Tax Levy	30
Schedule 13 - Analysis of School Accounts	31
Schedule 14 - Schedule of General Operating Fund Expenses	32
Schedule 15 - Schedule of L.U.D. Operations	34
Schedule 16 - Schedule of Debentures Pending	35
Schedule 17 - Reconciliation of Annual Surplus (Deficit)	36

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	<u>2015</u>	<u>2014</u> (Note 14)
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 2,325,992	\$ 2,295,530
Amounts receivable (Note 4)	<u>407,550</u>	<u>286,441</u>
	<u>\$ 2,733,542</u>	<u>\$ 2,581,971</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 192,667	\$ 113,214
Long-term debt (Note 6)	<u>2,006,473</u>	<u>2,080,404</u>
	<u>2,199,140</u>	<u>2,193,618</u>
NET FINANCIAL ASSETS	<u>\$ 534,402</u>	<u>\$ 388,353</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 7,553,305	\$ 7,219,253
Prepaid expenses	<u>13,670</u>	<u>68</u>
	<u>7,566,975</u>	<u>7,219,321</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 8,101,377</u>	<u>\$ 7,607,674</u>

Approved on behalf of Council:

 Mayor

 Councilor

The accompanying notes are an integral part of this financial statement

**TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2015**

	2015 Budget (Note 9)	2015 Actual	2014 Actual (Note 14)
REVENUE			
Property taxes	\$ 1,330,866	\$ 1,341,303	\$ 1,416,204
Grants in lieu of taxation	100,909	100,909	106,701
User fees	36,400	34,470	16,730
Permits, licences and fines	28,050	34,535	28,821
Investment income	-	30,190	29,110
Other revenue	22,000	40,352	33,048
Water and sewer	556,279	597,982	527,580
Grants - Province of Manitoba	276,000	273,868	240,444
Grants - other	55,000	132,141	110,859
Total revenue (Schedules 2, 4 and 5)	<u>2,405,504</u>	<u>2,585,750</u>	<u>2,509,497</u>
EXPENSES			
General government services	390,686	381,410	386,901
Protective services	232,890	288,697	214,461
Transportation services	445,337	390,856	460,906
Environmental health services	122,302	125,983	114,281
Public health and welfare services	2,600	1,460	2,462
Regional planning and development	18,000	52,159	51,146
Resource conservation and industrial development	3,500	1,629	745
Recreation and cultural services	143,003	166,481	144,842
Water and sewer services	761,499	683,372	632,944
Total expenses (Schedules 3, 4 and 5)	<u>2,119,817</u>	<u>2,092,047</u>	<u>2,008,688</u>
ANNUAL SURPLUS	<u>\$ 285,687</u>	<u>493,703</u>	<u>500,809</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		7,592,651	7,085,063
CORRECTION OF AN ERROR (Note 14)		<u>15,023</u>	<u>21,802</u>
AS RESTATED		<u>7,607,674</u>	<u>7,106,865</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,101,377</u>	<u>\$ 7,607,674</u>

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2015

	2015 Budget (Note 9)	2015 Actual	2014 Actual (Note 14)
ANNUAL SURPLUS (DEFICIT)	\$ 285,687	\$ 493,703	\$ 500,809
Acquisition of tangible capital assets	(817,657)	(646,347)	(335,331)
Amortization of tangible capital assets	312,295	312,295	298,925
Loss (Gain) on sale of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	-	-	-
Decrease (increase) in prepaid expense	-	(13,602)	-
	<u>(605,362)</u>	<u>(347,654)</u>	<u>(36,406)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (219,675)	146,049	464,403
NET FINANCIAL ASSETS, BEGINNING OF YEAR		373,398	(97,784)
CORRECTION OF AN ERROR (Note 14)		14,955	21,734
AS RESTATED		388,353	(76,050)
NET FINANCIAL ASSETS, END OF YEAR		\$ 534,402	\$ 388,353

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

	2015	2014 (Note 14)
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 493,703	\$ 500,809
Changes in non-cash items:		
Amounts receivable	(121,109)	(28,758)
Inventories	-	-
Prepays	(13,602)	-
Accounts payable and accrued liabilities	79,453	79,188
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	-	-
Amortization	312,295	298,925
Cash provided by operating transactions	<u>760,740</u>	<u>850,164</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	(646,347)	(335,331)
Cash applied to capital transactions	<u>(646,347)</u>	<u>(335,331)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(73,931)	(70,707)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>(73,931)</u>	<u>(70,707)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>30,462</u>	<u>444,126</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	2,277,558	1,825,404
CORRECTION OF AN ERROR (Note 14)	17,972	26,000
AS RESTATED	<u>2,295,530</u>	<u>1,851,404</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 2,325,992</u>	<u>\$ 2,295,530</u>

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. Status of the Town of Lac du Bonnet

The incorporated Town of Lac du Bonnet is a town that was formed in 1958 pursuant to The Municipal Act. The town provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The town may also own one or more utilities, have several designated special purpose reserves and provide funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The Town does not have any controlled organizations.

The Town has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Town's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Lac du Bonnet Planning District (consolidated 25%) (2014 – consolidated 25%)
Lac du Bonnet Regional Library Board (consolidated 26%) (2014 – consolidated 26%)

The taxation with respect to the operations of the school divisions are not reflected in the Town 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	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the town, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

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:

	2015	2014
Cash	\$ 2,325,992	\$ 2,295,630
Temporary investments	-	-
	<u>\$ 2,325,992</u>	<u>\$ 2,295,630</u>

The Town has designated \$1,625,138 (2014 \$1,559,188) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2015	2014
Taxes on roll (Schedule 11)	\$ 129,284	\$ 132,135
Government grants	35,552	-
Utility customers	143,890	48,621
Accrued interest	-	-
Organizations and individuals	58,598	80,699
Other governments	40,226	24,986
	<u>407,550</u>	<u>286,441</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 407,550</u>	<u>\$ 286,441</u>

5. Accounts Payable and Accrued Liabilities

	2015	2014
Accounts payable	\$ 92,963	\$ 73,652
Accrued expenses	-	-
Accrued interest payable	-	-
Refundable deposits	3,350	3,350
School levies (Schedule 13)	96,354	36,212
Other governments	-	-
	<u>\$ 192,667</u>	<u>\$ 113,214</u>

6. Long Term Debt

	2015	2014
Utility Funds:		
Province of Manitoba Debenture for Water and Sewer, interest at 6.375%, payable at \$97,243 annually including interest, maturing	\$ 842,311	\$ 883,247
Royal Bank Debenture for Water and Sewer, interest at 5.68%, payable at \$4,687 monthly including interest, maturing	654,350	\$ 672,848
Royal Bank Debenture for Water and Sewer, interest at 5.05%, payable at \$3,387 monthly including interest, maturing	<u>509,812</u>	<u>524,309</u>
	<u>\$ 2,006,473</u>	<u>\$ 2,080,404</u>

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

2016	\$ 78,368
2017	\$ 83,074
2018	\$ 88,063
2019	\$ 93,355
2020	\$ 98,966

7. Retirement Benefits

The majority of the employees of the Town are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$17,933 (2014 - \$20,071) 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, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 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, 2014.

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.

8. 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.

9. 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.

10. Accumulated Surplus

	2015	2014
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (36,171)	\$ 137,734
Utility operating fund(s) - Nominal surplus	946,890	656,881
TCA net of related borrowings	5,546,832	5,138,849
Reserve funds	<u>1,625,138</u>	<u>1,659,188</u>
Accumulated surplus of town unconsolidated	8,082,689	7,592,652
Accumulated surpluses of consolidated entities	<u>18,688</u>	<u>15,022</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 8,101,377</u>	<u>\$ 7,607,674</u>

11. 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, 2015:

a) Compensation paid to members of council amounted to \$44,153 in aggregate.

b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Gordon Peters	\$ 8,725	\$ 2,416	\$ 11,141
Councillor - James Mathers	6,000	2,901	8,901
Councillor - Kenneth Lodge	6,300	1,807	8,107
Councillor - John Kyne	6,000	1,259	7,259
Councillor - Keegan Sveinsson	6,000	2,745	8,745
	<u>\$ 33,025</u>	<u>\$ 11,128</u>	<u>\$ 44,153</u>

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

Name	Position	Amount
Geoff Blackin	Public Works Manager	\$ 72,752
Michele Wazny	CAO	\$ 71,537

12. Segmented Information

The Town of Lac du Bonnet 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

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

13. Government Partnerships

The town has several partnership agreements for municipal services. The consolidated financial statements include the town's proportionate interest, as disclosed in note 2(a). The aggregate proportionate share of the financial statements of the government partnerships, in condensed summary, are as follows:

	<u>2015</u>	<u>2014</u>
Financial Position		
Financial Assets	\$ 20,897	\$ 18,452
Liabilities	<u>(2,276)</u>	<u>(3,497)</u>
Net financial assets (liabilities)	\$ 18,621	\$ 14,955
Non-financial assets	<u>67</u>	<u>67</u>
Accumulated surplus	<u>\$ 18,688</u>	<u>\$ 15,022</u>
Result of Operations		
Revenues	\$ 73,599	\$ 64,841
Expenses	<u>(69,933)</u>	<u>(71,621)</u>
Annual surplus	<u>\$ 3,666</u>	<u>\$ (6,780)</u>
Elimination of revenues/expenses for consolidation	\$ (6,878)	\$ (6,384)
Consolidated annual surplus	<u>\$ (3,212)</u>	<u>\$ (12,164)</u>

14. Correction of an Error

During the year, it was discovered that there were two entities in which the Town should have consolidated their proportionate share of assets, liabilities, revenues and expenses. Due to this, assets increased by \$18,452, liabilities increased by \$3,497, non-financial assets increased by \$68, revenues increased by \$59,457, expenses increased by \$66,236 and opening accumulated surplus increased by \$21,802 for the year ended December 31, 2014. For the year ended December 31, 2015, opening accumulated surplus increased by \$15,023.

15. Comparative Figures

Some of the comparative figures were reclassified to conform to current year presentation.

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2015

SCHEDULE 1

	General Capital Assets					Infrastructure					Totals	
	Land and Land Improvements	Buildings and Household Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2015	2014		
Cost												
Opening costs	\$ 484,321	\$ 1,087,533	\$ 1,358,434	\$ 52,543	\$ -	\$ 894,935	\$ 6,579,896	\$ -	\$ 10,537,652	\$ 10,292,321		
Additions during the year	30,280	28,080	17,250	-	-	170,554	400,083	-	646,347	335,331		
Depreciate and write downs	-	-	-	(22,500)	-	-	-	-	(22,500)	-		
Closing costs	494,601	1,115,613	1,375,684	30,043	-	1,065,589	7,079,899	-	11,661,499	10,537,652		
Accumulated Amortization												
Opening account amortization	-	736,162	904,275	40,272	-	269,076	1,388,614	-	3,319,299	3,019,474		
Amortization	3,338	25,574	95,108	3,088	-	46,972	138,237	-	312,295	298,925		
Depreciate and write downs	-	-	-	(22,500)	-	-	-	-	(22,500)	-		
Closing account amortization	3,338	761,736	999,383	20,840	-	316,048	1,506,851	-	3,608,194	3,318,399		
Net Book Value of Tangible Capital Assets	\$ 491,263	\$ 353,877	\$ 376,303	\$ 9,203	\$ -	\$ 749,541	\$ 5,573,118	\$ -	\$ 7,553,305	\$ 7,219,253		

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2015

SCHEDULE 2

	2015 Actual	2014 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,305,866	\$ 1,379,240
Taxes added	35,437	36,964
	<u>1,341,303</u>	<u>1,416,204</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	24,215	26,134
Provincial government	43,283	44,773
Provincial government enterprises	33,411	35,794
Other local governments	-	-
Non-government organizations	-	-
	<u>100,909</u>	<u>106,701</u>
User fees		
Parking meters	-	-
Sales of service	27,241	7,993
Sales of goods	679	887
Rentals	6,550	7,800
Development charges	-	50
Facility use fees	-	-
	<u>34,470</u>	<u>16,730</u>
Permits, licences and fines		
Permits	19,505	19,452
Licences	635	345
Fees	8,748	5,561
Fines	7,647	3,463
	<u>34,535</u>	<u>28,821</u>
Investment income:		
Cash and temporary investments	30,190	29,110
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>30,190</u>	<u>29,110</u>
Other revenue:		
Gain on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	19,355	26,050
Miscellaneous (specify):	20,997	7,998
	<u>40,352</u>	<u>33,048</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	597,982	627,580
Consolidated water co-operatives	-	-
	<u>597,982</u>	<u>627,580</u>
Grants - Province of Manitoba		
General assistance payment	169,578	169,578
General support grant	-	-
Municipal program grants (formerly VLT revenues)	20,483	20,484
Other unconditional grants	11,828	10,268
Conditional grants	71,979	40,114
	<u>273,868</u>	<u>240,444</u>
Grants - other		
Federal government - gas tax funding	54,983	54,990
Federal government - other	-	-
Other local governments	77,158	55,869
	<u>132,141</u>	<u>110,859</u>
Total revenue	<u>\$ 2,585,750</u>	<u>\$ 2,509,497</u>

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2015

SCHEDULE 3

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 44,218	\$ 49,965
General administrative	257,406	260,081
Other	79,786	76,875
	<u>381,410</u>	<u>386,901</u>
Protective services:		
Police	149,794	149,794
Fire	95,831	33,536
Emergency measures	11,423	26,264
Other	31,649	4,867
	<u>288,697</u>	<u>214,461</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	249,224	300,406
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	6,290	17,552
Street lighting	19,511	18,524
Other	113,826	122,419
Air transport	2,005	2,005
Public transit	-	-
Other	-	-
	<u>390,856</u>	<u>460,906</u>
Environmental health services:		
Waste collection and disposal	65,735	58,042
Recycling	29,099	27,137
Other	31,149	29,102
	<u>125,983</u>	<u>114,281</u>
Public health and welfare services:		
Public health	584	1,586
Medical care	-	-
Social assistance	876	876
Other	-	-
	<u>1,460</u>	<u>2,462</u>
Regional planning and development		
Planning and zoning	44,526	44,093
Urban renewal	-	-
Beautification and land rehabilitation	3,529	2,531
Urban area weed control	4,104	4,522
Other	-	-
	<u>52,159</u>	<u>51,146</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	2	-
Industrial development	-	-
Tourism	1,538	644
Other	89	101
	<u>1,629</u>	<u>745</u>
Sub-totals forward	<u>\$ 1,242,194</u>	<u>\$ 1,230,902</u>

**TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2015**

SCHEDULE 3

	<u>2015</u> Actual	<u>2014</u> Actual
Sub-totals forward	<u>\$ 1,242,194</u>	<u>\$ 1,230,902</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	7,790	7,850
Swimming pools and beaches	15,195	14,046
Golf courses	-	13,392
Skating and curling rinks	13,424	21,690
Parks and playgrounds	40,218	23,713
Other recreational facilities	27,600	914
Museums	962	16,552
Libraries	45,460	46,685
Other cultural facilities	15,832	-
	<u>166,481</u>	<u>144,842</u>
Water and sewer services (Schedule 9)		
Municipal utility(ies) (Schedule 9)	683,372	632,944
Consolidated water co-operatives	-	-
	<u>683,372</u>	<u>632,944</u>
Total expenses	<u>\$ 2,092,047</u>	<u>\$ 2,008,688</u>

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2015

SCHEDULE 4

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ 1,221,110	\$ 1,292,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	100,909	106,701	-	-	-	-	-	-	-	-
User fees	33,514	15,761	-	-	-	-	-	-	-	-
Grants - other	109,102	94,128	-	-	-	-	-	-	-	-
Permits, licenses and fines	2,210	495	7,648	3,313	-	-	-	-	-	-
Investment income	22,710	22,298	-	-	-	-	-	-	-	-
Other revenue	35,349	27,682	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	199,061	190,052	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	71,000	39,319	-	-	-	-	-	-	-	-
Total revenue	\$ 1,785,962	\$ 1,789,233	\$ 7,648	\$ 3,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EXPENSES										
Personnel services	\$ 199,496	\$ 195,881	\$ 26,224	\$ 16,105	\$ 81,522	\$ 99,912	\$ 46,214	\$ 48,471	\$ -	\$ -
Contract services	131,119	146,892	241,599	175,593	85,927	146,041	50,291	43,905	584	1,586
Utilities	11,983	7,745	-	-	14,880	15,614	-	-	-	-
Maintenance materials and supplies	18,027	20,934	10,384	19,613	94,700	82,400	5,676	103	-	-
Grants and contributions	10,879	11,790	-	-	-	-	-	-	-	-
Amortization	9,906	3,659	10,690	3,150	113,827	116,939	23,802	23,802	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	876	876
Total expenses	\$ 381,410	\$ 386,901	\$ 288,697	\$ 214,461	\$ 390,856	\$ 460,906	\$ 125,983	\$ 114,281	\$ 1,460	\$ 2,462
Surplus (Deficit)	\$ 1,404,552	\$ 1,402,332	\$ (281,049)	\$ (211,148)	\$ (390,856)	\$ (460,906)	\$ (125,983)	\$ (114,281)	\$ (1,460)	\$ (2,462)

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

TOWN OF LAC DU BONNET
 CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
 For the Year Ended December 31, 2015

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,193	\$ 123,417	\$ 1,341,303	\$ 1,416,204
Grants in lieu of taxation	-	-	-	-	-	-	-	-	100,909	106,701
User fees	-	-	-	-	959	989	-	-	34,470	16,730
Grants - other	11,250	5,250	-	-	11,789	11,481	-	-	132,141	110,859
Permits, licenses and fines	24,677	25,013	-	-	-	-	-	-	30,190	28,821
Investment income	90	126	-	-	146	189	-	-	40,352	33,048
Other revenue	406	236	-	-	4,597	5,130	7,244	6,497	201,889	200,330
Water and sewer	-	-	-	-	-	-	597,982	527,580	597,982	527,580
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	201,889	200,330
Prov of MB - Conditional Grants	-	-	-	-	11,828	10,268	-	-	71,978	40,114
Total revenue	\$ 38,423	\$ 30,626	\$ -	\$ -	\$ 30,298	\$ 28,892	\$ 725,419	\$ 657,494	\$ 2,585,750	\$ 2,509,497
EXPENSES										
Personnel services	\$ 28,111	\$ 29,210	\$ 302	\$ 114	\$ 65,257	\$ 50,971	\$ 159,158	\$ 132,120	\$ 606,284	\$ 570,784
Contract services	22,191	18,862	1,327	921	51,211	60,036	198,229	191,298	782,278	785,134
Utilities	709	814	-	-	1,749	1,787	-	-	29,321	25,960
Maintenance materials and supplies	993	2,017	-	(290)	22,304	9,099	67,385	51,776	219,469	185,652
Grants and contributions	-	-	-	-	9,923	5,614	-	-	20,802	17,404
Amortization	-	-	-	-	15,833	17,042	138,237	134,333	312,295	298,925
Interest on long term debt	-	-	-	-	-	-	120,183	123,417	120,193	123,417
Other	155	243	-	-	204	293	170	-	1,405	1,412
Total expenses	\$ 52,158	\$ 51,146	\$ 1,629	\$ 745	\$ 166,481	\$ 144,842	\$ 693,372	\$ 632,944	\$ 2,092,047	\$ 2,008,888
Surplus (Deficit)	\$ (15,736)	\$ (20,521)	\$ (1,629)	\$ (745)	\$ (136,183)	\$ (116,010)	\$ 42,047	\$ 24,550	\$ 493,703	\$ 500,809

TOWN OF LAG DU BONNET
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2015

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUE								
Property taxes	\$ 1,341,303	\$ 1,416,204	\$ -	\$ -	\$ -	\$ -	\$ 1,341,303	\$ 1,416,204
Grants in lieu of taxation	100,909	106,701	-	-	-	-	100,909	106,701
User fees	33,511	15,761	-	-	959	969	34,470	16,730
Grants - other	109,102	94,128	-	-	23,039	16,731	132,141	110,859
Permits, licenses and fines	9,858	3,808	-	-	24,677	25,013	34,535	28,821
Investment income	29,954	28,795	-	-	236	315	30,190	29,110
Other revenue	35,349	27,682	-	-	5,003	5,366	40,352	33,048
Water and sewer	597,982	527,580	-	-	-	-	597,982	527,580
Prov of MB - Unconditional Grants	190,061	180,082	-	-	-	-	201,889	200,330
Prov of MB - Conditional Grants	71,000	39,319	-	-	11,828	10,268	201,889	200,330
Total revenue	\$ 2,519,029	\$ 2,450,040	\$ -	\$ -	\$ 66,721	\$ 59,457	\$ 2,585,750	\$ 2,509,497
EXPENSES								
Personnel services	\$ 554,311	\$ 518,273	\$ -	\$ -	\$ 51,973	\$ 52,511	\$ 606,284	\$ 570,784
Contract services	775,269	777,247	-	-	7,009	7,887	782,278	785,134
Utilities	26,863	23,559	-	-	2,458	2,601	29,321	25,960
Maintenance materials and supplies	211,337	177,566	-	-	8,132	8,086	219,469	185,652
Grants and contributions	20,802	17,404	-	-	-	-	20,802	17,404
Amortization	312,295	298,925	-	-	-	-	312,295	298,925
Interest on long term debt	120,193	123,417	-	-	-	-	120,193	123,417
Other	1,044	976	-	-	361	536	1,405	1,412
Total expenses	\$ 2,022,114	\$ 1,937,067	\$ -	\$ -	\$ 69,933	\$ 71,621	\$ 2,092,047	\$ 2,008,688
Surplus (Deficit)	\$ 496,915	\$ 512,973	\$ -	\$ -	\$ (3,212)	\$ (12,164)	\$ 493,703	\$ 500,809

TOWN OF LAC DU BONNET
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2015

SCHEDULE 6

	2015						
	General Reserve	Equipment Reserve	Fire Equip. Reserve	Cap. Devel. Reserve	Hospital Reserve	Sports Arena Reserve	Rec. Land Reserve
REVENUE							
Investment Income	\$ 5,843	\$ 1,338	\$ 452	\$ 1,154	\$ 5,900	\$ 1,232	\$ 1,395
Other Income	-	-	-	-	-	-	-
Total Revenue	5,843	1,338	452	1,154	5,900	1,232	1,395
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	5,843	1,338	452	1,154	5,900	1,232	1,395
TRANSFERS							
Transfers from general operating fund	143,000	95,000	40,000	-	-	-	-
Transfers to general operating fund	-	-	(7,500)	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	148,843	96,338	32,952	1,154	5,900	1,232	1,395
FUND SURPLUS, BEGINNING OF YEAR	326,335	74,880	25,272	64,545	330,012	88,895	78,034
FUND SURPLUS, END OF YEAR	\$ 475,678	\$ 171,218	\$ 58,224	\$ 65,699	\$ 335,912	\$ 70,127	\$ 79,429

TOWN OF LAC DU BONNET
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2015

SCHEDULE 6

	2015						2014	
	Util. Equip. Reserve	Gas Tax Reserve	Airport Reserve	Dock Reserve	Bail Diamond Reserve	Total	Total	Total
REVENUE								
Investment Income	\$ 5,969	\$ 3,901	\$ 133	\$ 1,002	\$ 361	\$ 28,680	\$ 28,795	\$ -
Other Income	-	-	-	-	-	-	-	-
Total revenue	5,969	3,901	133	1,002	361	28,680	28,795	-
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	5,969	3,901	133	1,002	361	28,680	28,795	-
TRANSFERS								
Transfers from general operating fund	-	54,983	1,400	-	-	334,383	162,654	-
Transfers to general operating fund	-	-	-	-	-	(7,500)	(72,500)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	104,994
Transfers to utility operating fund	(193,985)	(195,648)	-	-	-	(389,613)	(42,262)	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(187,996)	(136,764)	1,533	1,002	361	(34,050)	181,681	-
FUND SURPLUS, BEGINNING OF YEAR	438,875	168,155	7,418	56,072	20,195	1,659,188	1,477,507	-
FUND SURPLUS, END OF YEAR	\$ 250,879	\$ 31,391	\$ 8,951	\$ 57,074	\$ 20,556	\$ 1,625,138	\$ 1,659,188	-

TOWN OF LAC DU BONNET
 SCHEDULE OF TRUST FUNDS
 For the Year Ended December 31, 2015

SCHEDULE 7

	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Total 2015	Total 2014
ASSETS									
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio Investments	-	-	-	-	-	-	-	-	-
Due from Municipality	-	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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>	<u>\$ -</u>
REVENUES									
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES									
Cometary maintenance	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 December 31, 2015

SCHEDULE 8

	2015	2014
	Total	Total
FINANCIAL ASSETS		
Cash and temporary investments	\$ 444,275	\$ -
Amounts receivable	156,264	48,753
Portfolio investments	-	-
Due from other funds	346,351	608,128
	<u>\$ 946,890</u>	<u>\$ 656,881</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	-	-
Long-term debt (Note 9)	2,006,473	2,080,404
Due to other funds	-	-
	<u>2,006,473</u>	<u>2,080,404</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (1,059,583)</u>	<u>\$ (1,423,523)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 5,573,117	\$ 5,311,272
Inventories	-	-
Prepaid expenses	-	-
	<u>5,573,117</u>	<u>5,311,272</u>
FUND SURPLUS (DEFICIT)	<u>\$ 4,513,534</u>	<u>\$ 3,887,749</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
 For the Year Ended December 31, 2015

SCHEDULE 9

	Budget	2015	2014
REVENUE			
Water			
Water fees	\$ 269,394	\$ 273,687	\$ 254,808
Bulk Water fees	120,000	119,628	118,160
sub-total- water	<u>389,394</u>	<u>393,315</u>	<u>372,968</u>
Sewer			
Sewer fees	153,671	156,604	137,025
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>153,671</u>	<u>156,604</u>	<u>137,025</u>
Property taxes	-	120,193	123,417
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	6,300	6,300	6,300
Connection charges	1,250	1,429	5,450
Installation service	-	-	-
Penalties	4,500	4,938	4,528
Contributed tangible capital assets	-	-	-
Investment income	-	7,244	6,497
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,164	35,396	1,289
sub-total- other	<u>13,214</u>	<u>55,307</u>	<u>24,064</u>
Total revenue	<u>\$ 556,279</u>	<u>\$ 725,419</u>	<u>\$ 657,494</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
 For the Year Ended December 31, 2015

SCHEDULE 9

	Budget	2015	2014
EXPENSES			
General			
Administration	\$ 76,607	\$ 107,539	\$ 105,877
Training costs	-	1,704	-
Billing and collection	3,600	4,200	5,891
Utilities (telephone, electricity, etc.)	18,700	-	-
sub-total- general	<u>98,907</u>	<u>113,443</u>	<u>111,768</u>
Water General			
Purification and treatment	116,000	130,638	84,913
Water purchases	60,000	-	-
Transmission and distribution	57,000	45,232	100,665
Hydrant maintenance	11,162	-	-
Transportation services	-	-	-
Connection costs	17,000	5,428	-
Other	43,500	18,458	-
sub-total- water general	<u>304,662</u>	<u>199,756</u>	<u>185,578</u>
Water Amortization & Interest			
Amortization	-	129,576	128,083
Interest on long term debt	194,124	120,193	123,417
sub-total- water amortization & interest	<u>194,124</u>	<u>249,769</u>	<u>251,500</u>
Sewer General			
Collection system costs	31,000	20,629	72,199
Treatment and disposal cost	22,500	33,747	-
Lift Station costs	16,000	57,368	5,478
Transportation services	-	-	-
Connection costs	15,000	-	171
Other sewage & disposal costs	15,000	-	-
sub-total- sewer general	<u>99,500</u>	<u>111,744</u>	<u>77,848</u>
Sewage Amortization & Interest			
Amortization	-	8,660	6,250
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>8,660</u>	<u>6,250</u>
Total expenses	<u>697,193</u>	<u>683,372</u>	<u>632,944</u>
NET OPERATING SURPLUS	(140,914)	42,047	24,550
TRANSFERS			
Transfers from (to) operating fund	194,124	194,124	194,124
Transfers from (to) capital	(538,000)	-	-
Transfers from (to) reserve funds	488,000	389,614	(50,497)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 3,210</u>	<u>625,785</u>	<u>168,177</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>3,887,749</u>	<u>3,719,572</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,513,534</u>	<u>\$ 3,887,749</u>

TOWN OF LAC DU BONNET
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 For the Year Ended December 31, 2015

SCHEDULE 10

	Financial Plan General	Financial Plan Utility/ies	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,330,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,330,866
Grants in lieu of taxation	100,909	-	-	-	-	-	-	100,909
User fees	36,400	-	-	-	-	-	-	36,400
Permits, licences and fines	28,050	-	-	-	-	-	-	28,050
Investment income	-	-	-	-	-	-	-	-
Other revenue	22,000	-	-	-	-	-	-	22,000
Water and sewer	-	556,279	-	-	-	-	-	556,279
Grants - Province of Manitoba	276,000	-	-	-	-	-	-	276,000
Grants - other	55,000	-	-	-	-	-	-	55,000
Transfers from accumulated surplus	-	194,124	-	-	(194,124)	-	-	-
Transfers from reserves	82,657	488,000	-	-	(570,657)	-	-	-
Total revenue	\$ 1,931,882	\$ 1,238,403	\$ -	\$ -	\$ (764,781)	\$ -	\$ -	\$ 2,405,504
EXPENSES								
General government services	\$ 375,426	\$ -	\$ 9,906	\$ -	\$ 5,354	\$ -	\$ -	\$ 390,686
Protective services	222,209	-	10,690	-	-	-	-	232,899
Transportation services	331,510	-	113,827	-	-	-	-	445,337
Environmental health services	98,500	-	23,802	-	-	-	-	122,302
Public health and welfare services	2,600	-	-	-	-	-	-	2,600
Regional planning and development	18,000	-	-	-	-	-	-	18,000
Resource cons and industrial dev	3,500	-	-	-	-	-	-	3,500
Recreation and cultural services	127,170	-	15,833	-	-	-	-	143,003
Water and sewer services	-	503,069	138,237	120,193	-	-	-	761,499
Fiscal services:								
Transfer to capital	219,657	-	-	-	(219,657)	-	-	-
Transfer to utility	194,124	538,000	-	-	(732,124)	-	-	-
Debt charges	-	194,124	-	-	-	-	-	-
Transfer to reserves	334,400	-	-	-	(334,400)	-	-	-
Allowance for tax assets	5,354	-	-	-	(5,354)	-	-	-
Total expenses	\$ 1,932,441	\$ 1,235,193	\$ 312,295	\$ (73,931)	\$ (1,286,181)	\$ -	\$ -	\$ 2,119,817
Surplus (Deficit)	\$ (559)	\$ 3,210	\$ (312,295)	\$ 73,931	\$ 521,400	\$ -	\$ -	\$ 285,687

TOWN OF LAC DU BONNET
 ANALYSIS OF TAXES ON ROLL
 December 31, 2015

SCHEDULE 11

	2015	2014
Balance, beginning of year	\$ 132,135	\$ 148,348
Add:		
Tax levy (Schedule 12)	2,116,058	2,143,870
Taxes added	35,437	36,964
Penalties or interest	19,355	25,050
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	<u>2,170,850</u>	<u>2,205,684</u>
Deduct:		
Cash collections - current	1,889,835	1,837,682
Cash collections - arrears	41,525	148,348
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	242,341	236,067
Other credits (specify)	-	-
Sub-total	<u>2,173,701</u>	<u>2,222,097</u>
Balance, end of year	<u>\$ 129,284</u>	<u>\$ 132,135</u>

TOWN OF LAC DU BONNET
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2015

SCHEDULE 12

	2015		2014	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	\$ -	-	-
sub-total- L.U.D.			-	-
Debt charges:				
B/L 32/04	\$ 58,696,830	\$ 1.55	90,980	91,061
B/L 103/10	\$ 58,696,830	\$ 0.90	52,827	53,023
B/L 116/10	\$ 58,696,830	\$ 0.65	38,153	38,038
Other (specify)	\$ -	\$ -	-	-
sub-total- Debt charges			181,960	182,122
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Fire Equip Replacement 437/85	\$ 51,460,900	\$ 0.73	37,566	18,650
General 442/86	\$ 51,460,900	\$ 0.19	9,778	-
Equipment Replacement 374/83	\$ 51,460,900	\$ 1.72	88,513	23,186
Arena	\$ 51,460,900	\$ -	-	14,113
Ball Diamond	\$ 51,460,900	\$ -	-	9,577
New Proposed Facility Res	\$ 51,460,900	\$ 2.40	123,506	-
Airport 100/10	\$ 51,460,900	\$ 0.03	1,544	1,512
sub-total- Reserves			260,907	67,038
General municipal	\$ 51,460,900	\$ 15.12	778,089	1,044,895
Special levies:				
Library 554/02	\$ 51,460,900	\$ 0.32	16,467	15,626
Recreation District 560/93	\$ 51,460,900	\$ 0.17	8,748	9,577
Arena 330/82	\$ 51,460,900	\$ 0.28	14,409	16,634
Fire Department 17/02	\$ 51,460,900	\$ 0.73	37,566	35,283
Community Centre 299/80	\$ 51,460,900	\$ 0.15	7,719	8,065
sub-total- Special levies			84,910	85,185
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			1,305,866	1,379,240
Education support levy	\$ 8,875,970	\$ 11.62	103,139	100,213
Special levies:				
Sunrise School Division	\$ 49,272,000	\$ 14.35	707,053	664,417
Name of school division	\$ -	\$ -	-	-
sub-total- Special levies			707,053	664,417
Total education taxes			810,192	764,630
Total tax levy (Schedule 11)			\$ 2,116,058	\$ 2,143,870

TOWN OF LAC DU BONNET
 ANALYSIS OF SCHOOL ACCOUNTS
 December 31, 2015

SCHEDULE 13

	2015			2014	
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 6,017	\$ 131,382	\$ (118,367)	\$ 19,032	\$ 6,017
Special levies					
Sunrise School Division	30,195	771,302	(724,175)	77,322	30,195
Sub-total	30,195	771,302	(724,175)	77,322	30,195
Total	\$ 36,212	\$ 902,684	\$ (242,542)	\$ 96,354	\$ 36,212

TOWN OF LAC DU BONNET
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2015

SCHEDULE 14

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 44,218	\$ 49,965
General administrative	257,406	260,061
Other	79,786	76,875
	<u>381,410</u>	<u>386,901</u>
Protective services:		
Police	149,794	149,794
Fire	95,831	33,536
Emergency measures	11,423	15,495
Other	31,649	15,636
	<u>288,697</u>	<u>214,461</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	249,224	300,406
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	6,290	17,552
Street lighting	19,511	18,524
Other	113,826	122,419
Air transport	2,005	2,005
Public transit	-	-
Other	-	-
	<u>390,856</u>	<u>460,906</u>
Environmental health services:		
Waste collection and disposal	65,735	58,042
Recycling	29,099	27,137
Other	31,149	29,102
	<u>125,983</u>	<u>114,281</u>
Public health and welfare services:		
Public health	584	1,586
Medical care	-	-
Social assistance	876	876
Other	-	-
	<u>1,460</u>	<u>2,462</u>
Regional planning and development		
Planning and zoning	9,374	5,625
Urban renewal	-	-
Beautification and land rehabilitation	3,529	2,531
Urban area weed control	4,104	4,522
Other	-	-
	<u>17,007</u>	<u>12,678</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	2	-
Industrial development	-	-
Tourism	1,538	644
Other	89	101
	<u>1,629</u>	<u>745</u>
Sub-totals forward	<u>\$ 1,207,042</u>	<u>\$ 1,192,434</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2015

SCHEDULE 14

	2015 Actual	2014 Actual
Sub-totals forward	\$ 1,207,042	\$ 1,192,434
Recreation and cultural services:		
Administration	-	-
Community centers and halls	7,790	7,850
Swimming pools and beaches	15,195	14,046
Golf courses	-	-
Skating and curling rinks	13,424	13,392
Parks and playgrounds	40,218	21,890
Other recreational facilities	27,600	23,713
Museums	962	914
Libraries	10,681	13,042
Other cultural facilities	15,832	17,042
	<u>131,702</u>	<u>111,689</u>
Total expenses	\$ 1,338,744	\$ 1,304,123

TOWN OF LAC DU BONNET
 SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
 For the Year Ended December 31, 2015

SCHEDULE 15

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

TOWN OF LAC DU BONNET
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited
 December 31, 2015

SCHEDULE 17

	2015		2014	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (161,056)	\$ 284,038	\$ 122,982	\$ 279,175
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	334,383	-	334,383	231,380
Eliminate revenue - transfers from reserves	(7,500)	(389,613)	(397,113)	(133,490)
Increase revenue - reserve funds interest	22,711	5,969	28,680	28,795
Eliminate transfers between funds	194,124	(194,124)	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(3,212)	-	(3,212)	(12,164)
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase expense - amortization of tangible capital assets	(174,058)	(138,237)	(312,295)	(298,925)
Decrease expense - principal portion of debenture debt	-	73,931	73,931	70,707
Eliminate expense - acquisitions of tangible capital assets	246,264	400,083	646,347	335,331

NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS

	\$ 451,656	\$ 42,047	\$ 493,703	\$ 500,809
--	-------------------	------------------	-------------------	-------------------

TOWN OF LAC DU BONNET

**Consolidated Financial Statements
For the Year Ended December 31, 2016**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Lac du Bonnet and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Town met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Exchange Chartered Professional Accountants LLP as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' 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.



Gordon Peters
Mayor