



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, 2016 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2016, 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, 2016, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
September 15, 2017

TOWN OF LAC DU BONNET
Consolidated Financial Statements
For the Year Ended December 31, 2016

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, 2016

	2016	2015 (Note 14)
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 2,882,843	\$ 2,325,992
Amounts receivable (Notes 4, 14)	494,354	483,847
	<u>\$ 3,377,197</u>	<u>\$ 2,809,839</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 250,987	\$ 192,667
Long-term debt (Note 6)	1,928,105	2,006,473
	<u>2,179,092</u>	<u>2,199,140</u>
NET FINANCIAL ASSETS	<u>\$ 1,198,105</u>	<u>\$ 610,699</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 7,467,184	\$ 7,553,305
Prepaid expenses	8,203	13,670
	<u>7,475,387</u>	<u>7,566,975</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 8,673,492</u>	<u>\$ 8,177,674</u>

Approved on behalf of Council:


 Mayor


 Councillor

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, 2016**

	2016 Budget (Note 9)	2016 Actual	2015 Actual (Note 14)
REVENUE			
Property taxes	\$ 1,367,902	\$ 1,359,116	\$ 1,341,303
Grants in lieu of taxation	108,799	108,799	100,909
User fees	36,400	19,832	34,470
Permits, licences and fines	30,550	35,904	34,535
Investment income	-	34,201	30,190
Other revenue	17,500	42,721	40,352
Water and sewer	548,900	546,105	606,487
Grants - Province of Manitoba	300,391	209,139	273,868
Grants - other	85,224	127,691	132,141
Total revenue (Schedules 2, 4 and 5)	<u>2,495,666</u>	<u>2,483,508</u>	<u>2,594,255</u>
EXPENSES			
General government services	422,101	401,041	381,410
Protective services	243,085	228,415	288,697
Transportation services	430,903	401,178	390,856
Environmental health services	128,464	124,782	125,983
Public health and welfare services	12,100	2,800	1,460
Regional planning and development	23,000	62,140	52,159
Resource conservation and industrial development	5,500	5,577	1,629
Recreation and cultural services	149,123	159,732	166,481
Water and sewer services	625,124	602,025	683,372
Total expenses (Schedules 3, 4 and 5)	<u>2,039,400</u>	<u>1,987,690</u>	<u>2,092,047</u>
ANNUAL SURPLUS	<u>\$ 456,266</u>	<u>495,818</u>	<u>502,208</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		8,101,377	7,607,674
CORRECTION OF AN ERROR (Note 14)		76,297	67,792
AS RESTATED		<u>8,177,674</u>	<u>7,675,466</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,673,492</u>	<u>\$ 8,177,674</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, 2016

	2016 <u>Budget</u> (Note 9)	2016 <u>Actual</u>	2015 <u>Actual</u> (Note 14)
ANNUAL SURPLUS (DEFICIT)	\$ 456,266	\$ 495,818	\$ 502,208
Acquisition of tangible capital assets	(609,300)	(227,529)	(646,347)
Amortization of tangible capital assets	313,650	313,650	312,295
Loss (Gain) on sale of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	-	-	-
Decrease (increase) in prepaid expense	-	5,467	(13,602)
	<u>(295,650)</u>	<u>91,588</u>	<u>(347,654)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ 160,616	587,406	154,554
NET FINANCIAL ASSETS, BEGINNING OF YEAR		534,402	388,353
CORRECTION OF AN ERROR (Note 14)		76,297	67,792
AS RESTATED		610,699	456,145
NET FINANCIAL ASSETS, END OF YEAR		\$ 1,198,105	\$ 610,699

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, 2016

	2016	2015 (Note 14)
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 495,818	\$ 502,208
Changes in non-cash items:		
Amounts receivable	(10,507)	(129,614)
Inventories	-	-
Prepays	5,467	(13,602)
Accounts payable and accrued liabilities	58,320	79,453
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	-	-
Amortization	313,650	312,295
Cash provided by operating transactions	<u>862,748</u>	<u>750,740</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	(227,529)	(646,347)
Cash applied to capital transactions	<u>(227,529)</u>	<u>(646,347)</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	(78,368)	(73,931)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>(78,368)</u>	<u>(73,931)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>556,851</u>	<u>30,462</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	2,325,992	2,295,530
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 2,882,843</u>	<u>\$ 2,325,992</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, 2016

1. Status of the Town of Lac du Bonnet

The incorporated Town of Lac du Bonnet ("the Town") 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 owns one utility, 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%) (2015 -- consolidated 25%)
Lac du Bonnet Regional Library Board (consolidated 26%) (2015 -- 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 fiscal year end 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

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2016</u>	<u>2015</u>
Cash	\$ 2,882,843	\$ 2,325,992
Temporary investments	-	-
	<u>\$ 2,882,843</u>	<u>\$ 2,325,992</u>

The Town has designated \$1,584,094 (2015 - \$1,625,138) 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.

	<u>2016</u>	<u>2015</u> (Note 14)
Taxes on real (Schedule 11)	\$ 217,955	\$ 129,284
Government grants	37,012	35,552
Utility customers	191,736	220,187
Accrued interest	-	-
Organizations and individuals	38,257	58,598
Other governments	21,393	40,226
	<u>506,353</u>	<u>483,847</u>
Less allowances for doubtful amounts	(11,999)	-
	<u>\$ 494,354</u>	<u>\$ 483,847</u>

5. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 85,815	\$ 64,821
Accrued expenses	31,936	28,142
Accrued interest payable	-	-
Refundable deposits	1,850	3,350
School levies (Schedule 13)	131,386	96,354
Other governments	-	-
	<u>\$ 250,987</u>	<u>\$ 192,667</u>

6. Long Term Debt

	<u>2016</u>	<u>2015</u>
Utility Funds:		
Province of Manitoba Debenture for Water and Sewer, interest at 6.375%, payable at \$97,243 annually including interest, maturing December 2028	\$ 798,766	\$ 842,311
Royal Bank Debenture for Water and Sewer, interest at 5.68%, payable at \$4,687 monthly including interest, maturing January 2035	636,068	\$ 654,350
Royal Bank Debenture for Water and Sewer, interest at 5.05%, payable at \$3,387 monthly including interest, maturing November 2035	<u>493,271</u>	<u>509,812</u>
	<u>\$ 1,928,105</u>	<u>\$ 2,006,473</u>

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

2017	\$ 83,074
2018	\$ 88,063
2019	\$ 93,355
2020	\$ 98,966
2021	\$ 104,916

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 \$21,057 (2015 - \$17,933) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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

Accumulated surplus consists of the following:	<u>2016</u>	<u>2015</u>
		(Note 14)
General operating fund - Nominal surplus	\$ 372,749	\$ (35,171)
Utility operating fund(s) - Nominal surplus	1,149,438	1,023,187
TCA net of related borrowings	5,539,079	5,546,832
Reserve funds	<u>1,584,094</u>	<u>1,625,138</u>
Accumulated surplus of town unconsolidated	8,645,360	8,158,986
Accumulated surpluses of consolidated entities	<u>28,132</u>	<u>18,688</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 8,673,492</u>	<u>\$ 8,177,674</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, 2016:

- a) Compensation paid to members of council amounted to \$42,951 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Gordon Peters	\$ 8,700	\$ 1,485	\$ 10,185
Councillor - James Mathers	6,000	5,532	11,532
Councillor - Kenneth Lodge	7,230	660	7,890
Councillor - John Kyme	2,000	506	2,506
Councillor - Greg Short	1,500	663	2,163
Councillor - Keegan Sveinsson	6,000	2,675	8,675
	<u>\$ 31,430</u>	<u>\$ 11,521</u>	<u>\$ 42,951</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Geoff Blackdin	Public Works Manager	\$ 70,619
Michelle Wazny	CAO	\$ 65,199

12. Segmented Information

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

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

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

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

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:

	2016	2015
Financial Position		
Financial Assets	\$ 41,721	\$ 20,897
Liabilities	<u>(13,657)</u>	<u>(2,276)</u>
Net financial assets (liabilities)	\$ 28,064	\$ 18,621
Non-financial assets	<u>68</u>	<u>67</u>
Accumulated surplus	<u>\$ 28,132</u>	<u>\$ 18,688</u>
Result of Operations		
Revenues	\$ 79,013	\$ 73,599
Expenses	<u>(69,569)</u>	<u>(69,933)</u>
Annual surplus	\$ 9,444	\$ 3,666
Elimination of revenues/expenses for consolidation	<u>(6,214)</u>	<u>(6,878)</u>
Consolidated annual surplus	<u>\$ 3,230</u>	<u>\$ (3,212)</u>

14. Correction of an Error

During the year, management discovered that a water meter for a property was inadvertently read incorrectly for several years. The outcome of this created a receivable of \$76,297 for water and sewer services provided for the period of September 2007 to August 2015. Due to this, accounts receivable increased by \$67,792, utility revenues increased by \$8,505 and opening accumulated surplus increased \$76,297 for the year ended December 31, 2015.

15. Commitments

The Town has a landfill agreement with Local Government District of Pinawa. The agreement is in place until January 1, 2020. The agreement states that the Town will pay \$45 per metric tonne and the rate is to be reviewed annually. Actual tonnage reports have not been made since 2003, and usage is estimated using the WRARS calculation of 0.66 per capita annually. Actual costs incurred for the year ending December 31, 2016 was \$40,520 (2015 - \$29,048).

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 Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2016	2015
Cost:										
Opening costs	\$ 484,001	\$ 1,115,613	\$ 1,315,684	\$ 30,043	\$ -	\$ 1,085,589	\$ 6,807,297	\$ 272,672	\$ 11,161,489	\$ 10,537,652
Additions during the year	58,306	20,823	28,733	5,539	-	10,319	-	102,409	227,539	646,347
Dispose and write downs	-	-	-	-	-	-	-	-	-	(22,500)
Closing costs	\$ 542,307	\$ 1,136,236	\$ 1,405,417	\$ 35,582	\$ -	\$ 1,075,908	\$ 6,807,297	\$ 375,081	\$ 11,389,028	\$ 11,161,489
Accumulated Amortization										
Opening account amortization	3,338	761,736	999,381	20,840	-	316,648	1,506,851	-	3,608,194	3,318,599
Amortization	4,749	25,865	85,820	3,058	-	53,280	140,888	-	313,650	312,295
Disposals and write downs	-	-	-	-	-	-	-	-	-	(22,500)
Closing account amortization	\$ 8,087	\$ 787,601	\$ 1,085,201	\$ 23,898	\$ -	\$ 369,928	\$ 1,647,739	\$ -	\$ 3,921,844	\$ 3,598,194
Net Book Value of Tangible Capital Assets	\$ 545,420	\$ 348,635	\$ 320,216	\$ 11,674	\$ -	\$ 706,580	\$ 5,159,578	\$ 375,081	\$ 7,467,184	\$ 7,563,305

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2016

SCHEDULE 2

	2016 Actual	2015 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,356,795	\$ 1,305,866
Taxes added	2,321	35,437
	<u>1,359,116</u>	<u>1,341,303</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	11,616	24,215
Provincial government	57,227	43,283
Provincial government enterprises	39,956	33,411
Other local governments	-	-
Non-government organizations	-	-
	<u>108,799</u>	<u>100,909</u>
User fees		
Parking meters	-	-
Sales of service	7,232	27,241
Sales of goods	975	679
Rentals	11,625	6,550
Development charges	-	-
Facility use fees	-	-
	<u>19,832</u>	<u>34,470</u>
Permits, licences and fines		
Permits	18,349	19,505
Licences	505	635
Fees	13,488	6,748
Fines	3,562	7,647
	<u>35,904</u>	<u>34,535</u>
Investment income:		
Cash and temporary investments	34,201	30,100
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>34,201</u>	<u>30,190</u>
Other revenue:		
Gain on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	25,419	19,355
Miscellaneous (specify):	17,302	20,997
	<u>42,721</u>	<u>40,352</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	546,105	606,487
Consolidated water co-operatives	-	-
	<u>546,105</u>	<u>606,487</u>
Grants - Province of Manitoba		
General assistance payment	169,578	169,578
General support grant	-	-
Municipal program grants (formerly VLT revenues)	20,483	20,483
Other unconditional grants	11,249	11,828
Conditional grants	7,829	71,979
	<u>209,139</u>	<u>273,868</u>
Grants - other		
Federal government - gas tax funding	57,733	54,983
Federal government - other	-	-
Other local governments	69,958	77,158
	<u>127,691</u>	<u>132,141</u>
Total revenue	<u>\$ 2,483,508</u>	<u>\$ 2,594,255</u>

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 42,951	\$ 44,218
General administrative	232,771	257,406
Other	125,319	79,786
	<u>401,041</u>	<u>381,410</u>
Protective services:		
Police	149,794	149,794
Fire	27,979	95,831
Emergency measures	10,008	11,423
Other	40,634	31,649
	<u>228,415</u>	<u>288,697</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	254,058	249,224
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	10,826	6,290
Street lighting	19,896	19,511
Other	114,393	113,826
Air transport	2,005	2,005
Public transit	-	-
Other	-	-
	<u>401,178</u>	<u>390,856</u>
Environmental health services:		
Waste collection and disposal	68,356	65,735
Recycling	30,374	29,099
Other	26,052	31,149
	<u>124,782</u>	<u>125,983</u>
Public health and welfare services:		
Public health	1,924	584
Medical care	-	-
Social assistance	876	876
Other	-	-
	<u>2,800</u>	<u>1,460</u>
Regional planning and development		
Planning and zoning	49,691	44,526
Urban renewal	-	-
Beautification and land rehabilitation	1,933	3,529
Urban area weed control	10,516	4,104
Other	-	-
	<u>62,140</u>	<u>52,159</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	2,500	2
Industrial development	-	-
Tourism	3,077	1,538
Other	-	89
	<u>5,577</u>	<u>1,629</u>
Sub-totals forward	<u>\$ 1,225,933</u>	<u>\$ 1,242,194</u>

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
Sub-totals forward	\$ 1,225,933	\$ 1,242,194
Recreation and cultural services:		
Administration	-	-
Community centers and halls	8,995	7,790
Swimming pools and beaches	21,271	15,195
Golf courses	-	-
Skating and curling rinks	14,082	13,424
Parks and playgrounds	18,884	40,218
Other recreational facilities	30,259	27,600
Museums	1,337	962
Libraries	48,781	45,460
Other cultural facilities	16,123	15,832
	<u>159,732</u>	<u>166,481</u>
Water and sewer services (Schedule 9)		
Municipal utility(ies) (Schedule 9)	602,025	683,372
Consolidated water co-operatives	-	-
	<u>602,025</u>	<u>683,372</u>
Total expenses	\$ 1,987,690	\$ 2,092,047

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2016

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Property taxes	\$ 1,243,360	\$ 1,221,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	108,799	100,909	-	-	-	-	-	-	-	-
User fees	18,933	33,511	-	-	-	-	-	-	-	-
Grants - other	105,585	109,102	-	-	-	-	-	-	-	-
Permits, licences and fines	505	2,210	3,562	7,648	-	-	-	-	-	-
Investment income	31,769	22,710	-	-	-	-	-	-	-	-
Other revenue	37,084	35,349	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	190,061	190,061	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	7,055	71,000	-	-	-	-	-	-	-	-
Total revenue	\$ 1,743,151	\$ 1,785,962	\$ 3,562	\$ 7,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES										
Personnel services	\$ 180,902	\$ 199,496	\$ 12,974	\$ 26,224	\$ 94,538	\$ 81,522	\$ 43,197	\$ 46,214	\$ -	\$ -
Contract services	127,072	131,119	193,059	241,399	82,950	85,927	60,370	50,291	1,924	584
Utilities	7,305	11,983	-	-	17,846	14,880	-	-	-	-
Maintenance materials and supplies	20,344	18,027	10,397	10,384	91,451	94,700	2,251	5,676	-	-
Grants and contributions	38,695	10,879	-	-	-	-	-	-	-	-
Amortization	11,317	9,906	11,985	10,690	114,393	113,827	18,954	23,802	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	15,466	-	-	-	-	-	-	-	876	876
Total expenses	\$ 401,041	\$ 381,410	\$ 228,415	\$ 288,697	\$ 401,178	\$ 390,856	\$ 124,782	\$ 125,983	\$ 2,800	\$ 1,460
Surplus (Deficit)	\$ 1,342,110	\$ 1,404,552	\$ (224,853)	\$ (281,049)	\$ (401,178)	\$ (390,856)	\$ (124,782)	\$ (125,983)	\$ (2,800)	\$ (1,460)

* 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, 2016

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2016	2015	2016	2015	2016	2015	2016	2015	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,756	\$ 120,193	\$ 1,341,303
Grants in lieu of taxation	-	-	-	-	-	-	-	-	108,799
User fees	-	-	-	-	899	959	-	-	19,832
Grants - other	11,250	11,250	-	-	10,856	11,789	-	-	127,691
Permits, licences and fines	31,837	24,677	-	-	-	-	-	-	35,904
Investment income	136	90	-	-	161	146	2,195	7,244	34,201
Other revenue	195	406	-	-	5,442	4,597	-	-	42,721
Water and sewer	-	-	-	-	-	-	548,105	606,487	546,105
Prov of MB - Unconditional Grants	-	-	-	-	11,249	11,828	-	-	201,310
Prov of MB - Conditional Grants	-	-	-	-	774	979	-	-	7,829
Total revenue	\$ 43,418	\$ 36,423	\$ -	\$ -	\$ 29,381	\$ 30,298	\$ 663,986	\$ 733,924	\$ 2,483,508
									(Note 14)
EXPENSES									
Personnel services	\$ 26,598	\$ 28,111	\$ 1,459	\$ 302	\$ 49,797	\$ 65,257	\$ 124,919	\$ 159,158	\$ 534,364
Contract services	32,136	22,191	3,099	1,327	65,572	51,211	168,104	197,774	734,226
Utilities	604	709	-	-	1,793	1,749	-	-	27,548
Maintenance materials and supplies	1,858	993	1,079	-	19,720	22,304	52,376	68,010	199,478
Grants and contributions	-	-	-	-	6,492	9,923	-	-	45,127
Amortization	-	-	-	-	16,123	15,833	140,868	138,237	313,650
Interest on long term debt	-	-	-	-	-	-	115,756	120,193	115,756
Other	944	155	-	-	235	204	-	-	17,521
Total expenses	\$ 62,140	\$ 52,159	\$ 5,577	\$ 1,629	\$ 159,732	\$ 186,481	\$ 602,025	\$ 683,372	\$ 1,987,690
Surplus (Deficit)	\$ (18,722)	\$ (15,736)	\$ (5,577)	\$ (1,629)	\$ (130,351)	\$ (136,183)	\$ 61,971	\$ 50,552	\$ 495,818
									(Note 14)
									\$ 2,092,047
									\$ 502,208

TOWN OF LAC DU BONNET
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2016

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Property taxes	\$ 1,359,116	\$ 1,341,303	\$ -	\$ -	\$ -	\$ -	\$ 1,359,116	\$ 1,341,303
Grants in lieu of taxation	108,799	100,909	-	-	-	-	108,799	100,909
User fees	18,933	33,511	-	-	889	959	19,832	34,470
Grants - other	105,585	109,102	-	-	22,106	23,039	127,691	132,141
Permits, licences and fines	4,067	9,858	-	-	31,837	24,677	35,904	34,535
Investment income	33,904	29,954	-	-	297	236	34,201	30,190
Other revenue	37,084	35,349	-	-	5,637	5,003	42,721	40,352
Water and sewer	546,105	606,487	-	-	-	-	546,105	606,487
Prov of MB - Unconditional Grants	190,061	190,061	-	-	11,249	11,828	201,310	201,889
Prov of MB - Conditional Grants	7,055	71,000	-	-	774	979	7,829	71,979
Total revenue	\$ 2,410,709	\$ 2,527,534	\$ -	\$ -	\$ 72,799	\$ 86,721	\$ 2,483,508	\$ 2,594,255
EXPENSES								
Personnel services	\$ 483,713	\$ 554,311	\$ -	\$ -	\$ 50,671	\$ 51,973	\$ 534,384	\$ 606,284
Contract services	726,339	774,814	-	-	7,887	7,009	734,226	781,823
Utilities	25,151	26,863	-	-	2,387	2,458	27,548	29,321
Maintenance materials and supplies	192,043	211,962	-	-	7,435	8,132	199,478	220,094
Grants and contributions	45,127	20,302	-	-	-	-	45,127	20,802
Amortization	313,650	312,295	-	-	-	-	313,650	312,295
Interest on long term debt	115,756	120,193	-	-	-	-	115,756	120,193
Other	16,342	874	-	-	1,179	361	17,521	1,235
Total expenses	\$ 1,918,421	\$ 2,022,114	\$ -	\$ -	\$ 69,569	\$ 69,933	\$ 1,987,990	\$ 2,092,047
Surplus (Deficit)	\$ 492,588	\$ 505,420	\$ -	\$ -	\$ 3,230	\$ (3,212)	\$ 495,518	\$ 502,208

TOWN OF LAC DU BONNET
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016									
	Water Utility Reserve #4	General Reserve #5	Building Reserve #6	Equipment Replacement Reserve #7	Fire Equipment Reserve #8	Hospital and Personal Care Reserve #9	Recreation Land Reserve #10	Airport Reserve #11	Gas Tax Reserve #12	
REVENUE										
Investment Income	\$ 3,537	\$ 5,989	\$ 3,168	\$ 2,545	\$ 856	\$ 2,390	\$ 2,334	\$ 132	\$ 120	
Other income	-	-	-	-	-	-	-	-	-	
Total revenue	3,537	5,989	3,168	2,545	856	2,390	2,334	132	120	
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	
Other expenses	-	-	-	-	-	-	-	-	-	
Total expenses	-	-	-	-	-	-	-	-	-	
NET REVENUES	3,537	5,989	3,168	2,545	856	2,390	2,334	132	120	
TRANSFERS										
Transfers from general operating fund	-	10,000	20,000	65,000	40,000	-	25,000	1,400	57,733	
Transfers to general operating fund	-	(63,837)	(61,577)	(29,733)	-	-	-	-	(32,770)	
Transfer between reserves	233,450	(77,301)	213,127	-	-	(175,124)	77,631	-	-	
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	
Transfers from utility operating fund	150,000	-	-	-	-	-	-	-	-	
Transfers to utility operating fund	(29,959)	-	-	-	-	-	-	-	(56,474)	
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	
CHANGE IN RESERVE FUND BALANCES	357,028	(145,149)	174,718	37,812	40,856	(172,734)	104,965	1,532	(31,391)	
FUND SURPLUS, BEGINNING OF YEAR	-	475,679	-	171,218	58,224	335,912	79,429	8,951	31,391	
FUND SURPLUS, END OF YEAR	\$ 357,028	\$ 330,529	\$ 174,718	\$ 209,030	\$ 99,080	\$ 163,178	\$ 184,394	\$ 10,483	\$ -	

TOWN OF LAC DU BONNET
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016						2015	
	Contingency Operations Reserve #13	Wastewater Utility Reserve #15	Util. Equip. Reserve	Deck Reserve	Ball Diamond Reserve	Development Reserve	Sports Arena Reserve	Total
REVENUE								
Investment Income	\$ 283	\$ 2,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,680
Other Income	-	-	-	-	-	-	-	-
Total revenue	283	2,918	-	-	-	-	-	28,680
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	283	2,918	-	-	-	-	-	28,680
TRANSFERS								
Transfers from general operating fund	27,659	-	-	-	-	-	-	334,363
Transfers to general operating fund	-	-	-	-	-	-	-	(7,500)
Transfer between reserves	-	192,552	(230,879)	(57,074)	(20,556)	(65,039)	(70,127)	-
Transfer from noncapital surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	150,000
Transfers to utility operating fund	-	(167,758)	-	-	-	-	-	(254,181)
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	27,942	27,712	(250,879)	(57,074)	(20,556)	(65,699)	(70,127)	(41,044)
FUND SURPLUS, BEGINNING OF YEAR	-	-	250,879	57,074	20,556	65,699	70,127	1,625,138
FUND SURPLUS, END OF YEAR	\$ 27,942	\$ 27,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,584,094
								\$ 1,625,138

TOWN OF LAC DU BONNET
 SCHEDULE OF TRUST FUNDS
 For the Year Ended December 31, 2016

SCHEDULE 7

	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Total
									2015
ASSETS									
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-	-	-	-	-	-
Due from Municipality	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES									
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES									
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-	-
EXPENDITURES									
Cemetery maintenance	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES									
	-	-	-	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, END OF YEAR									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF LAC DU BONNET
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 December 31, 2016

SCHEDULE 8

	2016	2015
	Total	Total (Note 14)
FINANCIAL ASSETS		
Cash and temporary investments	\$ 770,276	\$ 444,275
Amounts receivable (Note 14)	191,868	232,561
Portfolio investments	-	-
Due from other funds	187,294	346,351
	<u>\$ 1,149,438</u>	<u>\$ 1,023,187</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	-	-
Long-term debt (Note 9)	1,928,105	2,006,473
Due to other funds	-	-
	<u>1,928,105</u>	<u>2,006,473</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (778,667)</u>	<u>\$ (983,286)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 5,534,659	\$ 5,573,117
Inventories	-	-
Prepaid expenses	-	-
	<u>5,534,659</u>	<u>5,573,117</u>
FUND SURPLUS (DEFICIT)	<u>\$ 4,755,992</u>	<u>\$ 4,589,831</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
 For the Year Ended December 31, 2016

SCHEDULE 9

REVENUE	Budget	2016	2015 (Note 14)
Water			
Water fees	\$ 266,600	\$ 269,911	\$ 278,547
Bulk Water fees	120,000	118,051	119,628
sub-total- water	<u>386,600</u>	<u>387,962</u>	<u>398,175</u>
Sewer			
Sewer fees	149,250	146,666	160,249
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>149,250</u>	<u>146,666</u>	<u>160,249</u>
Property taxes	<u>-</u>	<u>115,756</u>	<u>120,193</u>
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	1,150	351	1,429
Installation service	-	-	-
Penalties	4,500	4,826	4,938
Contributed tangible capital assets	-	-	-
Investment income	-	2,135	7,244
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,100	-	35,396
sub-total- other	<u>13,050</u>	<u>13,612</u>	<u>55,307</u>
Total revenue	<u>\$ 548,900</u>	<u>\$ 663,996</u>	<u>\$ 733,924</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
 For the Year Ended December 31, 2016

SCHEDULE 9

	Budget	2016	2015
EXPENSES			
General			
Administration	\$ 48,000	\$ 81,850	\$ 107,539
Training costs	-	1,713	1,704
Billing and collection	3,500	2,798	4,200
Utilities (telephone, electricity, etc.)	10,000	-	-
sub-total- general	<u>61,500</u>	<u>86,361</u>	<u>113,443</u>
Water General			
Purification and treatment	71,000	109,467	130,638
Water purchases	50,000	-	-
Transmission and distribution	33,000	32,931	45,232
Hydrant maintenance	8,000	1,931	-
Transportation services	-	-	-
Connection costs	7,000	724	5,428
Other	40,500	66,556	18,458
sub-total- water general	<u>209,500</u>	<u>211,609</u>	<u>199,756</u>
Water Amortization & Interest			
Amortization	-	131,279	129,576
Interest on long term debt	194,047	115,756	120,193
sub-total- water amortization & interest	<u>194,047</u>	<u>247,035</u>	<u>249,769</u>
Sewer General			
Collection system costs	23,500	3,363	20,629
Treatment and disposal cost	24,000	24,034	33,747
Lift Station costs	20,000	17,606	57,368
Transportation services	-	-	-
Connection costs	15,000	421	-
Other sewage & disposal costs	15,000	2,007	-
sub-total- sewer general	<u>97,500</u>	<u>47,431</u>	<u>111,744</u>
Sewage Amortization & Interest			
Amortization	-	9,589	8,660
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>9,589</u>	<u>8,660</u>
Total expenses	<u>562,547</u>	<u>602,025</u>	<u>683,372</u>
NET OPERATING SURPLUS	(13,647)	61,971	50,552
TRANSFERS			
Transfers from (to) operating fund	194,124	-	194,124
Transfers from (to) capital	(185,000)	-	-
Transfers from (to) reserve funds	35,000	104,190	389,614
CHANGE IN UTILITY FUND BALANCE	<u>\$ 30,477</u>	<u>166,161</u>	<u>634,280</u>
FUND SURPLUS, BEGINNING OF YEAR		4,513,534	3,887,749
CORRECTION OF AN ERROR (Note 14)		76,297	67,792
AS RESTATED		<u>4,589,831</u>	<u>3,955,541</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,755,992</u>	<u>\$ 4,589,831</u>

TOWN OF LAC DU BONNET
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 For the Year Ended December 31, 2016

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(fees)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entitles	PSAB Budget
REVENUE								
Property taxes	\$ 1,367,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367,902
Grants in lieu of taxation	108,799	-	-	-	-	-	-	108,799
User fees	36,400	-	-	-	-	-	-	36,400
Permits, licences and fines	30,550	-	-	-	-	-	-	30,550
Investment income	-	-	-	-	-	-	-	-
Other revenue	17,500	-	-	-	-	-	-	17,500
Water and sewer	-	548,900	-	-	-	-	-	548,900
Grants - Province of Manitoba	300,391	-	-	-	-	-	-	300,391
Grants - other	85,224	-	-	-	-	-	-	85,224
Transfers from accumulated surplus	-	194,124	-	-	(194,124)	-	-	-
Transfers from reserves	230,000	185,000	-	-	(415,000)	-	-	-
Total revenue	\$ 2,176,766	\$ 928,024	\$ -	\$ -	\$ (609,124)	\$ -	\$ -	\$ 2,495,666
EXPENSES								
General government services	\$ 383,700	\$ -	\$ 11,317	\$ -	\$ 27,084	\$ -	\$ -	\$ 422,101
Protective services	231,100	-	11,985	-	-	-	-	243,085
Transportation services	316,510	-	114,393	-	-	-	-	430,903
Environmental health services	109,500	-	18,964	-	-	-	-	128,464
Public health and welfare services	12,100	-	-	-	-	-	-	12,100
Regional planning and development	23,000	-	-	-	-	-	-	23,000
Resource cons and industrial dev	5,500	-	-	-	-	-	-	5,500
Recreation and cultural services	133,000	-	16,123	-	-	-	-	149,123
Water and sewer services	-	368,500	140,868	115,756	-	-	-	625,124
Fiscal services:								
Transfer to capital	424,300	165,000	-	-	(609,300)	-	-	-
Transfer to utility	194,124	-	-	-	(194,124)	-	-	-
Debt charges	-	194,047	-	(194,047)	-	-	-	-
Transfer to reserves	316,848	150,000	-	-	(466,848)	-	-	-
Allowance for tax assets	27,084	-	-	-	(27,084)	-	-	-
Total expenses	\$ 2,176,766	\$ 897,547	\$ 313,650	\$ (78,291)	\$ (1,270,272)	\$ -	\$ -	\$ 2,039,400
Surplus (Deficit)	\$ -	\$ 30,477	\$ (313,650)	\$ 78,291	\$ 661,148	\$ -	\$ -	\$ 456,266

TOWN OF LAC DU BONNET
 ANALYSIS OF TAXES ON ROLL
 December 31, 2016

SCHEDULE 11

	2016	2015
Balance, beginning of year	\$ 129,284	\$ 132,135
Add:		
Tax levy (Schedule 12)	2,200,371	2,116,058
Taxes added	2,321	35,437
Penalties or interest	25,419	19,355
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	2,228,111	2,170,850
Deduct:		
Cash collections - current	1,875,626	1,889,835
Cash collections - arrears	20,370	41,525
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	243,444	242,341
Other credits (specify)	-	-
Sub-total	2,139,440	2,173,701
Balance, end of year	\$ 217,955	\$ 129,284

TOWN OF LAC DU BONNET
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2016

SCHEDULE 12

	2016			2015
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	\$ -	\$ -	\$ -
sub-total- L.U.D.			<u>-</u>	<u>-</u>
Debt charges:				
B/L 32/04	\$ 65,603,260	\$ 1.39	91,189	90,980
B/L 103/10	\$ 65,603,260	\$ 0.80	52,483	52,827
B/L 116/10	\$ 65,603,260	\$ 0.59	38,706	38,153
Other (specify)	\$ -	\$ -	-	-
sub-total- Debt charges			<u>182,377</u>	<u>181,960</u>
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Fire Equip Replacement 437/85	\$ 57,626,010	\$ 0.41	23,627	37,566
General 442/86	\$ 57,626,010	\$ 0.17	9,796	9,778
Equipment Replacement 374/83	\$ 57,626,010	\$ 1.05	60,507	88,513
New Proposed Facility Res	\$ 57,626,010	\$ 0.33	19,017	123,506
Airport 100/10	\$ 57,626,010	\$ 0.03	1,729	1,544
sub-total- Reserves			<u>114,676</u>	<u>260,907</u>
General municipal	\$ 57,626,010	\$ 16.95	976,761	778,089
Special levies:				
Library 554/92	\$ 57,626,010	\$ 0.30	17,288	16,468
Recreation District 560/93	\$ 57,626,010	\$ 0.15	8,644	8,748
Arena 330/82	\$ 57,626,010	\$ 0.25	14,407	14,409
Fire Department 17/02	\$ 57,626,010	\$ 0.61	35,152	37,566
Community Centre 299/80	\$ 57,626,010	\$ 0.13	7,491	7,719
sub-total- Special levies			<u>82,981</u>	<u>84,910</u>
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			<u>1,356,795</u>	<u>1,305,866</u>
Education support levy	\$ 10,208,900	\$ 10.56	107,806	103,139
Special levies:				
Sunrise School Division	\$ 55,321,030	\$ 13.30	735,770	707,053
Name of school division	\$ -	\$ -	-	-
sub-total- Special levies			<u>735,770</u>	<u>707,053</u>
Total education taxes			<u>843,576</u>	<u>810,192</u>
Total tax levy (Schedule 11)			<u>\$ 2,200,371</u>	<u>\$ 2,116,058</u>

TOWN OF LAC DU BONNET
 ANALYSIS OF SCHOOL ACCOUNTS
 December 31, 2016

SCHEDULE 13

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 19,032	\$ 137,374	\$ (131,404)	\$ 19,032
Special levies				
Sunrise School Division	77,322	803,395	(774,333)	77,322
Sub-total	77,322	803,395	(774,333)	77,322
Total	\$ 96,354	\$ 940,769	\$ (905,737)	\$ 96,354

TOWN OF LAC DU BONNET
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2016

SCHEDULE 14

	2016 Actual	2015 Actual
General government services:		
Legislative	\$ 42,951	\$ 44,218
General administrative	232,771	257,406
Other	125,319	79,786
	<u>401,041</u>	<u>381,410</u>
Protective services:		
Police	149,794	149,794
Fire	27,979	95,831
Emergency measures	10,008	11,423
Other	40,634	31,649
	<u>228,415</u>	<u>288,697</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	254,058	249,224
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	10,826	6,290
Street lighting	19,896	19,511
Other	114,393	113,826
Air transport	2,005	2,005
Public transit	-	-
Other	-	-
	<u>401,178</u>	<u>390,856</u>
Environmental health services:		
Waste collection and disposal	68,356	65,735
Recycling	30,374	29,099
Other	26,052	31,149
	<u>124,782</u>	<u>125,983</u>
Public health and welfare services:		
Public health	1,924	584
Medical care	-	-
Social assistance	876	876
Other	-	-
	<u>2,800</u>	<u>1,460</u>
Regional planning and development		
Planning and zoning	16,109	9,374
Urban renewal	-	-
Beautification and land rehabilitation	1,933	3,529
Urban area weed control	10,516	4,104
Other	-	-
	<u>28,558</u>	<u>17,007</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	2,500	2
Industrial development	-	-
Tourism	3,077	1,538
Other	-	89
	<u>5,577</u>	<u>1,629</u>
Sub-totals forward	<u>\$ 1,192,351</u>	<u>\$ 1,207,042</u>

TOWN OF LAC DU BONNET
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2016

SCHEDULE 14

	2016 Actual	2015 Actual
Sub-totals forward	\$ 1,192,351	\$ 1,207,042
Recreation and cultural services:		
Administration	-	-
Community centers and halls	8,995	7,790
Swimming pools and beaches	21,271	15,195
Golf courses	-	-
Skating and curling rinks	14,082	13,424
Parks and playgrounds	18,884	40,218
Other recreational facilities	30,259	27,600
Museums	1,337	962
Libraries	19,008	10,681
Other cultural facilities	16,123	15,832
	<u>129,959</u>	<u>131,702</u>
Total expenses	\$ 1,322,310	\$ 1,338,744

TOWN OF LAC DU BONNET
 SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
 For the Year Ended December 31, 2016

SCHEDULE 15

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
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>	<u>-</u>	<u>-</u>
Unexpended balance, beginning of year		<u>-</u>	<u>-</u>
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

TOWN OF LAC DU BONNET
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited
 December 31, 2016

SCHEDULE 17

	2016		2015	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT				
	\$ 408,918	\$ 126,253	\$ 535,171	\$ 124,609
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves				334,363
Eliminate revenue - transfers from reserves	246,792	150,000	396,792	(397,113)
Increase revenue - reserve funds interest	(207,917)	(254,191)	(462,108)	28,680
Eliminate transfers between funds	24,272	-	24,272	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	-	-	-	(3,212)
Decrease expense - elimination of contributions to consolidating entities	3,230	-	3,230	6,878
Eliminate revenue - transfer from nominal surplus(es)	6,214	-	6,214	-
Increase expense - amortization of tangible capital assets	(172,762)	(140,868)	(313,650)	(312,295)
Decrease expense - principal portion of debenture debt	-	78,368	78,368	73,931
Eliminate expense - acquisitions of tangible capital assets	125,120	102,409	227,529	646,347
	\$ 433,847	\$ 61,971	\$ 495,818	\$ 502,208
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS				