

TOWN OF LAC DU BONNET
Consolidated Financial Statements
Year Ended December 31, 2021

TOWN OF LAC DU BONNET
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Year Ended December 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Town of Lac Du Bonnet have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Town of Lac Du Bonnet's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Thornton & Co. , in accordance with Canadian generally accepted auditing standards.



Darcey Wittig, Chief Administrative
Officer

Lac du Bonnet, MB

INDEPENDENT AUDITOR'S REPORT

To the Members of Town of Lac Du Bonnet

Opinion

We have audited the consolidated financial statements of Town of Lac Du Bonnet (the organization), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at December 31, 2021, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

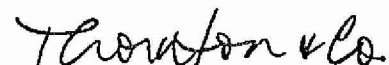
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, MB
September 14, 2022

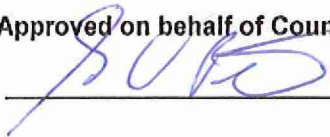


CHARTERED PROFESSIONAL ACCOUNTANTS

TOWN OF LAC DU BONNET
Consolidated Statement of Financial Position
December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (Note 3)	\$ 2,447,012	\$ 4,020,830
Amounts receivable (Note 4)	433,256	253,672
	2,880,268	4,274,502
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	600,334	266,048
Long term debt (Note 6)	1,459,732	1,564,648
	2,060,066	1,830,696
NET FINANCIAL ASSETS	820,202	2,443,806
NON-FINANCIAL ASSETS		
Inventory	497	413
Prepaid expenses	41,951	37,895
Tangible capital assets (Schedule 1)	10,278,324	8,462,634
	10,320,772	8,500,942
ACCUMULATED SURPLUS	\$ 11,140,974	\$ 10,944,754

Approved on behalf of Council


 _____ Mayor


 _____ Councillor

TOWN OF LAC DU BONNET
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Property taxes	\$ 1,004,472	\$ 1,127,660	\$ 1,104,768
Grants in lieu of taxation	184,643	184,643	185,106
User fees	57,750	124,574	208,249
Permits, licences and fines	63,149	3,278	3,921
Investment income	3,800	17,600	38,235
Other revenue	82,931	36,153	249,182
Water and Wastewater	824,024	633,468	690,052
Grants - Province of Manitoba	254,706	422,937	332,838
Grants - other	61,270	186,434	978,225
Total revenue (Schedules 2, 4 and 5)	2,536,745	2,736,747	3,790,576
EXPENSES			
General government services	606,550	585,190	641,165
Protective services	246,564	220,458	297,514
Transportation services	463,460	367,263	450,412
Environmental health services	119,100	268,185	257,432
Public health and welfare services	5,000	876	5,876
Regional planning and development	11,000	41,557	47,031
Resource conservation and industrial development	101,186	130	398
Recreation and cultural services	178,961	188,797	287,213
Water and wastewater	804,924	868,071	689,277
Total expenses (Schedules 3, 4 and 5)	2,536,745	2,540,527	2,676,318
ANNUAL SURPLUS	-	196,220	1,114,258
ACCUMULATED SURPLUS - BEGINNING OF YEAR		10,944,754	9,830,496
ACCUMULATED SURPLUS - END OF YEAR		\$ 11,140,974	\$ 10,944,754

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2021

	2020 Budget	2021 Actual	2020 Actual
ANNUAL SURPLUS	\$ -	\$ 196,220	\$ 1,114,258
Amortization of tangible capital assets	-	338,367	383,759
Purchase of tangible capital assets	-	(2,149,197)	(352,895)
Decrease (increase) in prepaid expenses	-	(4,056)	(17,807)
Decrease (increase) in inventory	-	(84)	400
Controlled organization <i>(Note 2)</i>	-	(4,854)	-
	-	(1,819,824)	13,457
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	-	(1,623,604)	1,127,715
NET FINANCIAL ASSETS - BEGINNING OF YEAR	-	2,443,806	1,316,091
NET FINANCIAL ASSETS - END OF YEAR		\$ 820,202	\$ 2,443,806

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 196,220	\$ 1,114,258
Items not affecting cash:		
Amortization of tangible assets	338,367	383,759
Controlled entity	(4,854)	-
	<u>529,733</u>	<u>1,498,017</u>
Changes in non-cash working capital:		
Accounts receivable	(179,584)	605,338
Inventory	(84)	399
Accounts payable	334,286	(13,602)
Prepaid expenses	(4,056)	(17,807)
	<u>150,562</u>	<u>574,328</u>
Cash flow from operating activities	<u>680,295</u>	<u>2,072,345</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(2,149,197)</u>	<u>(352,895)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(104,916)</u>	<u>(98,966)</u>
INCREASE (DECREASE) IN CASH FLOW	(1,573,818)	1,620,484
Cash - beginning of year	<u>4,020,830</u>	<u>2,400,346</u>
CASH - END OF YEAR	<u>\$ 2,447,012</u>	<u>\$ 4,020,830</u>

See notes to financial statements

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organization is:

Environmental Options Ltd (consolidated 100%)

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 for 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 Regional Library Board (consolidated 26%)

Agassiz Weed Control (consolidated 5%)

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. There are no trust funds administered by the Town as of December 31, 2021.

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards (GAAP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and temporary investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from date of acquisition.

Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

Real estate properties held for sale

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

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.

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.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

General tangible capital assets

Land	N/A	non-amortizable
Land improvements	10 to 30 years	straight-line method
Buildings and leasehold improvements		
Buildings	25 to 40 years	straight-line method
Leasehold improvements	Life of lease	straight-line method
Vehicle and equipment		
Motor vehicles	5 years	straight-line method
Machinery, equipment and furniture	10 years	straight-line method
Maintenance and road construction equipment	15 years	straight-line method
Computer hardware and software	4 years	straight-line method

Infrastructure assets

Transportation		
Land	N/A	non-amortizable
Road surface	20 to 30 years	straight-line method
Road grade	40 years	straight-line method
Bridges	25 to 50 years	straight-line method
Traffic lights and equipment	10 years	straight-line method
Water and wastewater		
Land	N/A	non-amortizable
Land improvements	30 to 50 years	straight-line method
Buildings	25 to 40 years	straight-line method
Underground networks	40 to 60 years	straight-line method
Machinery and equipment	10 to 20 years	straight-line method

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Dams and other surface water structures 40 to 60 years straight-line method

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.

Leases

Leases are classified as either capital or operating leases. At the time the organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. Inventories held for consumption are recorded at the lower of cost and replacement value.

Revenue recognition

Revenues are recognized as they are earned and measurable.

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.

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	\$ 2,447,012	\$ 4,020,830
Temporary investments	-	-
	\$ 2,447,012	\$ 4,020,830

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

3. CASH AND TEMPORARY INVESTMENTS *(continued)*

2021 2020

The town has designated \$2,110,742 (2020 - \$3,690,700) 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>2021</u>	<u>2020</u>
Taxes on roll (Schedule 1)	\$ 243,072	\$ 93,461
Government grants	13,278	12,693
Utility grants and customers	71,967	95,698
Organizations and individuals	8,919	21,045
Other governments	96,020	30,775
Subtotal	<u>433,256</u>	<u>253,672</u>
Less: Allowance for doubtful amounts	-	-
	<u>\$ 433,256</u>	<u>\$ 253,672</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 320,587	\$ 127,368
Accrued expenses	104,406	16,664
School levies	175,341	122,016
	<u>\$ 600,334</u>	<u>\$ 266,048</u>

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

6. LONG TERM DEBT

	2021	2020
Province of Manitoba Debenure for Water and Sewer bearing interest at 6.38% per annum, repayable in annual blended payments of \$97,243 maturing December 2028.	\$ 535,685	\$ 594,997
Royal Bank Debenture for Water and Sewer bearing interest at 5.68% per annum, repayable in monthly blended payments of \$4,687 maturing January 2035.	518,378	544,367
Royal Bank Debenture for Water and Sewer bearing interest at 5.05% per annum, repayable in monthly blended payments of \$3,387 maturing November 2035.	405,669	425,284
	1,459,732	1,564,648
Amounts payable within one year	-	-
	\$ 1,459,732	\$ 1,564,648

Principal repayment terms are approximately:

2022	\$ 111,226
2023	117,918
2024	125,015
2025	132,542
2026	140,524
Thereafter	832,507
	\$ 1,459,732

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.

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

7. RETIREMENT BENEFITS *(continued)*

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 \$38,842 (2020-\$31,376) 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, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 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, 2018.

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:

	2021	2020
General operating fund - Nominal surplus	\$ (275,292)	\$ (210,241)
Utility operating fund(s) - Nominal surplus	478,766	548,144
TCA net of related borrowings	8,818,592	6,897,986
Reserve funds	2,100,191	3,690,700
Subtotal	11,122,257	10,926,589
Accumulated surpluses of consolidated entities	18,717	18,165

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

10. ACCUMULATED SURPLUS *(continued)*

	2021	2020
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$11,140,974</u>	<u>\$10,944,754</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 \$75,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2021:

- a) Compensation paid to members of council amounted to \$50,436 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Gordon Peters	\$ 11,926	\$ 244	\$ 12,170
Councillor - Greg Short	11,738	209	11,947
Councillor - Ted Mathers	9,850	178	10,028
Councillor - Keegan Sveinsson	10,051	88	10,139
Councillor - Brian Choptain	10,035	17	10,052
	\$ 53,600	\$ 736	\$ 54,336

- c) The following officers received compensation in excess of \$75,000:

Geoff Blacklin	Water & Wastewater Operator II in Charge	\$104,097
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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

1. General Government
2. Protective Services
3. Transportation Services
4. Environmental Health
5. Public Health and Welfare Services
6. Regional Planning and Development
7. Resources Conservation and Industrial Development
8. Recreation and Cultural Services
9. Water and Wastewater 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.

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

13. GOVERNMENT PARTNERSHIPS

	2021	2020
<u>Financial Position</u>		
Financial assets	\$ 43,541	\$ 28,868
Liabilities	(1,722)	(752)
Net financial assets (liabilities)	41,819	28,116
Non-financial assets	708	5,628
Accumulated surplus	42,527	33,744
<u>Results of Operations</u>		
Revenues	47,221	47,478
Expenses	(38,989)	(40,884)
Annual surplus	8,232	6,594
Elimination of revenues/expenses on consolidation	(4,878)	(4,401)
Consolidated annual surplus	3,354	2,193
Total Surplus	\$ 45,881	\$ 35,937

14. COMMITMENTS

The Town has a landfill agreement with Local Government District of Pinawa. Continued participation in the agreement and the per tonne rates are reviewed annually.

15. PUBLIC UTILITIES BOARD

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

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

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

	Unamortized opening balance	Additions during the year	Amortization during the year	Unamortized balance ending
Watermain renewal	\$ -	\$ -	\$ -	\$ -

Town of Lac du Bonnet
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2021

(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	2021	2020
Cost										
Opening costs	\$ 666,256	\$ 1,364,911	\$ 1,647,020	\$ 35,582	\$ -	\$ 1,397,210	\$ 8,624,808	\$ -	\$ 13,735,787	\$ 13,382,892
Additions during the year	590,230	327,195	142,735	-	-	-	1,089,037	-	2,149,197	352,895
Adjustments	-	-	22,074	-	-	-	-	-	22,074	-
Closing costs	1,256,486	1,692,106	1,811,829	35,582	-	1,397,210	9,713,845	-	15,907,058	13,735,787
Accumulated Amortization										
Opening Accum'd amortization	40,878	901,252	1,295,167	35,582	-	635,898	2,364,376	-	5,273,153	4,889,394
Amortization	10,150	32,167	84,323	-	-	36,083	175,644	-	338,367	383,759
Adjustments	-	-	17,214	-	-	-	-	-	17,214	-
Closing accum'd amortization	51,028	933,419	1,396,704	35,582	-	671,981	2,540,020	-	5,628,734	5,273,153
Net Book Value of Tangible Capital Assets	\$ 1,205,458	\$ 758,687	\$ 415,125	\$ -	\$ -	\$ 725,229	\$ 7,173,825	\$ -	\$ 10,278,324	\$ 8,462,634

TOWN OF LAC DU BONNET
Consolidated Schedule of Revenues
Year Ended December 31, 2021

(Schedule 2)

	2021	2020
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 1,107,312	\$ 1,093,352
Taxes added	20,348	11,416
	<u>1,127,660</u>	<u>1,104,768</u>
Grants in lieu of taxation		
Federal government enterprises	10,614	13,017
Provincial government	122,507	120,302
Provincial government enterprises	51,522	51,787
	<u>184,643</u>	<u>185,106</u>
User fees		
Sales of service	115,624	196,689
Sales of goods	1,029	845
Rentals	7,921	10,715
	<u>124,574</u>	<u>208,249</u>
Permits, licenses and fines		
Licenses	230	490
Fines	3,048	3,431
	<u>3,278</u>	<u>3,921</u>
Investment Income		
Cash and temporary investments	17,600	38,235
	<u>17,600</u>	<u>38,235</u>
Other revenue		
Penalties and interest	12,362	17,532
Miscellaneous	23,791	231,650
	<u>36,153</u>	<u>249,182</u>
Water and wastewater		
Municipal utility (Schedule 9)	633,468	690,052
	<u>633,468</u>	<u>690,052</u>
Grants - Province of Manitoba		
Municipal operating grants	242,937	347,641
Unconditional grants	-	-
Conditional grants	180,000	28,866
	<u>422,937</u>	<u>376,507</u>
Grants - other		
Federal government - gas tax funding	119,876	58,606
Federal government - other	619	850,000
Other grants	65,939	25,950
	<u>186,434</u>	<u>934,556</u>
	<u>\$ 2,736,747</u>	<u>\$ 3,790,576</u>

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Schedule of Expenses
Year Ended December 31, 2021

(Schedule 3)

	2021	2020
General government		
Legislative	\$ 44,063	\$ 51,559
General administrative	387,157	370,290
Other	153,970	219,316
	<u>585,190</u>	<u>641,165</u>
Protective services		
Police	149,794	187,243
Fire	44,395	66,452
Emergency measures	12,290	13,568
Other	13,979	30,251
	<u>220,458</u>	<u>297,514</u>
Transportation services		
Road and street maintenance	248,683	303,435
Sidewalk and boulevard maintenance	9,218	7,051
Street lighting	20,654	20,663
Other	86,688	117,253
Air transport	2,020	2,010
	<u>367,263</u>	<u>450,412</u>
Environmental health		
Waste collection and disposal	84,327	93,746
Recycling	167,923	153,439
Other	15,935	10,247
	<u>268,185</u>	<u>257,432</u>
Public health and welfare services		
Social assistance	876	876
Other	-	5,000
	<u>876</u>	<u>5,876</u>
Regional planning and development		
Planning and zoning	2,200	2,200
Beautification and land rehabilitation	16,467	19,931
Urban weed control	22,890	24,900
	<u>41,557</u>	<u>47,031</u>
Resources conservation and industrial development		
Regional development	-	248
Tourism	130	150
Other	-	-
	<u>130</u>	<u>398</u>
Recreation and cultural services		
Community centres and halls	30,204	9,780
Swimming pools and beaches	8,285	21,355
Skating and curling rinks	25,752	60,035
Parks and playgrounds	7,926	17,991
Other recreational facilities	48,225	107,154
Museums	2,136	1,200
Libraries	41,552	47,259
Other cultural facilities	24,717	22,439

(continues)

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Schedule of Expenses *(continued)* **(Schedule 3)**
Year Ended December 31, 2021

	188,797	287,213
Water and wastewater services		
Municipal utility (Schedule 9)	868,071	689,277
	868,071	689,277
	\$ 2,540,527	\$ 2,676,318

Town of Lac du Bonnet
Consolidated Statement of Operations by Program
Year Ended December 31, 2021

(Schedule 4)

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue										
Property taxes	\$ 933,536	\$ 910,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	184,643	185,106	-	-	-	-	-	-	-	-
User fees	49,564	46,899	-	8,853	1,032	-	65,147	101,151	-	-
Grants - other	120,300	915,339	-	-	-	-	-	-	-	-
Permits, licenses and fines	767	490	2,511	3,431	-	-	-	-	-	-
Investment income	17,600	38,235	-	-	-	-	-	-	-	-
Other revenue	34,339	249,182	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional grants	225,806	319,870	-	-	-	-	51,845	43,669	-	-
Prov of MB - Conditional grants	180,000	-	-	-	-	-	-	-	-	-
Total revenue	1,746,555	2,665,765	2,511	12,284	1,032	-	116,992	144,820	-	-
Expenses										
Personnel services	310,103	246,081	26,466	19,139	131,301	145,499	67,130	62,092	-	-
Contract services	96,051	179,826	163,551	225,490	62,601	62,314	183,682	171,403	-	5,000
Utilities	9,191	4,177	-	-	-	17,883	-	-	-	-
Maintenance materials and supplies	128,953	117,771	16,750	39,880	125,688	105,453	2,161	7,544	-	-
Grants and contributions	14,143	76,658	-	-	2,020	2,010	-	-	-	-
Amortization	23,842	16,652	13,691	13,005	86,688	117,253	15,212	16,393	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Other	2,909	-	-	-	-	-	-	-	876	876
Total expenses	585,192	641,165	220,458	297,514	408,298	450,412	268,185	257,432	876	5,876
Annual surplus (deficit)	\$ 1,161,363	\$ 2,024,600	\$ (217,947)	\$ (285,230)	\$ (407,266)	\$ (450,412)	\$ (151,193)	\$ (112,612)	\$ (876)	\$ (5,876)

Town of Lac du Bonnet
Consolidated Statement of Operations by Program
Year Ended December 31, 2021

(Schedule 4)

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total 2021	Total 2020
	2021	2020	2021	2020	2021	2020	2021	2020		
Revenue										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,124	\$ 194,124	\$ 1,127,660	\$ 1,104,768
Grants in lieu of taxation	-	-	-	-	-	-	-	-	\$ 184,643	\$ 185,106
User fees	6,700	7,028	-	-	2,131	44,318	-	-	\$ 124,574	\$ 208,249
Grants - other	1,741	1,801	-	-	12,548	17,416	-	-	\$ 134,589	\$ 934,556
Permits, licenses and fines	-	-	-	-	-	-	-	-	\$ 3,278	\$ 3,921
Investment income	-	-	-	-	-	-	-	-	\$ 17,600	\$ 38,235
Other revenue	-	-	-	-	1,814	-	-	-	\$ 36,153	\$ 249,162
Water and sewer	-	-	-	-	-	-	633,468	690,052	\$ 633,468	\$ 690,052
Prov of MB - Unconditional grants	-	-	-	-	17,131	12,968	-	-	\$ 294,782	\$ 376,507
Prov of MB - Conditional grants	-	-	-	-	-	-	-	-	\$ 180,000	\$ -
Total revenue	8,441	8,829	-	-	33,624	74,702	827,592	884,176	2,736,747	\$ 3,790,576
Expenses										
Personnel services	13,259	12,969	-	-	30,604	56,150	341,335	161,273	920,198	703,203
Contract services	23,307	28,592	-	375	113,237	46,811	175,850	106,993	818,279	826,804
Utilities	-	-	-	-	4,112	2,691	-	-	13,303	24,751
Maintenance materials and supplies	3,885	4,519	130	23	6,158	20,389	86,034	81,768	369,759	377,347
Grants and contributions	-	-	-	-	10,240	136,390	-	-	26,403	215,058
Amortization	831	715	-	-	22,459	22,439	175,644	198,017	338,367	384,474
Interest on long-term debt	-	-	-	-	-	-	89,208	95,159	89,208	95,159
Other	275	236	-	-	1,987	2,343	-	46,067	6,047	49,522
Total expenses	41,557	47,031	130	398	188,797	287,213	868,071	689,277	2,581,564	2,676,318
Annual surplus (deficit)	\$ (33,116)	\$ (38,202)	\$ (130)	\$ (398)	\$ (155,173)	\$ (212,511)	\$ (40,479)	\$ 194,899	\$ 155,183	\$ 1,114,258

Town of Lac du Bonnet

**Consolidated Details and reconciliation to Core Government Results
Year Ended December 31, 2021**

(Schedule 5)

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue								
Property taxes	\$ 1,127,660	\$ 1,104,768	\$ -	\$ -	\$ -	\$ -	\$ 1,127,660	\$ 1,104,768
Grants in lieu of taxation	184,643	185,106	-	-	-	-	184,643	185,106
User fees	17,174	100,795	98,573	98,235	8,827	9,219	124,574	208,249
Permits, licenses, and fines	3,278	3,921	-	-	-	-	3,278	3,921
Investment income	17,322	37,746	-	-	278	489	17,600	38,235
Other revenue	34,339	243,597	-	-	1,814	5,585	36,153	249,182
Water and Sewer	633,468	690,052	-	-	-	-	633,468	690,052
Province of MB - Unconditional grants	277,651	363,539	-	-	17,131	12,968	294,782	376,507
Province of MB - Conditional grants	180,000	-	-	-	-	-	180,000	-
Grants - Other	120,300	915,339	-	-	14,289	19,217	134,589	934,556
Total revenue	2,595,835	3,644,863	98,573	98,235	42,339	47,478	2,736,747	3,790,576
Expenses								
Personnel services	894,361	677,092	-	-	25,837	26,111	920,198	703,203
Contract services	675,185	715,176	142,424	110,986	670	642	818,279	826,804
Utilities	10,109	22,060	-	-	3,194	2,691	13,303	24,751
Maintenance materials and supplies	363,564	369,201	-	-	6,195	8,146	369,759	377,347
Grants and contributions	26,403	215,058	-	-	-	-	26,403	215,058
Amortization	326,377	371,418	11,159	12,341	831	715	338,367	384,474
Interest on long-term debt	89,208	95,159	-	-	-	-	89,208	95,159
Other	3,785	46,943	-	-	2,262	2,579	6,047	49,522
Total expenses	2,388,992	2,512,107	153,583	123,327	38,989	40,884	2,581,564	2,676,318
Annual surplus (deficit)	\$ 206,843	\$ 1,132,756	\$ (55,010)	\$ (25,092)	\$ 3,350	\$ 6,594	\$ 155,183	\$ 1,114,258

Town of Lac du Bonnet
 Schedule of Change in Reserve Fund Balances
 Year Ended December 31, 2021

(Schedule 6)

	2021										2020		
	General #5	Building Reserve #6	Equipment Replacement Reserve #7	Fire Equipment Reserve #8	Hospital and Personal Care Reserve #9	Recreation Land Reserve #10	Alpport Reserve #11	Gas Tax Reserve #12	Contingency Operations Reserve #13	Water Utility Reserve #14	Wastewater Utility Reserve #15	Total	Total
Revenue													
Investment income	\$ 581	\$ 1,030	\$ 1,179	\$ 786	\$ 735	\$ 7,575	\$ 113	\$ 3,003	\$ 140	\$ 2,850	\$ 3,800	\$ 21,792	\$ 32,061
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	581	1,030	1,179	786	735	7,575	113	3,003	140	2,850	3,800	21,792	32,061
Expenses													
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues	\$ 581	\$ 1,030	\$ 1,179	\$ 786	\$ 735	\$ 7,575	\$ 113	\$ 3,003	\$ 140	\$ 2,850	\$ 3,800	\$ 21,792	\$ 32,061
Transfers													
Transfers from general operating fund	66,203	25,000	25,000	25,000	-	218,246	1,400	119,876	-	11,237	17,873	509,635	1,211,064
Transfers to general operating fund	(40,000)	-	-	-	-	-	-	-	-	-	-	(40,000)	(411,544)
Transfer between reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-	-	67,260	67,260	890,114
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	-	-	-	(160,334)
Acquisition of tangible capital assets	(16,203)	(89,168)	(41,807)	(11,760)	-	(549,400)	-	(299,358)	-	(655,500)	(486,000)	(2,149,196)	-
Change in Reserve Fund Balances	\$ 10,581	\$ (63,138)	\$ (15,628)	\$ 14,028	\$ 735	\$ (323,579)	\$ 1,513	\$ (176,479)	\$ 140	\$ (641,413)	\$ (397,267)	\$ (1,590,609)	\$ 1,561,361
Fund Surplus, Beginning of Year	233,905	130,981	239,983	140,445	175,389	1,035,643	15,370	306,597	48,214	964,401	399,772	3,690,700	2,129,339
Fund Surplus, End of Year	\$ 244,486	\$ 67,843	\$ 224,355	\$ 154,471	\$ 176,124	\$ 712,064	\$ 16,883	\$ 130,118	\$ 48,354	\$ 322,988	\$ 2,505	\$ 2,100,191	\$ 3,690,700

Town of Lac du Bonnet
Schedule of L.U.D. Operations
Year Ended December 31, 2021

(Schedule 7)

	2021	2021	2020
	Budget	Actual	Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenses			
General government	-	-	-
Transportation services	-	-	-
Environmental health	-	-	-
Regional planning and development	-	-	-
Recreation and cultural services	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

TOWN OF LAC DU BONNET
Schedule of Financial Position for Utilities
Year Ended December 31, 2021

(Schedule 8)

	2021	2020
Financial Assets		
Cash and temporary investments	\$ 404,775	\$ 658,859
Amounts receivable	71,967	95,698
Due from other funds	503,020	528,284
	979,762	1,282,841
Liabilities		
Accounts payable and accrued liabilities	6,417	4,917
Long-term debt (Note 6)	1,459,732	1,564,647
	1,466,149	1,569,564
Net financial assets (net debt)	(486,387)	(286,723)
Non-Financial Assets		
Tangible capital assets(Schedule 1)	7,173,824	6,260,431
Inventories	-	-
Prepaid expenses	-	-
	7,173,824	6,260,431
FUND SURPLUS	\$ 6,687,437	\$ 5,973,708

See notes to financial statements

TOWN OF LAC DU BONNET
Schedule of Utility Operations - Water and Wastewater *(Schedule 9)*
Year Ended December 31, 2021

	Budget 2021	Total 2021	Total 2020
REVENUES			
Water			
Water fees	\$ -	\$ 221,804	\$ 256,297
Bulk water fees	-	175,171	174,024
	-	396,975	430,321
Wastewater			
Wastewater fees	-	151,613	155,955
Lagoon tipping fees	-	-	-
	-	151,613	155,955
Property taxes			
Property taxes	194,124	194,124	194,124
	194,124	194,124	194,124
Government transfers			
Operating	-	-	-
Capital	-	-	-
	-	-	-
Other			
Hydrant rentals	6,300	6,300	6,300
Connection charges	-	8,893	69
Penalties	-	1,004	1,030
Investment income	-	11,787	8,059
Other income	-	56,896	88,318
	6,300	84,880	103,776
	200,424	827,592	884,176
EXPENSES			
General			
Administration	-	323,347	136,414
	-	323,347	136,414
Water general			
Purification and treatment	-	112,861	140,257
Transmission and distribution	-	67,991	8,187
Hydrant maintenance	-	2,376	5,613
Connection costs	-	-	21
Other	-	19,874	11,594
	-	203,102	165,672
Water amortization and interest			
Amortization	-	162,170	184,542
Interest on long term debt	-	89,208	95,159
	-	251,378	279,701
Wastewater general			
Collection system costs	-	8,560	7,551
Treatment and disposal cost	-	52,568	16,095
Lift station costs	-	15,642	24,287

(continues)

See notes to financial statements

TOWN OF LAC DU BONNET
Schedule of Utility Operations - Water and Wastewater (continued)
(Schedule 9)

Year Ended December 31, 2021

	Budget 2021	Total 2021	Total 2020
Connection costs	-	-	16
	-	76,770	47,949
Wastewater amortization and interest Amortization	-	13,474	13,474
	-	13,474	13,474
Total expenses	-	868,071	643,210
NET OPERATING SURPLUS	-	(40,479)	240,966
Transfers from (to) operating fund	-	67,260	3,912
Transfers from (to) capital	-	(1,092,492)	(46,067)
CHANGE IN UTILITY FUND BALANCE	-	1,065,711	198,811
FUND SURPLUS, BEGINNING OF YEAR	-	5,973,708	5,774,897
	-	-	-
FUND SURPLUS, END OF YEAR	\$ -	\$ 4,907,997	\$ 5,973,708

See notes to financial statements

Town of Lac du Bonnet
Reconciliation of the Financial Plan to the Budget
Year Ended December 31, 2021

(Schedule 10)

	Financial Plan General	Financial Plan Utilities	Amortization	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
Revenue								
Property taxes	\$ 1,193,596	\$ 194,124	\$ -	\$ -	\$ (194,124)	\$ -	-	\$ 1,193,596
Grants in lieu of taxation	184,643	-	-	-	-	-	-	184,643
User fees	101,750	-	-	-	-	-	-	101,750
Permits, licenses, and fines	4,149	-	-	-	-	-	-	4,149
Investment income	3,800	-	-	-	-	-	-	3,800
Other revenue	350,365	-	-	-	-	-	-	350,365
Water and Sewer	-	629,900	-	-	-	-	-	629,900
Grants - Province of Manitoba	254,706	-	-	-	-	-	-	254,706
Grants - Other	61,270	-	-	-	-	-	-	61,270
Transfers from accumulated surplus	-	66,760	-	-	(66,760)	-	-	-
Transfers from reserves	-	1,141,500	-	-	(1,141,500)	-	-	-
Total revenue	2,154,279	2,032,284	-	-	(1,402,384)	-	-	2,784,179
Expenses								
General government services	606,550	-	38,552	-	-	-	-	645,102
Protective services	246,564	-	13,691	-	-	-	-	260,255
Transportation services	463,460	-	71,979	-	-	-	-	535,439
Environmental health services	119,100	-	4,052	-	-	-	-	123,152
Public health and welfare services	5,000	-	-	-	-	-	-	5,000
Regional planning and development	101,186	-	-	-	-	-	-	101,186
Resource conservation and industrial development	11,000	-	-	-	-	-	-	11,000
Recreation and cultural services	178,961	-	22,459	-	-	-	-	201,420
Water and sewer services	-	512,875	175,644	89,208	-	-	-	777,727
Fiscal services:								
Transfer to capital	1,056,191	1,141,500	-	-	(2,197,691)	-	-	-
Transfer to utility	194,124	-	-	-	(194,124)	-	-	-
Debt charges	-	194,124	-	-	(194,124)	-	-	-
Transfer to reserves	212,670	28,910	-	-	(241,580)	-	-	-
Allowance for tax assets	-	-	-	-	-	-	-	-
Total expenses	3,194,806	1,877,409	326,377	89,208	(2,827,519)	-	-	2,660,281
Annual surplus (deficit)	\$ (1,040,527)	\$ 154,875	\$ (326,377)	\$ (89,208)	\$ 1,425,135	\$ -	\$ -	\$ 123,898

TOWN OF LAC DU BONNET
Analysis of Taxes on Roll
Year Ended December 31, 2021

(Schedule 11)

	2021	2020
Balance, beginning of year	\$ 89,323	\$ 119,921
Add:		
Tax levy (Schedule 12)	2,042,423	2,046,347
Taxes added	21,087	11,413
Penalties or interest	12,362	17,532
Other accounts added	3,416	-
Tax adjustments -	(896)	(29,316)
Tax adjustments (specify)	-	-
	<u>2,167,715</u>	<u>2,165,897</u>
Deduct:		
Cash collections - current	1,821,798	1,707,445
Cash collections - arrears	105,055	135,578
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	175,172	233,551
Other credits	-	-
	<u>2,102,025</u>	<u>2,076,574</u>
Balance, end of year	<u>\$ 65,690</u>	<u>\$ 89,323</u>

See notes to financial statements

Town of Lac du Bonnet
Analysis of Tax Levy
Year Ended December 31, 2021

(Schedule 12)

	2021		2020	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.)				
Name of LUD	\$ -	-	\$ -	\$ -
Sub total L.U.D.			-	-
Debt charges:				
B/L 32/04	\$ 66,965,880	1.353	90,573	90,557
B/L 103/10	\$ 66,965,880	0.782	52,382	52,373
B/L 116/10	\$ 66,965,880	0.563	37,687	37,848
Grants in lieu of taxes	\$ 4,931,440	2.698	13,303	13,346
Sub total debt charges			193,945	194,124
Deferred surplus	\$ -	-	-	-
Reserves:				
Fire Equip Replacement	\$ 57,938,990	0.398	23,039	23,039
Building	\$ 57,938,990	0.398	23,039	46,079
Equipment replacement 374/83	\$ 57,938,990	0.398	23,039	36,863
Recreation Land	\$ 57,938,990	0.398	23,039	18,432
New proposed facility reserve	\$ 57,938,990	-	-	-
Airport 100/10	\$ 57,938,990	0.022	1,290	1,290
Grants in lieu of taxes	\$ 4,931,440	1.614	7,954	10,697
Sub total - Reserves			101,400	136,400
General municipal	\$ 57,936,650	13.314	771,369	771,369
Grants in lieu of taxes	\$ 4,930,210	13.314	65,641	65,641
Sub total - General municipal			837,010	837,010
Special levies:				
Library 554/92	\$ 57,938,990	0.255	14,753	14,753
Recreation district 560/93	\$ 57,938,990	0.432	25,043	27,144
Arena 330/82	\$ 57,938,990	0.827	47,888	5,161
Fire Department 17/02	\$ 57,938,990	0.895	51,863	55,346
Community Centre 299/80	\$ 57,938,990	0.162	9,373	8,350
Grants in lieu of taxes	\$ 4,931,440	2.571	12,675	9,425
Sub total Special levies			161,595	120,179
Business tax (rate %)	\$ -	-	-	-
Total municipal taxes (Schedule 2)			1,293,950	1,287,713
Education support levy	\$ 10,888,540	8.809	95,914	96,124
Grants in lieu of taxes	\$ 2,937,050	8.809	25,872	25,917
Sub total - Education support			121,786	122,041
Special levies:				
Sunrise School Division	\$ 55,604,040	13.527	752,132	761,619
Grants in lieu of taxes	\$ 4,931,440	13.527	66,705	67,687
Sub total Special levies			818,837	829,306
Total education taxes			940,623	951,347
Total grants in lieu of taxes			192,150	192,713
Total tax levy (Schedule 11)			\$ 2,042,423	\$ 2,046,347
Total tax levy and grants in lieu of taxes			2,234,573	2,239,060

TOWN OF LAC DU BONNET
Schedule of General Operating Fund Expenses **(Schedule 13)**
Year Ended December 31, 2021

	2021	2020
EXPENSES		
General government		
Legislative	\$ 44,063	\$ 51,559
General administrative	387,157	370,290
Other	153,970	219,316
	<u>585,190</u>	<u>641,165</u>
Protective services		
Police	149,794	187,243
Fire	44,395	66,452
Emergency measures	12,290	13,568
Other	13,979	30,251
	<u>220,458</u>	<u>297,514</u>
Transportation services		
Road and street maintenance	248,683	303,435
Sidewalk and boulevard maintenance	9,218	7,051
Street lighting	20,654	20,663
Other	86,688	117,253
Air transport	2,020	2,010
	<u>367,263</u>	<u>450,412</u>
Environmental health		
Waste collection and disposal	84,327	93,746
Recycling	167,923	54,755
Other	15,935	10,247
	<u>268,185</u>	<u>158,748</u>
Public health and welfare services		
Social assistance	876	876
Other	-	5,000
	<u>876</u>	<u>5,876</u>
Regional planning and development		
Planning and zoning	2,200	2,200
Beautification and land rehabilitation	16,467	19,931
Urban weed control	22,890	24,900
	<u>41,557</u>	<u>47,031</u>
Resources conservation and industrial development		
Regional development	-	248
Tourism	130	150
Other	-	-
	<u>130</u>	<u>398</u>
Recreation and cultural services		
Community centres and halls	30,204	9,780
Swimming pools and beaches	8,285	21,355
Skating and curling rinks	25,752	60,035
Parks and playgrounds	7,926	17,991
Other recreational facilities	48,225	107,154

(continues)

TOWN OF LAC DU BONNET
Schedule of General Operating Fund Expenses (continued) (Schedule 13)
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Museums	2,136	1,200
Libraries	41,552	47,259
Other cultural facilities	24,717	22,439
	<u>188,797</u>	<u>287,213</u>
	<u>\$ 1,672,456</u>	<u>\$ 1,888,357</u>

See notes to financial statements

Town of Lac du Bonnet

Reconciliation of Annual Surplus (Deficit) - Unaudited
 Year Ended December 31, 2021

(Schedule 14)

2021

2020

	General	Utility	Total	Total
	\$	\$	\$	\$
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	281,306	30,250	311,556	228,672
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	-	-	-	1,211,064
Eliminate revenue - transfers from reserves	(1,056,705)	(1,092,492)	(2,149,197)	(411,544)
Increase revenue - reserve funds interest	32,061	-	32,061	32,061
Eliminate transfers between funds	-	-	-	-
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	(150,620)	-	(150,620)	(18,498)
Decrease expense - elimination of contributions to consolidating entities	236,675	-	236,675	4,401
Eliminate revenue - transfer to nominal surplus(es)	-	-	-	-
Increase expense - amortization of tangible capital assets	(162,723)	(175,644)	(338,367)	(383,759)
Decrease expense - principal portion of debenture debt	-	104,915	104,915	98,966
Eliminate expense - acquisitions of tangible capital assets	1,056,705	1,092,492	2,149,197	352,895
Annual surplus (deficit)	236,699	(40,479)	196,220	1,114,258

September 14, 2022

To the Mayor and Councillors
Town of Lac du Bonnet
PO Box 339
84 Second Street
Lac du Bonnet, MB R0E 1A0

Dear Council Members:

Pursuant to our appointment and the instructions of the Department of Intergovernmental Affairs, and as requested by Section 190 of the Municipal Act, we are pleased to submit a supplementary report on our evaluation of the accounting procedures and systems of control employed by the Town of Lac du Bonnet for the year ended December 31, 2021. The audit of the financial statements was made in accordance with Canadian auditing standards and included such tests and other procedures, as we considered necessary in the circumstances. However, the audit of financial statements is not specifically designed to identify control weaknesses that may be of interest to management. Accordingly, an audit would not usually identify such matters. Any items of note with regards to suggested improvements to controls have been documented in the attached management letter.

The management is responsible for establishing and maintaining a system of internal accounting and administrative control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the accounting policies of the Town.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

We report that in our opinion, we did not encounter any items, within the context above (other than those described in our management letter that contravenes the following:

1. The accounting procedures and systems of control employed by the Town are adequate to preserve and protect its assets, insofar as is practical.

2. To the best of our knowledge and belief, the funds of the Town have been paid and disbursed only under authority granted by an Act of the Legislature, or under the authority of a resolution, or by the corporation made under authority of an Act of the Legislature.
3. We note the financial statements were not filed by the date specified by the Municipal Act. Other than the late filing of the financial statements, there are no other matters, which we consider should be brought to the attention of the Council of the Town or the Minister.

We also wish to thank the Chief Administrator Officer and her staff for the co-operation and assistance provided during the audit.

Sincerely,

THORNTON & CO.



Todd Thornton, CPA, CAFM
TT/dl

cc: Ms. Darcy Wittig, Chief Administrator Officer
Manitoba Intergovernmental Affairs – Municipal Finance & Advisory Services

Ms. Darcey Wittig
Town of Lac Du Bonnet
PO Box 339 84 Second St
Lac Du Bonnet, MB R0E 1A0

September 14, 2022

Dear Ms. Wittig,

Re: Supplement to the Auditors' Report

We are providing this letter in connection with our audit of the financial statements of Town of Lac Du Bonnet for the year ended December 31, 2021. The objective of our audit was to obtain reasonable assurance whether the financial statements are free of material misstatement. This letter fulfils our responsibility under Section 190(2) of the Municipal Act to report to Council certain matters which could possibly be identified during the course of our audit. An audit is not designed nor intended to carry out procedures on the matters specified in the Act. No procedures have been carried out in addition to those necessary to form an opinion on the financial statements. Accordingly, not all relevant transactions or conditions may have been encountered during our audit and thus we cannot state the matters reported below are the only matters that would be reportable under Section 190(2) of the Municipal Act. In addition, it is inappropriate to conclude that no such matters exist or that accounting procedures and systems of control employed by the municipality are effective. Pursuant to Section 190(2) of the Municipal Act we report to you:

1. To the best of our knowledge, the accounting procedures and systems of control employed by the municipality are adequate to preserve and protect its assets. However, our financial statement audit was not designed to address all relevant controls nor have we utilised generally accepted criteria against which to evaluate the matter and would normally be required when providing an assurance as to whether the accounting procedures and systems of control were effective.
2. To the best of our knowledge, the funds of the municipality have been disbursed only under authority granted by an Act of the Legislature or under authority of a resolution or by-law of the municipality made under the authority of an Act of the Legislature, however our financial statement audit did not include all relevant transactions.
3. No irregularity or discrepancy in the administration of the affairs of the municipality by the Council came to our attention in the course of our audit; only the following irregularities or discrepancies would come to our attention during the course of our audit: misstatements other than trivial errors; fraud; misstatements that may cause future financial statements to be materially misstated; illegal or possibly illegal acts, other than ones considered inconsequential; or significant weaknesses in internal control over financial reporting.
4. There are no other matters, that we consider necessary, to be brought to the attention of Council at this time.

5. We have no recommendations that we consider necessary or advisable regarding the proper performance of duties and the keeping of records and books of account, other than those noted in the management letter.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication. We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Sincerely,

THORNTON & CO.



Todd Thornton, CPA, CGA, CAFM
TT/dl

TOWN OF LAC DU BONNET

Box 339
Lac du Bonnet, MB
R0E 1A0

September 14, 2022

Confidential

Thornton & Co.
720 A St. Mary's Road
Winnipeg MB R2M 3N2

Dear Sir:

Re: Management representations letter

This representation letter is provided in connection with your audit of the consolidated financial statements of Town of Lac Du Bonnet for the year ended December 31, 2021, for the purpose of you expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 9, 2021 for:

- a) Preparing and fairly presenting the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b) Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the consolidated financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the consolidated financial statements; and
- d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's consolidated financial statements involving:

2. Fraud and Non Compliance (continued)

- i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the consolidated financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the consolidated financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the consolidated financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the consolidated financial statements.

3. Related Parties

We have disclosed to you the identity of all of the organization's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the consolidated financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the consolidated financial statements.

6. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

7. Proceeds of Crime (Money Laundering) and Terrorist Financing Act

1. We hereby acknowledge that Thornton & Co. have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize Thornton & Co. to release and disclose information about Town of Lac Du Bonnet as required by statute.

Acknowledged and agreed on behalf of Town of Lac Du Bonnet by:

 _____, CAO

September 14, 2022

Date signed