

TOWN OF LAC DU BONNET
Consolidated Financial Statements
Year Ended December 31, 2022

TOWN OF LAC DU BONNET
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Year Ended December 31, 2022

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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 (PSAS). 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.

Marley Seymour, Chief Administrative
Officer

Lac du Bonnet, MB
December 12, 2024

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, 2022, and the consolidated statements of operations, changes in 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, 2022, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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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Independent Auditor's Report to the Members of Town of Lac Du Bonnet (*continued*)

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
December 12, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

TOWN OF LAC DU BONNET
Consolidated Statement of Financial Position
December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 1,088,873	\$ 2,447,012
Accounts receivable	463,816	433,256
	<u>1,552,689</u>	<u>2,880,268</u>
LIABILITIES		
Accounts payable	167,850	600,334
Long term debt (Note 7)	1,348,506	1,459,732
	<u>1,516,356</u>	<u>2,060,066</u>
NET FINANCIAL ASSETS	<u>36,333</u>	<u>820,202</u>
NON-FINANCIAL ASSETS		
Inventory	2,065	497
Prepaid expenses	29,074	41,951
Tangible capital assets	11,037,832	10,278,324
	<u>11,068,971</u>	<u>10,320,772</u>
ACCUMULATED SURPLUS	<u>\$ 11,105,304</u>	<u>\$ 11,140,974</u>

ON BEHALF OF THE BOARD



 Mayor



 Director

TOWN OF LAC DU BONNET
Consolidated Statement of Operations
Year Ended December 31, 2022

	2022 Budget	2022 Total	2021 Total
REVENUE			
Property taxes	\$ 1,123,445	\$ 1,148,426	\$ 1,127,660
Grants in lieu of taxation	184,266	184,266	184,643
User fees	63,521	143,990	124,574
Permits, licences and fines	60,950	8,887	3,278
Investment income	2,700	36,759	30,927
Other revenue	73,747	27,691	36,153
Water and Wastewater	682,400	614,226	620,142
Grants - Province of Manitoba	383,370	444,089	422,937
Grants - other	61,270	256,675	186,434
	<u>2,635,669</u>	<u>2,865,009</u>	<u>2,736,748</u>
EXPENSES			
General government services	686,755	644,863	585,191
Protective services	250,672	238,613	220,458
Transportation services	516,860	741,542	367,263
Environmental health services	147,100	274,981	268,185
Public health and welfare services	5,000	5,876	876
Regional planning and development	11,000	53,922	41,557
Resource conservation and industrial development	127,354	575	130
Recreation and cultural services	192,963	295,260	188,797
Water and wastewater	665,913	738,614	868,071
	<u>2,603,617</u>	<u>2,994,246</u>	<u>2,540,528</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 32,052</u>	<u>\$ (129,237)</u>	<u>\$ 196,220</u>

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Statement of Changes in Accumulated Surplus
Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 11,234,541	\$ 10,944,754
ANNUAL SURPLUS (DEFICIT)	<u>(129,237)</u>	<u>196,220</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 11,105,304</u>	<u>\$ 11,140,974</u>

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2022

	2020 Budget	2022	2021
ANNUAL SURPLUS (DEFICIT)	\$ 32,052	\$ (129,237)	\$ 196,220
Amortization of tangible capital assets	-	472,764	338,367
Purchase of tangible capital assets	-	(1,232,162)	(2,149,197)
Decrease (increase) in prepaid expenses	-	12,877	(4,056)
Decrease (increase) in inventory	-	(1,568)	(84)
Reporting entity (<i>Note 2</i>)	-	93,457	(4,854)
	-	(654,632)	(1,819,824)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	32,052	(783,869)	(1,623,604)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	-	820,202	2,443,806
NET FINANCIAL ASSETS - END OF YEAR	\$ 32,052	\$ 36,333	\$ 820,202

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (129,237)	\$ 196,220
Items not affecting cash:		
Amortization of capital assets	472,764	338,367
Reporting entity	93,458	(4,854)
	<u>436,985</u>	<u>529,733</u>
Changes in non-cash working capital:		
Accounts receivable	(30,560)	(179,584)
Inventory	(1,568)	(84)
Accounts payable	(432,485)	334,286
Prepaid expenses	12,877	(4,056)
	<u>(451,736)</u>	<u>150,562</u>
Cash flow from (used by) operating activities	<u>(14,751)</u>	<u>680,295</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(1,232,162)</u>	<u>(2,149,197)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(111,226)</u>	<u>(104,916)</u>
DECREASE IN CASH FLOW	(1,358,139)	(1,573,818)
Cash - beginning of year	<u>2,447,012</u>	<u>4,020,830</u>
CASH - END OF YEAR	\$ 1,088,873	\$ 2,447,012

See notes to financial statements

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

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, 2022.

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS) 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

All gains and losses from the sale, collection, or other disposition of investments and other non-cash assets are accounted for in the fund that owned the assets.

Ordinary income from investments, receivables, and similar assets is accounted for in the fund owning the assets, with the exception of income derived from investment of endowments funds. Unrestricted endowment fund investments are accounted for as revenue of the operation fund or, if they are restricted, as deferred amounts until the terms of the restriction have been met.

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TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

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

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.

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 declining balance 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 leaseholds		
Buildings	25 to 40 years	straight-line method
Leasehold improvements	Life of lease	straight-line method

Vehicles and equipment

Machinery, equipment and furniture	10 years	straight-line method
Motor vehicles	5 years	straight-line method
Computer hardware and software	4 years	straight-line method
Maintenance and road construction equipment	15 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

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

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

Buildings	25 to 40 years	straight-line method
Underground networks	40 to 60 years	straight-line method
Machinery equipment	10 to 20 years	straight-line method
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 asset. 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.

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2022	2021
Cash	\$ 1,088,873	\$ 2,447,012
Temporary investments	-	-
	\$ 1,088,873	\$ 2,447,012

The town has designated \$1,240,674 (2021 - \$2,100,191) 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.

	2022	2021
Taxes on roll (Schedule 1)	\$ 117,903	\$ 243,072
Government grants	175,019	13,278
Utility grants and customers	103,726	71,967
Organizations and individuals	9,938	8,919
Other governments	57,230	96,020
Subtotal	463,816	433,256
Less: Allowance for doubtful amounts	-	-
	\$ 463,816	\$ 433,256

5. BANK INDEBTEDNESS

New for 2022 the Town set up an operating line of credit with Access Credit Union to a maximum of \$750,000 with interest payable monthly at 6.95%. Expended amount at December 31, 2022 \$NIL.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accounts payable	\$ 63,579	\$ 320,587
Accrued expenses	104,271	104,406
School levies	-	175,341
	\$ 167,850	\$ 600,334

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

7. LONG TERM DEBT

	2022	2021
Province of Manitoba Debenture for Water and Sewer bearing interest at 6.38% per annum, repayable in annual blended payments of \$97,243 maturing December 2028.	\$ 472,592	\$ 535,685
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.	490,874	518,378
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.	385,040	405,669
	1,348,506	1,459,732
Amounts payable within one year	-	-
	\$ 1,348,506	\$ 1,459,732

Principal repayment terms are approximately:

2023	\$ 117,918
2024	125,015
2025	132,542
2026	140,524
2027	148,990
Thereafter	683,517
	\$ 1,348,506

8. 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.

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TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

8. 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 \$38,886 (2021-\$38,842) 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.

9. 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.

10. 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.

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
General operating fund - Nominal surplus	\$ (557,409)	\$ (425,856)
Utility operating fund(s) - Nominal surplus	554,215	478,766
TCA net of related borrowings	9,689,326	8,818,592
Reserve funds	1,240,674	2,100,191
Subtotal	10,926,806	10,971,693
Accumulated surpluses of consolidated entities	178,498	169,281

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TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

11. ACCUMULATED SURPLUS *(continued)*

	2022	2021
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$11,105,304</u>	<u>\$11,140,974</u>

12. 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, 2022:

- 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 (January to October)	\$ 10,832	\$ 461	\$ 11,293
Mayor - Ken Lodge (November- to present)	2,612	404	3,016
Councillor - Greg Short	12,151	826	12,977
Councillor - Ted Mathers (January to April)	3,356	24	3,380
Councillor - Keegan Sveinsson	10,662	45	10,707
Councillor - Brian Choptain	8,200	42	8,242
Councillor - Scott Veilleux November to present)	2,685	194	2,879
Councillor - Brian Jack (November to present)	1,805	89	1,894
	\$ 52,303	\$ 2,085	\$ 54,388

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

Jennifer Bellin	Water & Wastewater Operator II in Charge	\$91,997
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13. 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

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

13. SEGMENTED INFORMATION *(continued)*

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.

14. GOVERNMENT PARTNERSHIPS

	2022	2021
<u>Financial Position</u>		
Financial assets	\$ 42,906	\$ 43,541
Liabilities	(1,646)	(1,722)
Net financial assets (liabilities)	41,260	41,819
Non-financial assets	6,331	708
Accumulated surplus	47,591	42,527
 <u>Results of Operations</u>		
Revenues	43,391	47,221
Expenses	(39,565)	(38,989)
Annual surplus	3,826	8,232
Elimination of revenues/expenses on consolidation	(4,907)	(4,878)
Consolidated annual surplus	(1,081)	3,354
Total Surplus	\$ 46,510	\$ 45,881

15. 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.

16. PUBLIC UTILITIES BOARD

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

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.

(continues)

TOWN OF LAC DU BONNET
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

16. PUBLIC UTILITIES BOARD *(continued)*

	Unamortized opening balance	Additions during the year	Amortization during the year	Unamortized balance ending
	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, 2022**

(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	\$ 1,256,486	\$ 1,692,106	\$ 1,811,829	\$ 35,582	\$ -	\$ 1,397,210	\$ 9,713,845	\$ -	\$ 15,907,058	\$ 13,735,787
Additions during the year	1,069,980	32,955	94,054	-	-	-	-	-	1,196,989	2,149,197
Adjustments	-	-	-	-	-	-	-	-	-	22,074
Closing costs	2,326,466	1,725,061	1,905,883	35,582	-	1,397,210	9,713,845	-	17,104,047	15,907,058
Accumulated Amortization										
Opening Accum'd amortization	51,028	933,419	1,396,704	35,582	-	671,981	2,540,020	-	5,628,734	5,273,153
Amortization	42,538	36,920	87,714	-	-	69,861	235,244	-	472,277	338,367
Adjustments	-	-	-	-	-	-	-	-	-	17,214
Closing accum'd amortization	93,566	970,339	1,484,418	35,582	-	741,842	2,775,264	-	6,101,011	5,628,734
Net Book Value of Tangible Capital Assets	\$ 2,232,900	\$ 754,722	\$ 421,465	\$ -	\$ -	\$ 655,368	\$ 6,938,581	\$ -	\$ 11,003,036	\$ 10,278,324

TOWN OF LAC DU BONNET
Consolidated Schedule of Revenues
Year Ended December 31, 2022

(Schedule 2)

	2022	2021
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 1,146,698	\$ 1,107,312
Taxes added	1,728	20,348
	<u>1,148,426</u>	<u>1,127,660</u>
Grants in lieu of taxation		
Federal government enterprises	10,666	10,614
Provincial government	121,790	122,507
Provincial government enterprises	51,810	51,522
	<u>184,266</u>	<u>184,643</u>
User fees		
Sales of service	135,311	115,624
Sales of goods	1,347	1,029
Rentals	7,332	7,921
	<u>143,990</u>	<u>124,574</u>
Permits, licenses and fines		
Licenses	240	230
Fines	8,647	3,048
	<u>8,887</u>	<u>3,278</u>
Investment income		
Interest - General	28,055	17,600
Interest - Water & Waste	8,704	13,326
	<u>36,759</u>	<u>30,926</u>
Other revenue		
Penalties and interest	11,279	12,362
Miscellaneous	16,412	23,791
	<u>27,691</u>	<u>36,153</u>
Water and wastewater		
Municipal utility (Schedule 9)	614,226	621,681
	<u>614,226</u>	<u>621,681</u>
Grants - Province of Manitoba		
Municipal operating grants	136,618	242,937
Unconditional grants	187,471	-
Conditional grants	120,000	180,000
	<u>444,089</u>	<u>422,937</u>
Grants - other		
Federal government - gas tax funding	61,270	119,876
Federal government - other	-	819
Other grants	195,405	65,939
	<u>256,675</u>	<u>186,434</u>
	<u>\$ 2,865,009</u>	<u>\$ 2,738,286</u>

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Schedule of Expenses
Year Ended December 31, 2022

(Schedule 3)

	2022	2021
General government		
Legislative	\$ 555,325	\$ 44,063
General administrative	372,533	387,157
Other	217,005	153,970
	<u>1,144,863</u>	<u>585,190</u>
Protective services		
Police	149,794	149,794
Fire	52,672	44,395
Emergency measures	21,966	12,290
Other	14,181	13,979
	<u>238,613</u>	<u>220,458</u>
Transportation services		
Road and street maintenance	583,148	248,683
Sidewalk and boulevard maintenance	9,303	9,218
Street lighting	20,887	20,654
Other	126,144	86,688
Air transport	2,060	2,020
	<u>741,542</u>	<u>367,263</u>
Environmental health		
Waste collection and disposal	77,230	84,327
Recycling	184,576	167,923
Other	13,175	15,935
	<u>274,981</u>	<u>268,185</u>
Public health and welfare services		
Social assistance	-	876
Other	5,000	-
	<u>5,000</u>	<u>876</u>
Regional planning and development		
Planning and zoning	10,800	2,200
Beautification and land rehabilitation	17,608	16,467
Urban weed control	25,514	22,890
	<u>53,922</u>	<u>41,557</u>
Resources conservation and industrial development		
Regional development	575	-
Tourism	-	130
Other	-	-
	<u>575</u>	<u>130</u>
Recreation and cultural services		
Community centres and halls	29,852	30,204
Swimming pools and beaches	15,228	8,285
Skating and curling rinks	26,067	25,752
Parks and playgrounds	11,896	7,926
Museums	933	2,136
Libraries	137,381	41,552
Other cultural facilities	73,903	72,942

(continues)

See notes to financial statements

TOWN OF LAC DU BONNET
Consolidated Schedule of Expenses *(continued)* **(Schedule 3)**
Year Ended December 31, 2022

	295,260	188,797
Water and wastewater services		
Municipal utility (Schedule 9)	738,614	868,071
	738,614	868,071
	\$ 3,493,370	\$ 2,540,527

Town of Lac du Bonnet
Consolidated Statement of Operations by Program
Year Ended December 31, 2022

(Schedule 4)

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue										
Property taxes	\$ 954,302	\$ 933,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	184,268	184,643	-	-	-	-	-	-	-	-
User fees	55,639	49,564	-	-	-	-	-	-	-	-
Grants - other	122,395	120,300	-	-	2,033	1,032	74,472	65,147	-	-
Permits, licenses and fines	240	767	8,647	2,511	-	-	69,198	51,845	-	-
Investment income	28,055	17,600	-	-	-	-	-	-	-	-
Other revenue	16,602	34,339	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional grants	273,161	225,806	-	-	-	-	-	-	-	-
Prov of MB - Conditional grants	120,000	180,000	-	-	-	-	-	-	-	-
Total revenue	1,754,660	1,746,555	8,647	2,511	2,033	1,032	143,670	116,992	-	-
Expenses										
Personnel services	306,307	310,103	28,478	26,466	335,296	90,265	157,084	67,130	-	-
Contract services	98,390	96,051	171,652	163,551	68,603	62,601	69,668	183,682	-	-
Utilities	8,499	9,191	-	-	-	-	2,516	-	-	-
Maintenance materials and supplies	139,130	128,953	24,302	16,750	209,438	125,688	31,581	2,161	5,000	-
Grants and contributions	22,696	14,143	-	-	2,060	2,020	-	-	-	-
Amortization	56,762	23,842	14,181	13,691	126,144	86,688	14,132	15,212	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Other	13,079	2,909	-	-	-	-	-	-	-	-
Total expenses	644,863	585,192	238,613	220,458	741,541	367,262	274,981	268,185	5,876	876
Annual surplus (deficit)	\$ 1,109,797	\$ 1,161,363	\$ (229,966)	\$ (217,947)	\$ (739,508)	\$ (366,230)	\$ (131,311)	\$ (151,193)	\$ (5,876)	\$ (876)

Town of Lac du Bonnet
Consolidated Statement of Operations by Program
Year Ended December 31, 2022

(Schedule 4)

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	Total
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,124	\$ 194,124	\$ 1,148,426	\$ 1,127,660
Grants in lieu of taxation	-	-	-	-	-	-	-	-	\$ 184,266	\$ 184,643
User fees	4,851	6,700	-	-	6,995	2,131	-	-	\$ 143,990	\$ 124,574
Grants - other	3,489	1,741	-	-	61,593	12,548	-	-	\$ 256,675	\$ 186,434
Permits, licenses and fines	-	-	-	-	-	-	-	-	\$ 8,887	\$ 3,278
Investment income	-	-	-	-	-	-	8,704	13,326	\$ 36,759	\$ 30,926
Other revenue	-	-	-	-	11,089	1,814	-	-	\$ 27,691	\$ 36,153
Water and sewer	-	-	-	-	-	-	614,226	621,681	\$ 614,226	\$ 621,681
Prov of MB - Unconditional grants	-	-	-	-	50,928	17,131	-	-	\$ 324,089	\$ 242,937
Prov of MB - Conditional grants	-	-	-	-	-	-	-	-	\$ 120,000	\$ 180,000
Total revenue	8,340	8,441	-	-	130,605	33,624	817,054	829,131	\$ 2,865,009	\$ 2,738,286
Expenses										
Personnel services	16,395	13,259	45	-	101,769	30,604	68,358	341,335	1,013,732	879,162
Contract services	33,832	23,307	127	-	105,883	113,237	284,879	175,850	833,034	818,279
Utilities	-	-	-	-	14,163	4,112	-	-	25,178	13,303
Maintenance materials and supplies	2,004	3,885	403	130	14,048	6,158	65,323	86,034	491,229	369,759
Grants and contributions	-	-	-	-	10,240	10,240	-	-	34,996	26,403
Amortization	687	831	-	-	25,236	22,459	235,622	175,644	472,764	338,367
Interest on long-term debt	-	-	-	-	-	-	82,898	89,208	82,898	89,208
Other	1,004	275	-	-	23,921	1,987	1,535	1,541	40,415	7,588
Total expenses	53,922	41,557	575	130	295,260	188,797	738,615	869,612	2,994,246	2,542,069
Annual surplus (deficit)	\$ (45,582)	\$ (33,116)	\$ (575)	\$ (130)	\$ (164,655)	\$ (155,173)	\$ 78,439	\$ (40,481)	\$ (129,237)	\$ 196,217

Town of Lac du Bonnet

**Consolidated Details and reconciliation to Core Government Results
Year Ended December 31, 2022**

(Schedule 5)

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue								
Property taxes	\$ 1,148,426	\$ 1,127,660	\$ -	\$ -	\$ -	\$ -	\$ 1,148,426	\$ 1,127,660
Grants in lieu of taxation	184,266	184,643	-	-	-	-	\$ 184,266	\$ 184,643
User fees	64,035	17,174	73,125	98,573	6,830	8,827	\$ 143,990	\$ 124,574
Permits, licenses, and fines	8,887	3,278	-	-	-	-	\$ 8,887	\$ 3,278
Investment income	34,896	17,322	-	-	1,863	278	\$ 36,759	\$ 17,600
Other revenue	24,715	34,339	-	-	2,976	1,814	\$ 27,691	\$ 36,153
Water and wastewater	614,226	633,468	-	-	-	-	\$ 614,226	\$ 633,468
Province of MB - Unconditional grants	310,848	277,651	-	-	13,241	17,131	\$ 324,089	\$ 294,782
Province of MB - Conditional grants	120,000	180,000	-	-	-	-	\$ 120,000	\$ 180,000
Grants - Other	245,366	120,300	-	-	11,309	14,289	\$ 256,675	\$ 134,589
Total revenue	2,755,665	2,595,835	73,125	98,573	36,219	42,339	2,865,009	2,736,747
Expenses								
Personnel services	897,008	853,325	90,593	-	26,131	25,837	1,013,732	879,162
Contract services	825,276	675,185	7,641	142,424	117	670	833,034	818,279
Utilities	12,620	10,109	8,516	-	4,042	3,194	25,178	13,303
Maintenance materials and supplies	476,934	363,564	8,146	-	6,149	6,195	491,229	369,759
Grants and contributions	34,996	26,403	-	-	-	-	34,996	26,403
Amortization	462,077	326,377	10,000	11,159	687	831	472,764	338,367
Interest on long-term debt	82,898	89,208	-	-	-	-	82,898	89,208
Other	33,911	3,785	4,065	-	2,439	2,262	40,415	6,047
Total expenses	2,826,720	2,347,956	128,961	153,583	39,565	38,989	2,994,246	2,540,528
Annual surplus (deficit)	\$ (70,055)	\$ 247,879	\$ (55,836)	\$ (55,010)	\$ (3,346)	\$ 3,350	\$ (129,237)	\$ 196,219

Town of Lac du Bonnet

**Consolidated Details and reconciliation to Core Government Results
Year Ended December 31, 2022**

(Schedule 5)

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue								
Property taxes	\$ 1,148,426	\$ 1,127,660	\$ -	\$ -	\$ -	\$ -	\$ 1,148,426	\$ 1,127,660
Grants in lieu of taxation	184,266	184,643	-	-	-	-	\$ 184,266	\$ 184,643
User fees	64,035	17,174	73,125	98,573	6,830	8,827	\$ 143,990	\$ 124,574
Permits, licenses, and fines	8,887	3,278	-	-	-	-	\$ 8,887	\$ 3,278
Investment income	34,896	17,322	-	-	1,863	278	\$ 36,759	\$ 17,600
Other revenue	24,715	34,339	-	-	2,976	1,814	\$ 27,691	\$ 36,153
Water and wastewater	614,226	633,468	-	-	-	-	\$ 614,226	\$ 633,468
Province of MB - Unconditional grants	310,848	277,651	-	-	13,241	17,131	\$ 324,089	\$ 294,782
Province of MB - Conditional grants	120,000	180,000	-	-	-	-	\$ 120,000	\$ 180,000
Grants - Other	245,366	120,300	-	-	11,309	14,289	\$ 256,675	\$ 134,589
Total revenue	2,755,665	2,595,835	73,125	98,573	36,219	42,339	2,865,009	2,736,747
Expenses								
Personnel services	897,008	853,325	90,593	-	26,131	25,837	1,013,732	879,162
Contract services	825,276	675,185	7,641	142,424	117	670	833,034	818,279
Utilities	12,620	10,109	8,516	-	4,042	3,194	25,178	13,303
Maintenance materials and supplies	476,934	363,564	8,146	-	6,149	6,195	491,229	369,759
Grants and contributions	34,996	26,403	-	-	-	-	34,996	26,403
Amortization	462,077	326,377	10,000	11,159	687	831	472,764	338,367
Interest on long-term debt	82,898	89,208	-	-	-	-	82,898	89,208
Other	33,911	3,785	4,065	-	2,439	2,262	40,415	6,047
Total expenses	2,825,720	2,347,956	128,961	153,583	39,565	38,989	2,994,246	2,540,528
Annual surplus (deficit)	\$ (70,055)	\$ 247,879	\$ (55,836)	\$ (55,010)	\$ (3,346)	\$ 3,350	\$ (129,237)	\$ 196,219

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	-	-	-
Expenses			
General government	-	-	-
Transportation services	-	-	-
Environmental health	-	-	-
Regional planning and development	-	-	-
Recreation and cultural services	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	\$ -	\$ -	\$ -
Transfers			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	\$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		\$ -	-

TOWN OF LAC DU BONNET
Schedule of Financial Position for Utilities
Year Ended December 31, 2022

(Schedule 8)

	2022	2021
Financial Assets		
Cash and temporary investments	\$ 197,281	\$ 404,775
Amounts receivable	103,726	71,967
	301,007	476,742
Liabilities		
Accounts payable and accrued liabilities	-	6,417
Long-term debt (Note 7)	1,348,506	1,459,732
	1,348,506	1,466,149
Net financial assets (net debt)	(1,047,499)	(989,407)
Non-Financial Assets		
Tangible capital assets(Schedule 1)	6,974,372	7,173,825
Inventories	-	-
Prepaid expenses	-	-
	6,974,372	7,173,825
FUND SURPLUS	\$ 5,926,873	\$ 6,184,418

See notes to financial statements

TOWN OF LAC DU BONNET
Schedule of Utility Operations - Water and Wastewater *(Schedule 9)*
Year Ended December 31, 2022

	Budget 2022	Total 2022	Total 2021
REVENUES			
Water			
Water fees	\$ -	\$ 241,160	\$ 221,804
Bulk water fees	-	163,520	175,171
	-	404,680	396,975
Wastewater			
Wastewater fees	-	133,434	151,613
Lagoon tipping fees	-	-	-
	-	133,434	151,613
Property taxes			
Property taxes	-	194,124	194,124
	-	194,124	194,124
Government transfers			
Operating	-	-	-
Capital	-	-	-
	-	-	-
Other			
Hydrant rentals	-	-	6,300
Connection charges	-	2,651	8,893
Penalties	-	1,182	1,004
Investment income	-	8,704	11,787
Other income	-	72,279	56,896
	-	84,816	84,880
	-	817,054	827,592
EXPENSES			
General			
Administration	-	100,000	323,347
	-	100,000	323,347
Water general			
Purification and treatment	-	162,801	112,861
Transmission and distribution	-	70,383	67,991
Hydrant maintenance	-	1,550	2,376
Connection costs	-	-	-
Other	-	50,658	19,874
	-	285,392	203,102
Water amortization and interest			
Amortization	-	99,704	162,170
Interest on long term debt	-	82,898	89,208
	-	182,602	251,378
Wastewater general			
Collection system costs	-	3,464	8,560
Treatment and disposal cost	-	7,940	52,568
Lift station costs	-	23,298	15,642

(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, 2022

	Budget 2022	Total 2022	Total 2021
Connection costs	-	-	-
	-	34,702	76,770
Wastewater amortization and interest			
Amortization	-	135,918	13,474
	-	135,918	13,474
Total expenses	-	738,614	868,071
NET OPERATING SURPLUS	-	78,440	(40,479)
Transfers from (to) operating fund	-	-	96,170
Transfers from (to) capital	-	-	(1,141,500)
CHANGE IN UTILITY FUND BALANCE	-	78,440	(1,045,330)
FUND SURPLUS, BEGINNING OF YEAR	-	4,887,899	5,973,708
	-	-	-
FUND SURPLUS, END OF YEAR	\$ -	\$ 4,966,339	\$ 4,887,899

Town of Lac du Bonnet
Reconciliation of the Financial Plan to the Budget
Year Ended December 31, 2022

(Schedule 10)

	Financial Plan General	Financial Plan Utilities	Amortization	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
Revenue								
Property taxes	\$ 1,123,445	\$ 194,124	\$ -	\$ -	\$ (194,124)	\$ -	\$ -	\$ 1,123,445
Grants in lieu of taxation	184,266	-	-	-	-	-	-	184,266
User fees	63,521	-	-	-	-	-	-	63,521
Permits, licenses, and fines	60,950	-	-	-	-	-	-	60,950
Investment income	2,200	500	-	-	-	-	-	2,700
Other revenue	73,747	-	-	-	-	-	-	73,747
Water and Sewer	-	682,400	-	-	-	-	-	682,400
Grants - Province of Manitoba	383,370	-	-	-	-	-	-	383,370
Grants - Other	61,270	-	-	-	-	-	-	61,270
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	457,100	326,000	-	-	(783,100)	-	-	-
Total revenue	2,409,869	1,203,024	-	-	(977,224)	-	-	2,635,669
Expenses								
General government services	686,755	-	-	-	-	-	-	686,755
Protective services	250,672	-	-	-	-	-	-	250,672
Transportation services	516,860	-	-	-	-	-	-	516,860
Environmental health services	147,100	-	-	-	-	-	-	147,100
Public health and welfare services	5,000	-	-	-	-	-	-	5,000
Regional planning and development	11,000	-	-	-	-	-	-	11,000
Resource conservation and industrial development	127,354	-	-	-	-	-	-	127,354
Recreation and cultural services	192,963	-	-	-	-	-	-	192,963
Water and sewer services	-	583,015	-	82,898	-	-	-	665,913
Fiscal services:								
Transfer to capital	457,100	176,000	-	-	(633,100)	-	-	-
Transfer to utility	194,124	-	-	-	(194,124)	-	-	-
Debt charges	-	111,226	-	-	(111,226)	-	-	-
Transfer to reserves	187,670	249,885	-	-	(437,555)	-	-	-
Allowance for tax assets	-	-	-	-	-	-	-	-
Total expenses	2,776,598	1,120,126	-	82,898	(1,376,005)	-	-	2,603,617
Annual surplus (deficit)	\$ (366,729)	\$ 82,898	\$ -	\$ (82,898)	\$ 398,781	\$ -	\$ -	\$ 32,052

TOWN OF LAC DU BONNET
Analysis of Taxes on Roll
Year Ended December 31, 2022

(Schedule 11)

	2022	2021
Balance, beginning of year	\$ 65,690	\$ 89,323
Add:		
Tax levy (Schedule 12)	2,063,239	2,042,423
Taxes added	3,300	21,087
Penalties or interest	11,279	12,362
Other accounts added	-	3,416
Tax adjustments -	(2,224)	(896)
Tax adjustments (specify)	-	-
	<u>2,141,284</u>	<u>2,167,715</u>
Deduct:		
Cash collections - current	2,016,027	1,821,798
Cash collections - arrears	66,958	105,055
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	-	175,172
Other credits	-	-
	<u>2,082,985</u>	<u>2,102,025</u>
Balance, end of year	<u>\$ 58,299</u>	<u>\$ 65,690</u>

See notes to financial statements

Town of Lac du Bonnet
Consolidated Analysis of Tax Levy
Year Ended December 31, 2022

(Schedule 12)

	2022		2021	
	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	90,605	90,573
B/L 103/10	\$ 66,965,880	0.782	52,367	52,382
B/L 116/10	\$ 66,965,880	0.565	37,836	37,687
Grants in lieu of taxes	\$ 4,931,440	2.700	13,315	13,303
Sub total debt charges			194,123	193,945
Deferred surplus	\$ -	-	-	-
Reserves:				
Fire Equip Replacement	\$ 59,020,620	0.782	46,154	23,039
Building	\$ 59,020,620	0.156	9,207	23,039
Equipment replacement 374/83	\$ 59,020,620	0.782	46,154	23,039
Recreation Land	\$ 59,020,620	0.156	9,207	23,039
New proposed facility reserve	\$ 59,020,620	-	-	-
Airport 100/10	\$ 59,020,620	0.022	1,298	1,290
Grants in lieu of taxes	\$ 4,931,440	1.898	9,360	7,954
Sub total - Reserves			121,381	101,400
General municipal	\$ 59,020,620	13.075	771,695	771,369
Grants in lieu of taxes	\$ 4,931,440	13.075	64,479	65,641
Sub total - General municipal			836,173	837,010
Special levies:				
Library 554/92	\$ 59,020,620	0.250	14,765	14,753
Recreation district 560/93	\$ 59,020,620	0.813	47,984	25,043
Arena 330/82	\$ 59,020,620	0.657	38,777	47,888
Fire Department 17/02	\$ 59,020,620	0.885	52,233	51,863
Community Centre 299/80	\$ 59,020,620	0.164	9,679	9,373
Grants in lieu of taxes	\$ 4,931,440	2.769	13,655	12,675
Sub total Special levies			177,083	161,595
Business tax (rate %)	\$ -	-	-	-
Total municipal taxes (Schedule 2)			1,328,760	1,293,950
Education support levy	\$ 10,911,610	8.713	95,073	95,914
Grants in lieu of taxes	\$ 2,937,050	8.713	25,591	25,872
Sub total - Education support			120,663	121,786
Special levies:				
Sunrise School Division	\$ 55,609,200	13.311	740,214	752,132
Grants in lieu of taxes	\$ 4,931,440	13.311	65,642	66,705
Sub total Special levies			805,856	818,837
Total education taxes			926,520	940,623
Total grants in lieu of taxes			192,041	192,150
Total tax levy (Schedule 11)			\$ 2,063,239	\$ 2,042,423
Total tax levy and grants in lieu of taxes			2,255,280	2,234,573

TOWN OF LAC DU BONNET
Schedule of General Operating Fund Expenses (Schedule 13)
Year Ended December 31, 2022

	2022	2021
EXPENSES		
General government		
Legislative	\$ 55,325	\$ 44,063
General administrative	372,533	387,157
Other	217,005	153,972
	<u>644,863</u>	<u>585,192</u>
Protective services		
Police	149,794	149,794
Fire	52,672	44,395
Emergency measures	21,966	12,290
Other	14,181	13,979
	<u>238,613</u>	<u>220,458</u>
Transportation services		
Road and street maintenance	583,148	248,683
Sidewalk and boulevard maintenance	9,303	9,218
Street lighting	20,887	20,654
Other	126,144	86,688
Air transport	2,060	2,020
	<u>741,542</u>	<u>367,263</u>
Environmental health		
Waste collection and disposal	77,230	84,327
Recycling	184,576	167,923
Other	13,175	15,935
	<u>274,981</u>	<u>268,185</u>
Public health and welfare services		
Social assistance	876	876
Other	5,000	-
	<u>5,876</u>	<u>876</u>
Regional planning and development		
Planning and zoning	10,800	2,200
Beautification and land rehabilitation	17,608	16,467
Urban weed control	25,514	22,890
	<u>53,922</u>	<u>41,557</u>
Resources conservation and industrial development		
Regional development	575	-
Tourism	-	130
Other	-	-
	<u>575</u>	<u>130</u>
Recreation and cultural services		
Community centres and halls	29,852	30,204
Swimming pools and beaches	15,228	8,285
Skating and curling rinks	26,067	25,752
Parks and playgrounds	11,896	7,926
Museums	933	2,136

(continues)

See notes to financial statements

TOWN OF LAC DU BONNET
Schedule of General Operating Fund Expenses (continued) (Schedule 13)
Year Ended December 31, 2022

	2022	2021
Libraries	137,381	41,552
Other recreational and cultural facilities	73,903	72,942
	295,260	188,797
	\$ 2,255,632	\$ 1,672,458

See notes to financial statements

Town of Lac du Bonnet

**Reconciliation of Annual Surplus (Deficit) - Unaudited
Year Ended December 31, 2022**

(Schedule 14)

	2022			2021
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (470,333)	\$ 263,675	\$ (206,658)	\$ 311,556
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	217,670	-	217,670	-
Eliminate revenue - transfers from reserves	(1,089,402)	-	(1,089,402)	(2,149,197)
Increase revenue - reserve funds interest	9,224	2,991	12,215	32,061
Eliminate transfers between funds	-	-	-	-
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	(9,228)	-	(9,228)	(150,620)
Decrease expense - elimination of contributions to consolidating entities	64,855	-	64,855	236,675
Eliminate revenue - transfer to nominal surplus(es)	-	-	-	-
Increase expense - amortization of tangible capital assets	(226,456)	(235,622)	(462,078)	(338,367)
Decrease expense - principal portion of debenture debt	-	111,226	111,226	104,915
Eliminate expense - acquisitions of tangible capital assets	1,195,993	36,170	1,232,163	2,149,197
Annual surplus (deficit)	\$ (307,677)	\$ 178,440	\$ (129,237)	\$ 196,220

TOWN OF LAC DU BONNET

Box 339
Lac du Bonnet, MB
R0E 1A0

December 12, 2024
Confidential

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

Dear Sir / Madam:

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, 2022 for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards (PSAS).

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):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated May 10, 2021 for:

- a) *Preparing and fairly presenting the consolidated financial statements in accordance with PSAS;*
- 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.*

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:
 - i. Management;

(continued)

- 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.

Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the consolidated financial statements in accordance with PSAS. 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 methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with PSAS.

Subsequent Events

All events subsequent to the date of the consolidated financial statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed.

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.

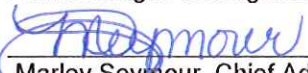
Adjustments

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.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act

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:



Marley Seymour, Chief Administrative
Officer

December 12, 2024

Date signed

December 12, 2024

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, 2022. 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 Interim 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. Marion Grogan, Interim Chief Administrator Officer
Manitoba Intergovernmental Affairs – Municipal Finance & Advisory Services