

TOWN OF LAC DU BONNET

**Consolidated Financial Statements
For the Year Ended December 31, 2019**

STATEMENT OF RESPONSIBILITY

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

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

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

Exchange Chartered Professional Accountants LLP as the Town's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Town in accordance with Canadian public sector accounting standards.



Darcey Wittig
Chief Administrative Officer

TOWN OF LAC DU BONNET

84 Second Street
Lac du Bonnet, MB
R0E 1A0

Exchange Chartered Professional Accountants LLP
1-554 St Mary's Road
Winnipeg Manitoba R2M 3L5

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Town of Lac du Bonnet for the year ended December 31, 2019, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

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 January 20, 2020 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the 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 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 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 financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;

2. Fraud and Non Compliance (continued)

- 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 financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the Town'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 public sector accounting standards.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. 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. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the 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 financial statements.

7. 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.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

10. Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

11. Direct liabilities

We have recorded in the accounts all known liabilities of our Town as at December 31, 2019 except for trivial amounts.

12. Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

13. Future plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

14. Inventories

The inventories were the property of our entity and were determined by actual count, weight or measurement. They do not include any items billed to customers but not shipped, any items returned by customers for which credits have not been recorded, any items on consignment, bill-and-hold arrangements, or other arrangements either owned by us or by our suppliers.

Inventories were measured at the lower of actual cost and net realizable value.

In pricing the inventories, due allowance was made for slow-moving, obsolete, unsaleable or unusable items.

Inventories were measured on the same basis and were determined in the same manner as inventories at the end of the preceding period.

15. Journal entries

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

16. Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

17. Material measurement uncertainties

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

18. Property, plant and equipment

Property, plant and equipment are recorded at cost. We have good and valid title to all items of property and equipment reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended December 31, 2019, no material amounts relating to additions or improvements of property, plant and equipment were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the property using the declining balance method.

We have evaluated property, plant and equipment for recoverability in accordance with the provisions of the CPA Canada Handbook – Accounting, Part II, Section 3063 (Impairment of Long-Lived Assets). Impairment losses have been recognized in earnings when required.

19. Receivables

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

20. Regulatory compliance

We are up to date with all corporate filings and annual returns. This includes all Canada Revenue Agency and HST/GST/PST returns.

21. Revenue recognition

We have recorded all revenue that met the following criteria:

- a. Persuasive evidence of an arrangement exists;
- b. Delivery has occurred, or services have been rendered;
- c. Price is fixed or determinable; and
- d. Collectability is reasonably assured.

22. Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

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

We hereby acknowledge that Exchange Chartered Professional Accountants LLP 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 Exchange Chartered Professional Accountants LLP to release and disclose information about Town of Lac du Bonnet as required by statute.

24. None of the councillors were in debt to the Town

None of the councillors were in debt to the Town, other than in the ordinary course of business at the year-end or at any time during the year.

25. Management fees, wages or bonuses paid to (or accrued on behalf of) related parties

All management fees, bonuses or other remuneration paid to or accrued on behalf of councillors or related parties represent the fair market value of services performed for, or goods provided to, the Town.

26. Significant Customers/Suppliers

We have disclosed to you all significant customers and/or suppliers who individually represent a significant volume of transactions with the organization. We are of the opinion that the volume of transactions (e.g. sales, services, purchases, borrowing and lending) done by the organization with any one party is not of significant magnitude that discontinuance would have a material negative effect on the ongoing operations of the organization.

27. Unrecorded Assets

There are no material unrecorded assets, that have not been disclosed to you.

28. Outstanding Claims

We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal council.

29. Minutes

The minute books are a complete record of all meetings and resolutions throughout the period and to the present date.

30. Environmental Laws and Regulations

We are aware of the environmental laws and regulations that have an impact on our organization and we are in compliance. There are no known environmental liabilities that have not been accrued or disclosed in the financial statements.

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

 _____, mayor

 _____
Date signed

INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
Town of Lac du Bonnet

Opinion

We have audited the accompanying consolidated financial statements of the Town of Lac du Bonnet, which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Lac du Bonnet as at December 31, 2019, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2019 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
January 8, 2021



January 7, 2021

Town of Lac du Bonnet
84 Second Street
Lac du Bonnet MB R0E 1A0

Attention: Ms. Darcey Wittig, CAO

Dear Ms. Wittig:

During the course of our audit of Town of Lac du Bonnet for the year ended December 31, 2019, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

The matters identified were as follows:

FINANCIAL OVERSIGHT

Observation and Implication:

We note that details recorded in the minutes regarding the third reading fails to meet the requirement of section 137 of the Municipal act. Section 137 of the Municipal Act requires that the minutes of a meeting at which a council votes on the third reading of a by-law must show the name of each member present, the vote or abstention of each member, and the reason given for any abstention.

Observation and Implication:

We note the Town did not adopt and interim operating budget as required by section 163 of the Municipal Act.

may be adopted as per [signature]

ACCOUNTS RECEIVABLE SUBLEDGERS

Observation and Implication:

During the course of the audit, it was observed that the taxes on roll subledger, utility receivable subledger and control accounts receivable subledger can be adjusted without adjustments to the general ledger of the accounting system. This has caused these subledger listings to not agree to the general ledger by a total of \$4,172. The difference between the account receivable subledger and the general ledger was written off so as to be in agreement.

BANK RECONCILIATIONS

Observation and Implication:

During the course of the audit, we note that monthly bank reconciliations were not being done on any of the reserve bank accounts. Because the Town was using the reserve bank accounts to assist with its cash flows, reconciling the bank balances at December became more difficult. It is vital that decision makers have accurate information.

ENVIRONMENTAL OPTIONS LTD.

Observation and Implication:

During the course of the audit, we note that the Town has loaned Environmental Options Ltd. approximately \$110,338. Section 180(1) requires a municipality that loans money to entities to do so by by-law. The Town does not have a by-law. While Environmental Options Ltd. has operated for only 4 months to December 31, 2020, there appears to be a cash flow problem with its operations as the Town continues to supplement the bank balance of that organization to ensure it can meet its obligations. The financial stability of Environmental Options Ltd. will need to be evaluated each year and if the going concern assumption can not be satisfied, the Town will be required to record an impairment for the loan balance. This will be a significant loss in the records of the Town.

CHEQUE SIGNING AUTHORITY

Observation and Implication:

During the audit, we noted that the documentation presented as evidence to support repayment to authorized cheque signers was inadequate. The person who is the payee should not be approving the cheque and/or not signing the cheque. This will mitigate the potential risk of fraud for the Town.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours very truly,

Exchange

Chartered Professional Accountants LLP

The Council has reviewed this letter:

Gordon Peters
Name (Print)


Signature

Mayor
Position

Jan 8, 2021
Date

TOWN OF LAC DU BONNET

Consolidated Financial Statements

For the Year Ended December 31, 2019

| | |
|---|----|
| Consolidated Statement of Financial Position | 5 |
| Consolidated Statement of Operations | 6 |
| Consolidated Statement of Change in Net Financial Assets | 7 |
| Consolidated Statement of Cash Flows | 8 |
| Notes to the Consolidated Financial Statements | 9 |
| Schedule 1 - Consolidated Schedule of Tangible Capital Assets | 15 |
| Schedule 2 - Consolidated Schedule of Revenues | 16 |
| Schedule 3 - Consolidated Schedule of Expenses | 17 |
| Schedule 4 - Consolidated Statement of Operations by Program | 19 |
| Schedule 5 - Consolidated Details and Reconciliation to Core Government Results | 21 |
| Schedule 6 - Schedule of Change in Reserve Fund Balances | 22 |
| Schedule 7 - Schedule of L.U.D. Operations | 24 |
| Schedule 8 - Schedule of Financial Position for Utilities | 25 |
| Schedule 9 - Schedule of Utility Operations | 26 |
| Schedule 10 - Reconciliation of the Financial Plan to the Budget | 28 |
| Schedule 11 - Analysis of Taxes on Roll | 29 |
| Schedule 12 - Analysis of Tax Levy | 30 |
| Schedule 13 - Schedule of General Operating Fund Expenses | 31 |
| Schedule 14 - Reconciliation of Annual Surplus (Deficit) | 33 |

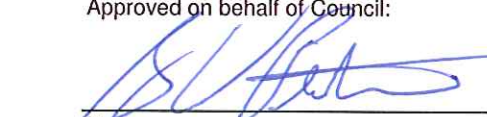
TOWN OF LAC DU BONNET
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2019

DRAFT

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 3) | \$ 2,400,346 | \$ 3,192,405 |
| Amounts receivable (Note 4) | <u>859,010</u> | <u>298,216</u> |
| | <u>\$ 3,259,356</u> | <u>\$ 3,490,621</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 279,651 | \$ 201,707 |
| Long-term debt (Note 6) | <u>1,663,614</u> | <u>1,756,968</u> |
| | <u>1,943,265</u> | <u>1,958,675</u> |
| NET FINANCIAL ASSETS | <u>\$ 1,316,091</u> | <u>\$ 1,531,946</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 1) | \$ 8,493,498 | \$ 7,637,767 |
| Inventory | 812 | 678 |
| Prepaid expenses | <u>20,089</u> | <u>16,146</u> |
| | <u>8,514,399</u> | <u>7,654,591</u> |
| ACCUMULATED SURPLUS (Note 10) | <u>\$ 9,830,490</u> | <u>\$ 9,186,537</u> |

COMMITMENTS (Note 14)

Approved on behalf of Council:



 Mayor



 Councillor

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

| | 2019 <u>Budget</u> (Note 9) | 2019 <u>Actual</u> | 2018 <u>Actual</u> |
|--|-----------------------------------|-----------------------|-----------------------|
| REVENUE | | | |
| Property taxes | \$ 1,208,645 | \$ 1,196,668 | \$ 1,173,832 |
| Grants in lieu of taxation | 101,480 | 101,480 | 93,391 |
| User fees | 113,069 | 90,421 | 32,128 |
| Permits, licences and fines | 4,800 | 2,811 | 35,878 |
| Investment income | 7,464 | 46,264 | 38,206 |
| Other revenue | 190,628 | 27,588 | 28,744 |
| Water and sewer | 1,381,755 | 1,100,131 | 579,199 |
| Grants - Province of Manitoba | 265,042 | 251,161 | 254,909 |
| Grants - other | <u>915,362</u> | <u>172,177</u> | <u>155,604</u> |
| Total revenue (Schedules 2, 4 and 5) | <u>4,188,245</u> | <u>2,988,701</u> | <u>2,391,891</u> |
| EXPENSES | | | |
| General government services | 583,151 | 609,375 | 522,382 |
| Protective services | 251,257 | 248,381 | 253,237 |
| Transportation services | 444,104 | 521,975 | 412,452 |
| Environmental health services | 164,657 | 158,217 | 114,880 |
| Public health and welfare services | 15,900 | 2,106 | 1,232 |
| Regional planning and development | 83,043 | 83,091 | 88,590 |
| Resource conservation and industrial development | 18,875 | 24,964 | 53,149 |
| Recreation and cultural services | 206,028 | 198,221 | 162,400 |
| Water and sewer services | <u>546,394</u> | <u>526,118</u> | <u>574,591</u> |
| Total expenses (Schedules 3, 4 and 5) | <u>2,313,409</u> | <u>2,372,448</u> | <u>2,182,913</u> |
| ANNUAL SURPLUS | <u>\$ 1,874,836</u> | 616,253 | 208,978 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | | 9,186,537 | 8,977,559 |
| NEW CONTROLLED ORGANIZATION (Note 2) | | <u>27,700</u> | - |
| ACCUMULATED SURPLUS, AS RESTATED | | <u>9,214,237</u> | <u>8,977,559</u> |
| ACCUMULATED SURPLUS, END OF YEAR | | <u>\$ 9,830,490</u> | <u>\$ 9,186,537</u> |

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2019

| | <u>2019 Budget (Note 9)</u> | <u>2019 Actual</u> | <u>2018 Actual</u> |
|--|-------------------------------------|----------------------------|----------------------------|
| ANNUAL SURPLUS (DEFICIT) | \$ 1,874,836 | \$ 616,253 | \$ 208,978 |
| Acquisition of tangible capital assets | (1,216,750) | (1,202,040) | (109,555) |
| Amortization of tangible capital assets | 342,797 | 346,309 | 348,711 |
| Loss (Gain) on sale of tangible capital assets | - | - | - |
| Proceeds on sale of tangible capital assets | - | - | - |
| Decrease (increase) in inventories | - | (134) | (2) |
| Decrease (increase) in prepaid expense | - | (3,943) | (7,498) |
| | <u>(873,953)</u> | <u>(859,808)</u> | <u>231,656</u> |
| CHANGE IN NET FINANCIAL ASSETS | <u>\$ 1,000,883</u> | (243,555) | 440,634 |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | | 1,531,946 | 1,091,312 |
| NEW CONTROLLED ORGANIZATION (Note 2) | | <u>27,700</u> | <u>-</u> |
| NET FINANCIAL ASSETS, AS RESTATED | | <u>1,559,646</u> | <u>1,091,312</u> |
| NET FINANCIAL ASSETS, END OF YEAR | | <u>\$ 1,316,091</u> | <u>\$ 1,531,946</u> |

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

| | <u>2019</u> | <u>2018</u> |
|--|----------------------------|----------------------------|
| OPERATING TRANSACTIONS | | |
| Annual surplus (deficit) | \$ 616,253 | \$ 208,978 |
| Changes in non-cash items: | | |
| Amounts receivable | (560,794) | 122,312 |
| Inventories | (135) | (3) |
| Prepays | (3,943) | (7,498) |
| Accounts payable and accrued liabilities | 77,945 | (100,377) |
| Severance and vested sick leave payable | - | - |
| Landfill closure and post closure liabilities | - | - |
| Environmental liabilities | - | - |
| Loss (Gain) on sale of tangible capital asset | - | - |
| Amortization | 346,309 | 348,711 |
| | <u>475,635</u> | <u>572,123</u> |
| Cash provided by operating transactions | | |
| | <u>475,635</u> | <u>572,123</u> |
| CAPITAL TRANSACTIONS | | |
| Proceeds on sale of tangible capital assets | - | - |
| Cash used to acquire tangible capital assets | (1,202,040) | (109,555) |
| | <u>(1,202,040)</u> | <u>(109,555)</u> |
| Cash applied to capital transactions | | |
| | <u>(1,202,040)</u> | <u>(109,555)</u> |
| INVESTING TRANSACTIONS | | |
| Proceeds on sale of portfolio investments | - | - |
| Proceeds on sale of real estate properties | - | - |
| Loans and advances repaid | - | - |
| Purchase of shares (Note 2) | 27,700 | - |
| Acquisition of real estate properties | - | - |
| Loans and advances issued | - | - |
| | <u>27,700</u> | <u>-</u> |
| Cash applied to investing transactions | | |
| | <u>27,700</u> | <u>-</u> |
| FINANCING TRANSACTIONS | | |
| Proceeds of long-term debt | - | - |
| Debt repayment | (93,354) | (88,063) |
| Obligation under capital lease | - | - |
| Repayment of obligation under capital lease | - | - |
| | <u>(93,354)</u> | <u>(88,063)</u> |
| Cash applied to financing transactions | | |
| | <u>(93,354)</u> | <u>(88,063)</u> |
| INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS | (792,059) | 374,505 |
| CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR | <u>3,192,405</u> | <u>2,817,900</u> |
| CASH AND TEMPORARY INVESTMENTS, END OF YEAR | <u>\$ 2,400,346</u> | <u>\$ 3,192,405</u> |

The accompanying notes are an integral part of this financial statement

TOWN OF LAC DU BONNET
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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. Significant Accounting Policies

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

a) Reporting Entity

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

Environmental Options Ltd. (consolidated 100%)

The Town acquired 100% of the voting shares of Environmental Options Ltd for \$27,700 (with shares valued at \$10) in August of 2019. The operations from August 2019 to December 31, 2019 have been included in the consolidated financial statements.

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

Lac du Bonnet Planning District (consolidated 25%) (2018 – 25%)

Lac du Bonnet Regional Library Board (consolidated 26%) (2018 – 26%)

Agassiz Weed Control (consolidated 5%) (2018 - 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, 2019.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the fiscal year end date.

f) 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.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

| | |
|---|----------------|
| Land | Indefinite |
| Land Improvements | 10 to 30 years |
| Buildings and leasehold improvements | |
| Buildings | 25 to 40 years |
| Leasehold improvements | Life of lease |
| Vehicles and Equipment | |
| Vehicles | 5 years |
| Machinery, equipment and furniture | 10 years |
| Maintenance and road construction equipment | 15 years |
| Computer Hardware and Software | 4 years |

Infrastructure Assets

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

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

h) Leases

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

i) Inventories

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

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

j) 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 and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

k) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

| | <u>2019</u> | <u>2018</u> |
|-----------------------|---------------------|---------------------|
| Cash | \$ 2,400,346 | \$ 3,192,405 |
| Temporary investments | - | - |
| | <u>\$ 2,400,346</u> | <u>\$ 3,192,405</u> |

The Town has designated \$2,129,339 (2018 - \$2,008,736) 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>2019</u> | <u>2018</u> |
|--------------------------------------|-------------------|-------------------|
| Taxes on roll (Schedule 11) | \$ 119,921 | \$ 113,881 |
| Government grants | 12,251 | 10,713 |
| Utility customers | 618,590 | 83,549 |
| Accrued interest | - | - |
| Organizations and individuals | 21,025 | 25,681 |
| Other governments | 92,116 | 69,285 |
| | <u>863,903</u> | <u>303,109</u> |
| Less allowances for doubtful amounts | <u>(4,893)</u> | <u>(4,893)</u> |
| | <u>\$ 859,010</u> | <u>\$ 298,216</u> |

5. Accounts Payable and Accrued Liabilities

| | <u>2019</u> | <u>2018</u> |
|----------------------------------|-------------------|-------------------|
| Accounts payable | \$ 81,950 | \$ 100,745 |
| Accrued expenses | 16,094 | 10,456 |
| Severance and sick leave payable | 20,361 | 17,386 |
| Refundable deposits | 42,251 | 41,850 |
| School levies | 118,995 | 31,270 |
| Other governments | - | - |
| | <u>\$ 279,651</u> | <u>\$ 201,707</u> |

6. Long Term Debt

| | 2019 | 2018 |
|--|---------------------|---------------------|
| Utility Funds: | | |
| Province of Manitoba Debenture for Water and Sewer, interest at 6.38%, payable at \$97,243 annually including interest, maturing December 2028 | \$ 650,754 | \$ 703,170 |
| Royal Bank Debenture for Water and Sewer, interest at 5.68%, payable at \$4,687 monthly including interest, maturing January 2035 | 568,925 | \$ 592,129 |
| Royal Bank Debenture for Water and Sewer, interest at 5.05%, payable at \$3,387 monthly including interest, maturing November 2035 | 443,935 | 461,669 |
| | <u>\$ 1,663,614</u> | <u>\$ 1,756,968</u> |

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

| | |
|------|------------|
| 2020 | \$ 98,966 |
| 2021 | \$ 104,916 |
| 2022 | \$ 111,226 |
| 2023 | \$ 117,918 |
| 2024 | \$ 125,015 |

7. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$27,562 (2018 - \$23,327) 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

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Accumulated surplus consists of the following: | | |
| General operating fund - Nominal surplus | \$ (58,323) | \$ 61,048 |
| Utility operating fund(s) - Nominal surplus | 980,063 | 1,191,186 |
| TCA net of related borrowings | 6,774,101 | 5,880,799 |
| Reserve funds | <u>2,129,339</u> | <u>2,008,736</u> |
| Accumulated surplus of town unconsolidated | 9,825,180 | 9,141,769 |
| Accumulated surpluses of consolidated entities | <u>5,310</u> | <u>44,768</u> |
| Accumulated surplus per Consolidated Statement of Financial Position | <u>\$ 9,830,490</u> | <u>\$ 9,186,537</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, 2019:

a) Compensation paid to members of council amounted to \$56,412 in aggregate.

b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

| | <u>Compensation</u> | <u>Expenses</u> | <u>Total</u> |
|-------------------------------|---------------------|-----------------|------------------|
| Mayor - Gordon Peters | \$ 13,240 | \$ 1,014 | \$ 14,254 |
| Councillor - Ted Mathers | 10,580 | 1,049 | 11,629 |
| Councillor - Keegan Sveinsson | 8,936 | 487 | 9,423 |
| Councillor - Greg Short | 10,170 | 657 | 10,827 |
| Councillor - Brian Choptain | <u>9,830</u> | <u>449</u> | <u>10,279</u> |
| | <u>\$ 52,756</u> | <u>\$ 3,656</u> | <u>\$ 56,412</u> |

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

| | | |
|----------------|----------------------|-----------|
| Geoff Blacklin | Public Works Manager | \$ 81,591 |
| Darcey Wittig | CAO | \$ 75,936 |

12. Segmented Information

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

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

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

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

13. Government Partnerships

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

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|--------------------|
| Financial Position | | |
| Financial Assets | \$ 65,396 | \$ 80,327 |
| Liabilities | <u>(42,448)</u> | <u>(42,794)</u> |
| Net financial assets (liabilities) | \$ 22,948 | \$ 37,533 |
| Non-financial assets | <u>6,618</u> | <u>7,235</u> |
| Accumulated surplus | <u>\$ 29,566</u> | <u>\$ 44,768</u> |
| Result of Operations | | |
| Revenues | \$ 58,168 | \$ 89,458 |
| Expenses | <u>(61,438)</u> | <u>(93,836)</u> |
| Annual surplus | \$ (3,270) | \$ (4,378) |
| Elimination of revenues/expenses for consolidation | <u>(5,041)</u> | <u>(6,888)</u> |
| Consolidated annual surplus | <u>\$ (8,311)</u> | <u>\$ (11,266)</u> |

14. Commitments

The Town has a landfill agreement with Local Government District of Pinawa. The agreement is in place until January 1, 2020. The agreement states that the Town will pay \$45 per metric tonne and the rate is to be reviewed annually. Actual tonnage reports have not been made since 2003, and usage is estimated using the WRARS calculation of 0.66 per capita annually. Actual costs incurred for the year ending December 31, 2019 was \$37,500 (2018 - \$40,700).

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.

| <u>Description of Utility</u> | <u>Unamortized Opening Balance</u> | <u>Additions During Year</u> | <u>Amortization During Year</u> | <u>Unamortized Balance Ending</u> |
|-------------------------------|--|----------------------------------|-------------------------------------|---|
| Watermain renewal | <u>\$ -</u> | <u>\$ 501,797</u> | <u>\$ 4,177</u> | <u>\$ 497,620</u> |

16. Subsequent event

Subsequent to year-end, the Town purchased a 2019 Ford F350 truck from Vicker Ford at a cost of \$55,257.

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Town continues to maintain operations where possible, while looking out for the needs and safety of the public and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

TOWN OF LAC DU BONNET

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2019

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 | 2019 | 2018 | |
| Cost | | | | | | | | | | | |
| Opening costs | \$ 620,678 | \$ 1,143,641 | \$ 1,453,090 | \$ 35,582 | \$ 6,564 | \$ 1,397,210 | \$ 7,521,313 | \$ 24,353 | \$ 12,202,431 | \$ 12,092,876 | |
| Additions during the year | 45,578 | 14,569 | 69,315 | - | - | - | 1,103,495 | - | 1,232,957 | 492,796 | |
| Disposals and write downs | - | - | - | - | (6,564) | - | - | (24,353) | (30,917) | (383,241) | |
| Closing costs | 666,256 | 1,158,210 | 1,522,405 | 35,582 | - | 1,397,210 | 8,624,808 | - | 13,404,471 | 12,202,431 | |
| Accumulated Amortization | | | | | | | | | | | |
| Opening accum'd amortization | 22,040 | 840,366 | 1,196,748 | 32,813 | - | 495,661 | 1,977,036 | - | 4,564,664 | 4,215,953 | |
| Amortization | 9,064 | 26,763 | 49,912 | 1,385 | - | 69,861 | 189,324 | - | 346,309 | 348,711 | |
| Disposals and write downs | - | - | - | - | - | - | - | - | - | - | |
| Closing accum'd amortization | 31,104 | 867,129 | 1,246,660 | 34,198 | - | 565,522 | 2,166,360 | - | 4,910,973 | 4,564,664 | |
| Net Book Value of Tangible Capital Assets | \$ 635,152 | \$ 291,081 | \$ 275,745 | \$ 1,384 | \$ - | \$ 831,688 | \$ 6,458,448 | \$ - | \$ 8,493,498 | \$ 7,637,767 | |

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2019

SCHEDULE 2

| | 2019 Actual | 2018 Actual |
|---|---------------------|---------------------|
| Property taxes: | | |
| Municipal taxes levied (Schedule 12) | \$ 1,196,153 | \$ 1,159,466 |
| Taxes added | 515 | 14,366 |
| | <u>1,196,668</u> | <u>1,173,832</u> |
| Grants in lieu of taxation: | | |
| Federal government | - | - |
| Federal government enterprises | 8,822 | 8,119 |
| Provincial government | 56,535 | 52,029 |
| Provincial government enterprises | 36,122 | 33,243 |
| Other local governments | - | - |
| Non-government organizations | - | - |
| | <u>101,480</u> | <u>93,391</u> |
| User fees | | |
| Parking meters | - | - |
| Sales of service | 75,302 | 16,318 |
| Sales of goods | 719 | 710 |
| Rentals | 14,400 | 15,100 |
| Development charges | - | - |
| Facility use fees | - | - |
| | <u>90,421</u> | <u>32,128</u> |
| Permits, licences and fines | | |
| Permits | - | 21,576 |
| Licences | 320 | 345 |
| Fees | - | 12,591 |
| Fines | 2,491 | 1,366 |
| | <u>2,811</u> | <u>35,878</u> |
| Investment income: | | |
| Cash and temporary investments | 46,264 | 38,206 |
| Marketable securities | - | - |
| Municipal debentures | - | - |
| Other (specify): | - | - |
| | <u>46,264</u> | <u>38,206</u> |
| Other revenue: | | |
| Gain on sale of tangible capital assets | - | - |
| Gain on sale of real estate held for sale | - | - |
| Contributed assets | - | - |
| Penalties and interest | 14,987 | 20,519 |
| Miscellaneous (specify): | 12,601 | 8,225 |
| | <u>27,588</u> | <u>28,744</u> |
| Water and sewer | | |
| Municipal utility (Schedule 9) | 1,100,131 | 579,199 |
| Consolidated water co-operatives | - | - |
| | <u>1,100,131</u> | <u>579,199</u> |
| Grants - Province of Manitoba | | |
| Municipal operating grants | 237,476 | 243,232 |
| Other unconditional grants | - | 11,677 |
| Conditional grants | 13,685 | - |
| | <u>251,161</u> | <u>254,909</u> |
| Grants - other | | |
| Federal government - gas tax funding | 116,814 | 60,482 |
| Federal government - other | 708 | 696 |
| Other municipal governments | 54,655 | 94,426 |
| | <u>172,177</u> | <u>155,604</u> |
| Total revenue | <u>\$ 2,988,701</u> | <u>\$ 2,391,891</u> |

TOWN OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

| | 2019 Actual | 2018 Actual |
|---|---------------------|---------------------|
| General government services: | | |
| Legislative | \$ 56,816 | \$ 49,112 |
| General administrative | 395,554 | 340,201 |
| Other | 157,005 | 133,069 |
| | <u>609,375</u> | <u>522,382</u> |
| Protective services: | | |
| Police | 149,794 | 149,794 |
| Fire | 57,732 | 52,649 |
| Emergency measures | 13,928 | 15,481 |
| Other | 26,927 | 35,313 |
| | <u>248,381</u> | <u>253,237</u> |
| Transportation services: | | |
| Road transport | | |
| Administration and engineering | - | - |
| Road and street maintenance | 395,023 | 256,860 |
| Bridge maintenance | - | - |
| Sidewalk and boulevard maintenance | 1,851 | 3,299 |
| Street lighting | 17,697 | 36,841 |
| Other | 105,394 | 113,442 |
| Air transport | 2,010 | 2,010 |
| Public transit | - | - |
| Other | - | - |
| | <u>521,975</u> | <u>412,452</u> |
| Environmental health services: | | |
| Waste collection and disposal | 66,482 | 70,056 |
| Recycling | 76,884 | 33,133 |
| Other | 14,851 | 11,691 |
| | <u>158,217</u> | <u>114,880</u> |
| Public health and welfare services: | | |
| Public health | - | - |
| Medical care | - | - |
| Social assistance | 876 | 876 |
| Other | 1,230 | 356 |
| | <u>2,106</u> | <u>1,232</u> |
| Regional planning and development | | |
| Planning and zoning | 48,922 | 61,502 |
| Urban renewal | - | - |
| Beautification and land rehabilitation | 9,488 | 6,238 |
| Urban area weed control | 24,681 | 20,850 |
| Other | - | - |
| | <u>83,091</u> | <u>88,590</u> |
| Resource conservation and industrial development | | |
| Rural area weed control | - | - |
| Drainage of land | - | - |
| Veterinary services | - | - |
| Water resources and conservation | - | - |
| Regional development | 15,911 | 29,208 |
| Industrial development | - | - |
| Tourism | 718 | 8,046 |
| Other | 8,335 | 15,895 |
| | <u>24,964</u> | <u>53,149</u> |
| Sub-totals forward | <u>\$ 1,648,109</u> | <u>\$ 1,445,922</u> |

TOWN OF LAC DU BONNET
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 3

| | 2019 Actual | 2018 Actual |
|--|----------------------------|----------------------------|
| Sub-totals forward | \$ 1,648,109 | \$ 1,445,922 |
| Recreation and cultural services: | | |
| Administration | - | - |
| Community centers and halls | 9,904 | 9,230 |
| Swimming pools and beaches | 14,192 | 16,148 |
| Golf courses | - | - |
| Skating and curling rinks | 50,733 | 18,492 |
| Parks and playgrounds | 18,300 | 23,690 |
| Other recreational facilities | 44,421 | 32,661 |
| Museums | 1,311 | 1,132 |
| Libraries | 43,750 | 44,924 |
| Other cultural facilities | 15,610 | 16,123 |
| | <u>198,221</u> | <u>162,400</u> |
| Water and sewer services (Schedule 9) | | |
| Municipal utility (Schedule 9) | 526,118 | 574,591 |
| Consolidated water co-operatives | - | - |
| | <u>526,118</u> | <u>574,591</u> |
| Total expenses | <u>\$ 2,372,448</u> | <u>\$ 2,182,913</u> |

TOWN OF LAC DU BONNET

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2019

SCHEDULE 4

| | General Government* | | Protective Services | | Transportation Services | | Environmental Health Services | | Public Health and Welfare Services | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|---------------------|-------------------------------|--------------------|------------------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUE | | | | | | | | | | |
| Property taxes | \$ 1,002,544 | \$ 979,708 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants in lieu of taxation | 101,480 | 93,391 | - | - | - | - | - | - | - | - |
| User fees | 47,203 | 23,927 | - | - | - | - | 17,349 | - | - | - |
| Grants - other | 116,815 | 95,090 | - | - | - | - | 41,614 | 36,844 | - | - |
| Permits, licences and fines | 320 | 345 | 2,491 | 1,366 | - | - | - | - | - | - |
| Investment income | 44,801 | 36,965 | - | - | - | - | - | - | - | - |
| Other revenue | 22,313 | 25,131 | - | - | - | - | - | - | - | - |
| Water and sewer | - | - | - | - | - | - | - | - | - | - |
| Prov of MB - Unconditional Grants | 239,491 | 243,232 | - | - | - | - | - | - | - | - |
| Prov of MB - Conditional Grants | - | - | - | - | - | - | - | - | - | - |
| Total revenue | \$ 1,574,967 | \$ 1,497,789 | \$ 2,491 | \$ 1,366 | \$ - | \$ - | \$ 58,963 | \$ 36,844 | \$ - | \$ - |
| EXPENSES | | | | | | | | | | |
| Personnel services | \$ 289,407 | \$ 238,752 | \$ 19,849 | \$ 22,040 | \$ 187,263 | \$ 117,940 | \$ 94,353 | \$ 49,782 | \$ - | \$ - |
| Contract services | 216,790 | 201,042 | 186,096 | 166,476 | 87,379 | 66,395 | 51,779 | 60,291 | 1,230 | 356 |
| Utilities | 9,106 | 8,972 | - | - | 14,694 | 14,247 | 694 | - | - | - |
| Maintenance materials and supplies | 33,564 | 36,189 | 29,431 | 30,222 | 125,235 | 98,418 | 4,525 | 755 | - | - |
| Grants and contributions | 14,097 | 13,361 | - | 22,429 | 2,010 | 2,010 | - | - | - | - |
| Amortization | 15,412 | 15,791 | 13,005 | 12,070 | 105,394 | 113,442 | 6,822 | 4,052 | - | - |
| Interest on long term debt | - | - | - | - | - | - | - | - | - | - |
| Other | 30,999 | 8,275 | - | - | - | - | 44 | - | 876 | 876 |
| Total expenses | \$ 609,375 | \$ 522,362 | \$ 248,381 | \$ 253,237 | \$ 521,975 | \$ 412,452 | \$ 158,217 | \$ 114,880 | \$ 2,106 | \$ 1,232 |
| Surplus (Deficit) | \$ 965,592 | \$ 975,407 | \$ (245,890) | \$ (251,871) | \$ (521,975) | \$ (412,452) | \$ (99,254) | \$ (78,036) | \$ (2,106) | \$ (1,232) |

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

SCHEDULE 4

**TOWN OF LAC DU BONNET
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2019**

| | Regional Planning and Development | | Resource Conservation and Industrial Dev | | Recreation and Cultural Services | | Water and Sewer Services | | Total | |
|------------------------------------|--------------------------------------|--------------------|---|--------------------|-------------------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUE | | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 194,124 | \$ 194,124 | \$ 1,196,668 | \$ 1,173,832 |
| Grants in lieu of taxation | - | - | - | - | - | - | - | - | 101,480 | 93,391 |
| User fees | 21,504 | 6,768 | - | - | 4,365 | 1,433 | - | - | 90,421 | 32,128 |
| Grants - other | 1,745 | 11,545 | - | - | 12,003 | 12,125 | - | - | 172,177 | 155,604 |
| Permits, licences and fines | - | 34,167 | - | - | - | - | - | - | 2,811 | 35,878 |
| Investment income | 1,153 | 996 | - | - | 310 | 245 | - | - | 46,264 | 38,206 |
| Other revenue | 4,911 | 120 | - | - | 364 | 3,493 | - | - | 27,588 | 28,744 |
| Water and sewer | - | - | - | - | - | - | 1,100,131 | 579,199 | 1,100,131 | 579,199 |
| Prov of MB - Unconditional Grants | - | - | - | - | - | - | - | - | 239,491 | 243,232 |
| Prov of MB - Conditional Grants | - | - | - | - | 11,670 | 11,677 | - | - | 11,670 | 11,677 |
| Total revenue | \$ 29,313 | \$ 53,596 | \$ - | \$ - | \$ 28,712 | \$ 28,973 | \$ 1,294,255 | \$ 773,323 | \$ 2,988,701 | \$ 2,391,891 |
| EXPENSES | | | | | | | | | | |
| Personnel services | \$ 21,812 | \$ 42,188 | \$ - | \$ 7,588 | \$ 46,069 | \$ 47,000 | \$ 57,757 | \$ 86,382 | \$ 716,510 | \$ 611,672 |
| Contract services | 53,303 | 39,539 | 24,246 | 10,377 | 19,080 | 25,860 | 109,324 | 132,595 | 749,227 | 702,931 |
| Utilities | 706 | 773 | - | - | 1,996 | 2,133 | - | - | 27,196 | 26,125 |
| Maintenance materials and supplies | 6,184 | 5,067 | 718 | 7,090 | 13,459 | 13,198 | 68,943 | 63,090 | 282,059 | 254,029 |
| Grants and contributions | - | - | - | 22,208 | 101,934 | 57,929 | - | - | 118,041 | 117,937 |
| Amortization | 741 | 769 | - | - | 15,610 | 16,123 | 189,324 | 186,463 | 346,308 | 348,710 |
| Interest on long term debt | - | - | - | - | - | - | 100,770 | 106,061 | 100,770 | 106,061 |
| Other | 345 | 254 | - | 5,886 | 73 | 157 | - | - | 32,337 | 15,448 |
| Total expenses | \$ 83,091 | \$ 88,590 | \$ 24,964 | \$ 53,149 | \$ 198,221 | \$ 162,400 | \$ 526,118 | \$ 574,591 | \$ 2,372,448 | \$ 2,182,913 |
| Surplus (Deficit) | \$ (53,778) | \$ (34,994) | \$ (24,964) | \$ (53,149) | \$ (169,509) | \$ (133,427) | \$ 768,137 | \$ 198,732 | \$ 616,253 | \$ 208,978 |

SCHEDULE 5

TOWN OF LAC DU BONNET
 CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
 For the Year Ended December 31, 2019

| | Core Government | | Controlled Entities | | Government Partnerships | | Total | |
|------------------------------------|---------------------|---------------------|---------------------|-------------|-------------------------|--------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUE | | | | | | | | |
| Property taxes | \$ 1,196,668 | \$ 1,173,832 | \$ - | \$ - | \$ - | \$ - | \$ 1,196,668 | \$ 1,173,832 |
| Grants in lieu of taxation | 101,480 | 93,391 | - | - | - | - | 101,480 | 93,391 |
| User fees | 40,657 | 23,927 | 23,895 | - | 25,869 | 8,201 | 90,421 | 32,128 |
| Grants - other | 165,421 | 131,934 | - | - | 6,756 | 23,670 | 172,177 | 155,604 |
| Permits, licences and fines | 2,811 | 1,711 | - | - | - | 34,167 | 2,811 | 35,878 |
| Investment income | 44,800 | 36,965 | - | - | 1,464 | 1,241 | 46,264 | 38,206 |
| Other revenue | 20,220 | 25,131 | - | - | 7,368 | 3,613 | 27,588 | 28,744 |
| Water and sewer | 1,100,131 | 579,199 | - | - | - | - | 1,100,131 | 579,199 |
| Prov of MB - Unconditional Grants | 239,491 | 231,555 | - | - | - | 11,677 | 239,491 | 243,232 |
| Prov of MB - Conditional Grants | - | 11,677 | - | - | 11,670 | - | 11,670 | 11,677 |
| Total revenue | \$ 2,911,679 | \$ 2,309,322 | \$ 23,895 | \$ - | \$ 53,127 | \$ 82,569 | \$ 2,988,701 | \$ 2,391,891 |
| EXPENSES | | | | | | | | |
| Personnel services | \$ 644,798 | \$ 545,731 | \$ 39,813 | \$ - | \$ 31,399 | \$ 65,941 | \$ 716,510 | \$ 611,672 |
| Contract services | 730,373 | 696,005 | 1,418 | - | 17,436 | 6,926 | 749,227 | 702,931 |
| Utilities | 24,523 | 23,219 | 695 | - | 1,978 | 2,906 | 27,196 | 26,125 |
| Maintenance materials and supplies | 269,869 | 243,033 | 3,402 | - | 8,788 | 10,996 | 282,059 | 254,029 |
| Grants and contributions | 118,041 | 117,937 | - | - | - | - | 118,041 | 117,937 |
| Amortization | 342,852 | 347,941 | 2,770 | - | 686 | 769 | 346,308 | 348,710 |
| Interest on long term debt | 100,770 | 106,061 | - | - | - | - | 100,770 | 106,061 |
| Other | 31,633 | 9,151 | 53 | - | 651 | 6,297 | 32,337 | 15,448 |
| Total expenses | \$ 2,262,859 | \$ 2,089,078 | \$ 48,151 | \$ - | \$ 61,438 | \$ 93,835 | \$ 2,372,448 | \$ 2,182,913 |
| Surplus (Deficit) | \$ 648,820 | \$ 220,244 | \$ (24,256) | \$ - | \$ (8,311) | \$ (11,266) | \$ 616,253 | \$ 208,978 |

SCHEDULE 6

TOWN OF LAC DU BONNET
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019

| | 2019 | | | | | | | | | |
|--|--------------------------|--------------------|---------------------|----------------------------------|---------------------------|---------------------------------------|-----------------------------|--|--|--|
| | Water Utility Reserve #4 | General Reserve #5 | Building Reserve #6 | Equipment Replacement Reserve #7 | Fire Equipment Reserve #8 | Hospital and Personal Care Reserve #9 | Recreation Land Reserve #10 | | | |
| REVENUE | | | | | | | | | | |
| Investment income | \$ 4,473 | \$ 2,488 | \$ 4,535 | \$ 4,148 | \$ 1,502 | \$ 3,839 | \$ 3,873 | | | |
| Other income | - | - | - | - | - | - | - | | | |
| Total revenue | 4,473 | 2,488 | 4,535 | 4,148 | 1,502 | 3,839 | 3,873 | | | |
| EXPENSES | | | | | | | | | | |
| Investment charges | - | - | - | - | - | - | - | | | |
| Other expenses | - | - | - | - | - | - | - | | | |
| Total expenses | - | - | - | - | - | - | - | | | |
| NET REVENUES | 4,473 | 2,488 | 4,535 | 4,148 | 1,502 | 3,839 | 3,873 | | | |
| TRANSFERS | | | | | | | | | | |
| Transfers from general operating fund | - | 56,224 | 15,000 | 15,000 | 25,000 | - | 2,522 | | | |
| Transfers to general operating fund | - | (35,136) | (20,000) | (40,000) | (25,000) | - | (25,000) | | | |
| Transfer between reserves | - | - | - | - | - | - | - | | | |
| Transfer from nominal surplus | - | - | - | - | - | - | - | | | |
| Transfers from utility operating fund | - | - | - | - | - | - | - | | | |
| Transfers to utility operating fund | - | - | - | - | - | - | - | | | |
| Acquisition of tangible capital assets | - | - | - | - | - | - | - | | | |
| CHANGE IN RESERVE FUND BALANCES | 4,473 | 23,576 | (465) | (20,852) | 1,502 | 3,839 | (18,605) | | | |
| FUND SURPLUS, BEGINNING OF YEAR | 388,290 | 244,802 | 174,451 | 294,226 | 117,935 | 168,865 | 206,706 | | | |
| FUND SURPLUS, END OF YEAR | \$ 392,763 | \$ 268,378 | \$ 173,986 | \$ 273,374 | \$ 119,437 | \$ 172,704 | \$ 188,101 | | | |

TOWN OF LAC DU BONNET
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019

SCHEDULE 6

| | 2019 | | | | 2018 | |
|--|---------------------|---------------------|------------------------------------|--------------------------------|--------------|--------------|
| | Airport Reserve #11 | Gas Tax Reserve #12 | Contingency Operations Reserve #13 | Wastewater Utility Reserve #15 | Total | Total |
| REVENUE | | | | | | |
| Investment income | \$ 229 | \$ 3,928 | \$ 776 | \$ 5,388 | \$ 35,179 | \$ 26,096 |
| Other income | - | - | - | - | - | - |
| Total revenue | 229 | 3,928 | 776 | 5,388 | 35,179 | 26,096 |
| EXPENSES | | | | | | |
| Investment charges | - | - | - | - | - | - |
| Other expenses | - | - | - | - | - | - |
| Total expenses | - | - | - | - | - | - |
| NET REVENUES | 229 | 3,928 | 776 | 5,388 | 35,179 | 26,096 |
| TRANSFERS | | | | | | |
| Transfers from general operating fund | 1,400 | 116,814 | - | - | 231,960 | 272,556 |
| Transfers to general operating fund | (1,400) | - | - | - | (146,536) | (50,957) |
| Transfer between reserves | - | - | - | - | - | - |
| Transfer from nominal surplus | - | - | - | - | - | - |
| Transfers from utility operating fund | - | - | - | - | - | 261,750 |
| Transfers to utility operating fund | - | - | - | - | - | (24,353) |
| Acquisition of tangible capital assets | - | - | - | - | - | - |
| CHANGE IN RESERVE FUND BALANCES | 229 | 120,742 | 776 | 5,388 | 120,603 | 485,092 |
| FUND SURPLUS, BEGINNING OF YEAR | 13,581 | 122,011 | 47,216 | 230,653 | 2,008,736 | 1,523,644 |
| FUND SURPLUS, END OF YEAR | \$ 13,810 | \$ 242,753 | \$ 47,992 | \$ 236,041 | \$ 2,129,339 | \$ 2,008,736 |

TOWN OF LAC DU BONNET
 SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
 For the Year Ended December 31, 2019

SCHEDULE 7

| | 2019 Budget | 2019 Actual | 2018 Actual |
|--|----------------|----------------|----------------|
| Revenue | | | |
| Taxation | \$ - | \$ - | \$ - |
| Other Revenue | - | - | - |
| Total revenue | - | - | - |
| Expenses | | | |
| General Government: | | | |
| Indemnities | - | - | - |
| Transportation Services | | | |
| Road and street maintenance | - | - | - |
| Bridge maintenance | - | - | - |
| Sidewalk and boulevard maintenance | - | - | - |
| Street lighting | - | - | - |
| Other | - | - | - |
| Environmental health | | | |
| Waste collection and disposal | - | - | - |
| Recycling | - | - | - |
| Other | - | - | - |
| Regional planning and development | | | |
| Planning and zoning | - | - | - |
| Urban renewal | - | - | - |
| Beautification and land rehabilitation | - | - | - |
| Urban area weed control | - | - | - |
| Other | - | - | - |
| Recreation and cultural services | | | |
| Community centers and halls | - | - | - |
| Swimming pools and beaches | - | - | - |
| Golf courses | - | - | - |
| Skating and curling rinks | - | - | - |
| Parks and playgrounds | - | - | - |
| Other recreational facilities | - | - | - |
| Museums | - | - | - |
| Libraries | - | - | - |
| Other cultural facilities | - | - | - |
| Total expenses | - | - | - |
| Net revenues (expenses) | - | - | - |
| Transfers: | | | |
| Transfers from (to) L.U.D. reserves | - | - | - |
| Transfers from (to) operating fund | - | - | - |
| Other | - | - | - |
| Change in L.U.D. balances | \$ - | - | - |
| Unexpended balance, beginning of year | | - | - |
| Unexpended balance, end of year | | \$ - | - |

TOWN OF LAC DU BONNET

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

December 31, 2019

| | 2019 Total | 2018 Total |
|--|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments | \$ 113,860 | \$ 1,128,144 |
| Amounts receivable | 618,590 | 83,549 |
| Portfolio investments | - | - |
| Due from other funds | 249,650 | - |
| | <u>\$ 982,100</u> | <u>\$ 1,211,693</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 2,037 | \$ 2,604 |
| Deferred revenue | - | - |
| Long-term debt (Note 9) | 1,663,614 | 1,756,968 |
| Due to other funds | - | 17,903 |
| | <u>1,665,651</u> | <u>1,777,475</u> |
| NET FINANCIAL ASSETS (NET DEBT) | <u>\$ (683,551)</u> | <u>\$ (565,782)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 1) | \$ 6,458,448 | \$ 5,568,630 |
| Inventories | - | - |
| Prepaid expenses | - | - |
| | <u>6,458,448</u> | <u>5,568,630</u> |
| FUND SURPLUS | <u>\$ 5,774,897</u> | <u>\$ 5,002,848</u> |

SCHEDULE OF UTILITY OPERATIONS - Water and Sewer
For the Year Ended December 31, 2019

| | <u>Budget</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|-------------------|
| REVENUE | | | |
| Water | | | |
| Water fees | \$ 262,000 | \$ 234,831 | \$ 270,416 |
| Bulk Water fees | 138,000 | 138,412 | 140,039 |
| sub-total- water | <u>400,000</u> | <u>373,243</u> | <u>410,455</u> |
| Sewer | | | |
| Sewer fees | 201,455 | 199,210 | 145,375 |
| Lagoon tipping fees | - | - | - |
| sub-total- sewer | <u>201,455</u> | <u>199,210</u> | <u>145,375</u> |
| Property taxes | <u>194,124</u> | <u>194,124</u> | <u>194,124</u> |
| Government transfers | | | |
| Operating | - | - | - |
| Capital | 750,000 | 501,797 | - |
| sub-total- government transfers | <u>750,000</u> | <u>501,797</u> | <u>-</u> |
| Other | | | |
| Hydrant rentals | 6,300 | 6,300 | - |
| Connection charges | 13,500 | 2,637 | 1,230 |
| Installation service | - | - | - |
| Penalties | 3,500 | 974 | 2,150 |
| Contributed tangible capital assets | - | - | - |
| Investment income | 2,000 | 15,970 | 19,989 |
| Administration fees | - | - | - |
| Gain on sale of tangible capital assets | - | - | - |
| Other income | 5,000 | - | - |
| sub-total- other | <u>30,300</u> | <u>25,881</u> | <u>23,369</u> |
| Total revenue | <u>\$ 1,575,879</u> | <u>\$ 1,294,255</u> | <u>\$ 773,323</u> |

TOWN OF LAC DU BONNET
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Water and Sewer
 For the Year Ended December 31, 2019

SCHEDULE 9

| | <u>Budget</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------|---------------------|---------------------|
| EXPENSES | | | |
| General | | | |
| Administration | \$ 4,300 | \$ 3,534 | \$ 18,344 |
| Training costs | 4,000 | - | - |
| Billing and collection | - | - | 7,452 |
| Utilities (telephone, electricity, etc.) | - | - | - |
| sub-total- general | <u>8,300</u> | <u>3,534</u> | <u>25,796</u> |
| Water General | | | |
| Purification and treatment | 111,000 | 148,766 | 117,637 |
| Water purchases | - | - | - |
| Transmission and distribution | 13,500 | 31,238 | 32,967 |
| Hydrant maintenance | 1,000 | 7,440 | 9,288 |
| Transportation services | - | - | - |
| Connection costs | 500 | 1,824 | 1,807 |
| Other | 30,000 | 4,652 | 20,185 |
| sub-total- water general | <u>156,000</u> | <u>193,920</u> | <u>181,884</u> |
| Water Amortization & Interest | | | |
| Amortization | - | 179,736 | 176,875 |
| Interest on long term debt | 194,125 | 100,770 | 106,061 |
| sub-total- water amortization & interest | <u>194,125</u> | <u>280,506</u> | <u>282,936</u> |
| Sewer General | | | |
| Collection system costs | 7,000 | 3,309 | 3,061 |
| Treatment and disposal cost | 65,000 | 26,770 | 64,537 |
| Lift Station costs | 8,000 | 8,429 | 6,764 |
| Transportation services | - | - | - |
| Connection costs | 2,000 | 61 | - |
| Other sewage & disposal costs | 10,000 | - | 24 |
| sub-total- sewer general | <u>92,000</u> | <u>38,569</u> | <u>74,386</u> |
| Sewage Amortization & Interest | | | |
| Amortization | - | 9,589 | 9,589 |
| Interest on long term debt | - | - | - |
| sub-total- sewer amortization & interest | <u>-</u> | <u>9,589</u> | <u>9,589</u> |
| Total expenses | <u>450,425</u> | <u>526,118</u> | <u>574,591</u> |
| NET OPERATING SURPLUS | 1,125,454 | 768,137 | 198,732 |
| TRANSFERS | | | |
| Transfers from (to) operating fund | - | 3,912 | - |
| Transfers from (to) capital | (750,000) | - | - |
| Transfers from (to) reserve funds | (270,787) | - | (237,397) |
| CHANGE IN UTILITY FUND BALANCE | <u>\$ 104,667</u> | <u>772,049</u> | <u>(38,665)</u> |
| FUND SURPLUS, BEGINNING OF YEAR | | <u>5,002,848</u> | <u>5,041,513</u> |
| FUND SURPLUS, END OF YEAR | | <u>\$ 5,774,897</u> | <u>\$ 5,002,848</u> |

SCHEDULE 10

**TOWN OF LAC DU BONNET
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2019**

| | Financial Plan General | Financial Plan Utility(ies) | Amortization (TCA) | Interest Expense | Transfers | Long Term Accruals | Consolidated Entities | PSAB Budget |
|------------------------------------|---------------------------|--------------------------------|-----------------------|---------------------|----------------|-----------------------|--------------------------|----------------|
| REVENUE | | | | | | | | |
| Property taxes | \$ 1,208,645 | \$ 194,124 | \$ - | \$ - | \$ (194,124) | \$ - | \$ - | \$ 1,208,645 |
| Grants in lieu of taxation | 101,480 | - | - | - | - | - | - | 101,480 |
| User fees | 87,200 | - | - | - | - | - | 25,869 | 113,069 |
| Permits, licences and fines | 4,800 | - | - | - | - | - | - | 4,800 |
| Investment income | 6,000 | - | - | - | - | - | 1,464 | 7,464 |
| Other revenue | 183,260 | - | - | - | - | - | 7,368 | 190,628 |
| Water and sewer | - | 1,381,755 | - | - | - | - | - | 1,381,755 |
| Grants - Province of Manitoba | 253,372 | - | - | - | - | - | 11,670 | 265,042 |
| Grants - other | 908,606 | - | - | - | - | - | 6,756 | 915,362 |
| Transfers from accumulated surplus | - | - | - | - | - | - | - | - |
| Transfers from reserves | - | - | - | - | - | - | - | - |
| Total revenue | \$ 2,753,363 | \$ 1,575,879 | \$ - | \$ - | \$ (194,124) | \$ - | \$ 53,127 | \$ 4,188,245 |
| EXPENSES | | | | | | | | |
| General government services | \$ 567,750 | \$ - | \$ 15,412 | \$ - | \$ (11) | \$ - | \$ - | \$ 583,151 |
| Protective services | 238,252 | - | 13,005 | - | - | - | - | 251,257 |
| Transportation services | 338,710 | - | 105,394 | - | - | - | - | 444,104 |
| Environmental health services | 119,000 | - | 4,052 | - | - | - | 41,605 | 164,657 |
| Public health and welfare services | 15,900 | - | - | - | - | - | - | 15,900 |
| Regional planning and development | 37,500 | - | - | - | - | - | - | 37,500 |
| Resource cons and industrial dev | 18,875 | - | - | - | - | - | - | 18,875 |
| Recreation and cultural services | 174,511 | - | 15,610 | - | - | - | - | 189,121 |
| Water and sewer services | - | 256,300 | 189,324 | 100,770 | - | - | 15,907 | 206,028 |
| Fiscal services: | | | | | | | | |
| Transfer to capital | 875,000 | 750,000 | - | - | (1,625,000) | - | - | - |
| Transfer to utility | 194,124 | - | - | - | (194,124) | - | - | - |
| Debt charges | - | 194,125 | - | - | (194,125) | - | - | - |
| Transfer to reserves | 173,752 | 270,787 | - | - | (444,539) | - | - | - |
| Allowance for tax assets | (11) | - | - | - | 11 | - | - | - |
| Total expenses | \$ 2,753,363 | \$ 1,471,212 | \$ 342,797 | \$ 100,770 | \$ (2,457,788) | \$ - | \$ 103,055 | \$ 2,313,409 |
| Surplus (Deficit) | \$ - | \$ 104,667 | \$ (342,797) | \$ (100,770) | \$ 2,263,664 | \$ - | \$ (49,928) | \$ 1,874,836 |

TOWN OF LAC DU BONNET
 ANALYSIS OF TAXES ON ROLL
 December 31, 2019

SCHEDULE 11

| | <u>2019</u> | <u>2018</u> |
|-----------------------------------|--------------------------|--------------------------|
| Balance, beginning of year | \$ 113,881 | \$ 144,612 |
| Add: | | |
| Tax levy (Schedule 12) | 2,071,009 | 2,027,650 |
| Taxes added | 515 | 14,366 |
| Penalties or interest | 14,987 | 20,519 |
| Other accounts added | - | 1,903 |
| Tax Adjustments (specify) | - | - |
| Tax Adjustments (specify) | - | - |
| Sub-total | <u>2,086,511</u> | <u>2,064,438</u> |
| Deduct: | | |
| Cash collections - current | 1,760,134 | 1,763,579 |
| Cash collections - arrears | 83,085 | 89,136 |
| Write-offs | - | - |
| Title value of land sales | - | - |
| Title value of tax title acquired | - | - |
| Tax discounts | - | - |
| M.P.T.C. - cash advance | 237,252 | 242,454 |
| Other credits (specify) | - | - |
| Sub-total | <u>2,080,471</u> | <u>2,095,169</u> |
| Balance, end of year | <u>\$ 119,921</u> | <u>\$ 113,881</u> |

TOWN OF LAC DU BONNET
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2019

SCHEDULE 12

| | 2019 | | 2018 | |
|------------------------------------|---------------|-----------|---------------------|---------------------|
| | Assessment | Mill Rate | Levy | Levy |
| Other governments (L.U.D.): | | | | |
| Name of LUD | \$ - | \$ - | \$ - | \$ - |
| sub-total- L.U.D. | | | <u>-</u> | <u>-</u> |
| Debt charges: | | | | |
| B/L 32/04 | \$ 66,991,660 | 1.35 | 90,640 | 90,705 |
| B/L 103/10 | \$ 66,991,660 | 0.78 | 52,387 | 52,517 |
| B/L 116/10 | \$ 66,991,660 | 0.57 | 37,869 | 37,925 |
| Other (specify) | \$ - | - | - | - |
| sub-total- Debt charges | | | <u>180,896</u> | <u>181,148</u> |
| Deferred surplus | \$ - | - | - | - |
| Reserves: | | | | |
| Fire Equip Replacement | \$ 58,091,290 | 0.40 | 23,062 | 23,134 |
| Building | \$ 58,091,290 | 0.40 | 23,062 | - |
| Equipment Replacement 374/83 | \$ 58,091,290 | 0.64 | 36,888 | 36,956 |
| Recreation Land | \$ 58,091,290 | 0.40 | 23,062 | 23,134 |
| New Proposed Facility Res | \$ 58,091,290 | - | - | 18,507 |
| Airport 100/10 | \$ 58,091,290 | 0.02 | 1,278 | 1,272 |
| sub-total- Reserves | | | <u>107,353</u> | <u>103,004</u> |
| General municipal | \$ 58,091,290 | 13.29 | <u>771,848</u> | <u>773,526</u> |
| Special levies: | | | | |
| Library 554/92 | \$ 58,091,290 | 0.26 | 15,260 | 14,806 |
| Recreation District 560/93 | \$ 58,091,290 | 0.25 | 14,478 | 8,675 |
| Arena 330/82 | \$ 58,091,290 | 0.73 | 42,284 | 16,656 |
| Fire Department 17/02 | \$ 58,091,290 | 0.96 | 55,679 | 53,670 |
| Community Centre 299/80 | \$ 58,091,290 | 0.14 | 8,355 | 7,981 |
| sub-total- Special levies | | | <u>136,056</u> | <u>101,789</u> |
| Business tax (rate%) | \$ - | - | - | - |
| Total municipal taxes (Schedule 2) | | | <u>1,196,153</u> | <u>1,159,466</u> |
| Education support levy | \$ 10,444,880 | 9.77 | <u>102,046</u> | <u>98,930</u> |
| Special levies: | | | | |
| Sunrise School Division | \$ 55,822,700 | 13.84 | <u>772,809</u> | <u>769,255</u> |
| sub-total- Special levies | | | <u>772,809</u> | <u>769,255</u> |
| Total education taxes | | | <u>874,856</u> | <u>868,185</u> |
| Total tax levy (Schedule 11) | | | <u>\$ 2,071,009</u> | <u>\$ 2,027,650</u> |

TOWN OF LAC DU BONNET
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 13

| | 2019 Actual | 2018 Actual |
|---|---------------------|---------------------|
| General government services: | | |
| Legislative | \$ 56,816 | \$ 49,112 |
| General administrative | 395,554 | 340,201 |
| Other | 157,005 | 133,069 |
| | <u>609,375</u> | <u>522,382</u> |
| Protective services: | | |
| Police | 149,794 | 149,794 |
| Fire | 57,732 | 52,649 |
| Emergency measures | 13,928 | 15,481 |
| Other | 26,927 | 35,313 |
| | <u>248,381</u> | <u>253,237</u> |
| Transportation services: | | |
| Road transport | | |
| Administration and engineering | - | - |
| Road and street maintenance | 395,023 | 256,760 |
| Bridge maintenance | - | - |
| Sidewalk and boulevard maintenance | 1,851 | 3,299 |
| Street lighting | 17,697 | 36,841 |
| Other | 105,394 | 113,442 |
| Air transport | 2,010 | 2,010 |
| Public transit | - | - |
| Other | - | - |
| | <u>521,975</u> | <u>412,352</u> |
| Environmental health services: | | |
| Waste collection and disposal | 66,482 | 70,056 |
| Recycling | 28,744 | 33,133 |
| Other | 14,851 | 11,691 |
| | <u>110,077</u> | <u>114,880</u> |
| Public health and welfare services: | | |
| Public health | - | - |
| Medical care | - | - |
| Social assistance | 876 | 876 |
| Other | 1,230 | 356 |
| | <u>2,106</u> | <u>1,232</u> |
| Regional planning and development | | |
| Planning and zoning | 12,683 | 19,496 |
| Urban renewal | - | - |
| Beautification and land rehabilitation | 9,488 | 6,238 |
| Urban area weed control | 14,760 | 10,584 |
| Other | - | - |
| | <u>36,931</u> | <u>36,318</u> |
| Resource conservation and industrial development | | |
| Rural area weed control | - | - |
| Drainage of land | - | - |
| Veterinary services | - | - |
| Water resources and conservation | - | - |
| Regional development | 15,911 | 29,208 |
| Industrial development | - | - |
| Tourism | 718 | 8,046 |
| Other | 8,335 | 10,008 |
| | <u>24,964</u> | <u>47,262</u> |
| Sub-totals forward | <u>\$ 1,553,809</u> | <u>\$ 1,387,663</u> |

TOWN OF LAC DU BONNET
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2019

SCHEDULE 13

| | 2019 Actual | 2018 Actual |
|--|---------------------|---------------------|
| Sub-totals forward | \$ 1,553,809 | \$ 1,387,663 |
| Recreation and cultural services: | | |
| Administration | - | - |
| Community centers and halls | 9,904 | 9,230 |
| Swimming pools and beaches | 14,192 | 16,148 |
| Golf courses | - | - |
| Skating and curling rinks | 50,733 | 18,452 |
| Parks and playgrounds | 18,300 | 23,690 |
| Other recreational facilities | 44,421 | 32,661 |
| Museums | 1,311 | 1,132 |
| Libraries | 16,549 | 16,036 |
| Other cultural facilities | 15,610 | 16,123 |
| | <u>171,020</u> | <u>133,472</u> |
| Total expenses | \$ 1,724,829 | \$ 1,521,135 |

TOWN OF LAC DU BONNET
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited
 December 31, 2019

SCHEDULE 14

| | 2019 | | 2018 | |
|--|---------------------|-------------------|-------------------|-------------------|
| | General | Utility | Total | Total |
| MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT | \$ (220,896) | \$ (215,034) | \$ (435,930) | \$ (120,913) |
| Adjustments for reporting under public sector accounting standards | | | | |
| Eliminate expense - transfers to reserves | 231,960 | - | 231,960 | 534,306 |
| Eliminate revenue - transfers from reserves | (146,536) | - | (146,536) | (75,310) |
| Increase revenue - reserve funds interest | 35,179 | - | 35,179 | 26,096 |
| Eliminate transfers between funds | - | - | - | - |
| Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities | (32,567) | - | (32,567) | (11,266) |
| Decrease expense - elimination of contributions to consolidating entities | 5,041 | - | 5,041 | 6,888 |
| Eliminate revenue - transfer from nominal surplus(es) | - | - | - | - |
| Increase expense - amortization of tangible capital assets | (153,527) | (189,325) | (342,852) | (347,941) |
| Decrease expense - principal portion of debenture debt | - | 93,354 | 93,354 | 88,063 |
| Eliminate expense - acquisitions of tangible capital assets | 129,462 | 1,079,142 | 1,208,604 | 109,055 |
| NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS | \$ (151,884) | \$ 768,137 | \$ 616,253 | \$ 208,978 |