

RURAL MUNICIPALITY 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 Rural Municipality 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 Municipality 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 Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' report is addressed to the Reeve 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 Municipality in accordance with Canadian public sector accounting standards.



Cameron Bell
Chief Administrative Officer

RURAL MUNICIPALITY OF LAC DU BONNET

P.O. Box 100
Lac Du Bonnet, MB
R0E1A0

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 Rural Municipality 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 March 27, 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 Municipality'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 Municipality 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 Rural Municipality of Lac du Bonnet as required by statute.

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

None of the councillors were in debt to the Municipality, 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 Municipality.

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.

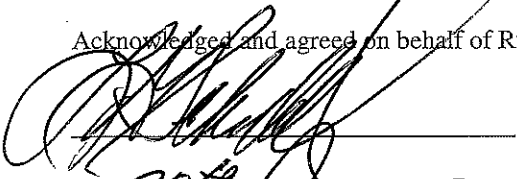
29. Minutes

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 Rural Municipality of Lac du Bonnet by:



28th July 2020
Date signed

INDEPENDENT AUDITORS' REPORT

To the Reeve and members of Council of the
RURAL MUNICIPALITY OF LAC DU BONNET

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality 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 Rural Municipality 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 Municipality 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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
July 28, 2020

RURAL MUNICIPALITY OF LAC DU BONNET

Consolidated Financial Statements For the Year Ended December 31, 2019

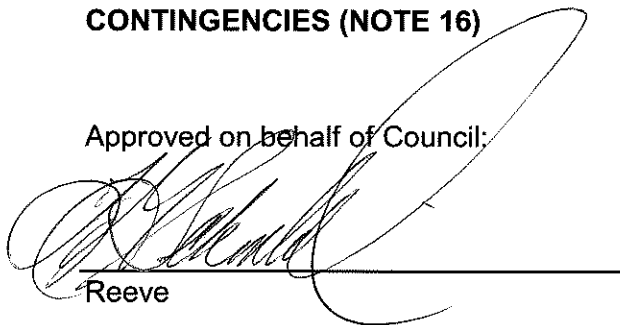
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RURAL MUNICIPALITY OF LAC DU BONNET
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

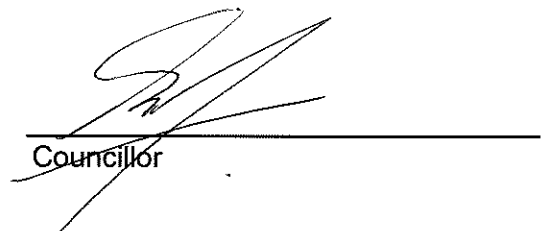
	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 5,703,945	\$ 6,341,886
Amounts receivable (Note 4)	<u>1,368,136</u>	<u>774,875</u>
	<u>7,072,081</u>	<u>7,116,761</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	<u>1,086,693</u>	<u>856,995</u>
	<u>1,086,693</u>	<u>856,995</u>
NET FINANCIAL ASSETS	<u>5,985,388</u>	<u>6,259,766</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	10,164,967	8,960,405
Inventories (Note 5)	318,408	368,897
Prepaid expenses	<u>20,125</u>	<u>8,952</u>
	<u>10,503,500</u>	<u>9,338,254</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 16,488,888</u>	<u>\$ 15,598,020</u>

CONTINGENCIES (NOTE 16)

Approved on behalf of Council:



 Reeve



 Councillor

The accompanying notes are an integral part of this financial statement

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

	<u>2019</u> <u>Budget</u> <u>(Note 10)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u> <u>(Note 15)</u>
REVENUE			
Property taxes	\$ 3,602,529	\$ 3,678,844	\$ 3,613,457
Grants in lieu of taxation	368,068	253,441	272,883
User fees	584,038	483,673	532,869
Permits, licences and fines	600	34,013	615
Investment income	33,893	125,859	124,459
Other revenue	192,480	366,028	195,371
Water and sewer	11,098	696,029	45,071
Grants - Province of Manitoba	469,754	462,115	462,108
Grants - other	214,146	380,966	225,728
Total revenue (Schedules 2, 4 and 5)	<u>5,476,606</u>	<u>6,480,968</u>	<u>5,472,561</u>
EXPENSES			
General government services	1,154,859	1,151,531	948,035
Protective services	584,465	403,121	370,597
Transportation services	2,969,458	2,729,736	2,618,048
Environmental health services	632,905	586,109	506,118
Public health and welfare services	70,507	45,922	102,940
Regional planning and development	254,149	153,995	151,131
Resource conservation and industrial development	220,975	197,243	192,843
Recreation and cultural services	393,680	307,379	374,507
Water and sewer services	14,891	24,499	16,626
Total expenses (Schedules 3, 4 and 5)	<u>6,295,889</u>	<u>5,599,535</u>	<u>5,280,845</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (819,283)</u>	<u>881,433</u>	<u>191,716</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		15,598,020	15,406,304
CHANGE IN EQUITY (NOTE 2)		<u>9,435</u>	<u>-</u>
ACCUMULATED SURPLUS, AS RESTATED		<u>15,607,455</u>	<u>15,406,304</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 16,488,888</u>	<u>\$ 15,598,020</u>

The accompanying notes are an integral part of this financial statement

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

	<u>2019 Budget (Note 10)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ (819,283)	\$ 881,433	\$ 191,716
Acquisition of tangible capital assets	(1,617,263)	(1,878,311)	(1,083,661)
Amortization of tangible capital assets	655,281	662,095	556,807
Loss (Gain) on sale of tangible capital assets	-	(118,346)	(1,945)
Proceeds on sale of tangible capital assets	-	130,000	125,500
Decrease (increase) in inventories	-	50,489	182,761
Decrease (increase) in prepaid expense	-	(11,173)	15,701
	<u>(961,982)</u>	<u>(1,165,246)</u>	<u>(204,837)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (1,781,265)</u>	<u>(283,813)</u>	<u>(13,121)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		6,259,766	6,272,887
CHANGE IN EQUITY (NOTE 2)		<u>9,435</u>	<u>-</u>
NET FINANCIAL ASSETS, AS RESTATED		<u>6,269,201</u>	<u>6,272,887</u>
NET FINANCIAL ASSETS, END OF YEAR		<u><u>\$ 5,985,388</u></u>	<u><u>\$ 6,259,766</u></u>

The accompanying notes are an integral part of this financial statement

**RURAL MUNICIPALITY 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	\$ 881,433	\$ 191,716
Changes in non-cash items:		
Amounts receivable	(593,261)	323,642
Inventories	50,489	182,761
Prepays	(11,173)	15,701
Accounts payable and accrued liabilities	229,698	(62,368)
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	(118,346)	(1,945)
Amortization	662,095	556,807
	<u>1,100,935</u>	<u>1,206,314</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	130,000	125,500
Cash used to acquire tangible capital assets	(1,878,311)	(1,083,661)
	<u>(1,748,311)</u>	<u>(958,161)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
	<u>-</u>	<u>-</u>
Cash applied to investing transactions	-	-
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	-	-
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
	<u>-</u>	<u>-</u>
Cash applied to financing transactions	-	-
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(647,376)	248,153
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	6,341,886	6,093,733
CHANGE IN EQUITY (NOTE 2)	9,435	-
CASH AND TEMPORARY INVESTMENTS, AS RESTATED	6,351,321	6,093,733
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 5,703,945	\$ 6,341,886

The accompanying notes are an integral part of this financial statement

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

1. Status of the Rural Municipality of Lac du Bonnet

The incorporated Rural Municipality of Lac du Bonnet ("The Municipality") is a municipality that was formed in 1917 pursuant to The Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Municipality owns two utilities, 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 Municipality. 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 Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled entities include:

Lac du Bonnet Community Development Corporation (100%) (2018 - 75%)

The Municipality 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 Municipality'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:

Agassiz Weed Control District (42%) (2018 - 42%)

Lac du Bonnet Planning District (75%) (2018 - 75%)

Lac du Bonnet Regional Library (74%) (2018 - 74%)

Lac du Bonnet Airport Authority (69%) (2018 - 69%)

Winnipeg River Recreation District (53%) (2018 - 53%)

During the year, the Municipality purchased the remaining 25% of the Lac du Bonnet Community Development Corporation from the Town of Lac du Bonnet.

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. There were no trust funds administered by the Municipality 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 balance sheet date.

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) Tangible Capital Assets

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

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 Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Leases

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

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

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

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.

I) Measurement Uncertainty

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

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 5,703,945	\$ 6,341,886
Temporary investments	-	-
	<u>\$ 5,703,945</u>	<u>\$ 6,341,886</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$4,588,879 (2018 - \$4,594,421) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has access to a \$500,000 line of credit at Sunova Credit Union at an interest rate of 3.325%. \$500,000 was available at December 31, 2019 (2018 - \$500,000).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 691,663	\$ 534,685
Government grants	526,937	72,559
Utility customers	-	-
Organizations and individuals	60,254	90,700
Other governments	109,787	96,716
	<u>1,388,641</u>	<u>794,660</u>
Less allowances for doubtful amounts	<u>(20,505)</u>	<u>(19,785)</u>
	<u>\$ 1,368,136</u>	<u>\$ 774,875</u>

5. Inventories

Inventories for use:

	<u>2019</u>	<u>2018</u>
Chemicals, herbicides, insecticides	\$ -	\$ -
Fuel	9,957	10,939
Culverts	42,976	2,261
Aggregate	258,650	350,000
Other supplies	6,825	5,697
	<u>\$ 318,408</u>	<u>\$ 368,897</u>

6. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 391,403	\$ 307,864
Wages payable	48,911	31,064
Vacation liability	27,948	12,032
Accrued expenses	19,832	17,024
Accrued interest payable	-	-
School levies	455,955	348,997
Other governments	142,644	140,014
	<u>\$ 1,086,693</u>	<u>\$ 856,995</u>

7. Long Term Debt

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
Sunova Credit Union	Whitemouth Rural Water Pipeline	\$ 356,000

8. Retirement Benefits

The majority of the employees of the Municipality 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 Municipality on behalf of its employees amounted to \$93,468 (2018 - \$77,025) 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 Municipality as part of its operations carries a number of financial instruments. It is management’s opinion the Municipality 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 Municipality 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

	<u>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal	\$ 2,106,207	\$ 1,838,250
Utility operating fund(s) - Nominal	(438,424)	(20,463)
TCA net of related borrowings	10,115,187	8,904,350
Reserve funds	<u>4,488,996</u>	<u>4,594,421</u>
Accumulated surplus of municipality unconsolidated	16,271,966	15,316,558
Accumulated surpluses of consolidated entities	<u>216,922</u>	<u>281,462</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 16,488,888</u>	<u>\$ 15,598,020</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 Municipality. For the year ended December 31, 2019:

- a) Compensation paid to members of council amounted to \$111,293 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>
Reeve - Loren Schinkel	\$ 23,068	\$ 7,108	\$ 30,176
Deputy Reeve - Scott Jones	15,399	2,898	18,297
Councillor - Robert Doyle	15,533	4,836	20,369
Councillor - Grant Hein	15,734	4,452	20,186
Councillor - Darrell Scheirich	<u>16,509</u>	<u>5,756</u>	<u>22,265</u>
	<u>\$ 86,243</u>	<u>\$ 25,050</u>	<u>\$ 111,293</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Cameron Bell</i>	<i>Chief Administrative Officer</i>	\$ 102,327
<i>Greg Mandzuk</i>	<i>Public Works Manager</i>	\$ 78,298
<i>Sandra Broek</i>	<i>Deputy CAO</i>	\$ 75,615

13. Segmented Information

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

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

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

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

14. Government Partnerships

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

	<u>2019</u>	<u>2018</u>
Financial Position		
Financial Assets	\$ 288,780	\$ 358,086
Liabilities	<u>138,773</u>	<u>140,014</u>
Net financial assets (liabilities)	150,007	218,072
Non-financial assets	<u>58,167</u>	<u>63,390</u>
Accumulated surplus	<u>\$ 208,174</u>	<u>\$ 281,462</u>
Result of Operations		
Revenues	\$ 349,438	\$ 454,170
Expenses	<u>394,421</u>	<u>435,868</u>
Annual surplus	(44,983)	18,302
Elimination of revenues(expenses) upon consolidation	<u>77,296</u>	<u>152,961</u>
Consolidated annual surplus (deficit)	<u>\$ (122,279)</u>	<u>\$ (134,659)</u>

15. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Tanco Utility	\$ -	\$ -	\$ -	\$ -
Whitemouth Utility	-	482,324	-	482,324
	<u>\$ -</u>	<u>\$ 482,324</u>	<u>\$ -</u>	<u>\$ 482,324</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Tanco Utility	\$ -	\$ -	\$ -	\$ -
Whitemouth Utility	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

16. Contingencies

Lawsuits have been filed against the Municipality for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending is not determinable. Should any loss result from the resolution of these claims, such losses will be charged to operation in the year of resolution.

17. Subsequent Events

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Municipality 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.

RURAL MUNICIPALITY 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	\$ 1,766,119	\$ 1,427,950	\$ 5,558,309	\$ 379,394	\$ -	\$ 13,712,454	\$ 1,736,450	\$ 2,259	\$ 24,582,935	\$ 23,759,809
Additions during the year	12,325	193,483	432,587	43,708	3,041	-	10,165	1,183,002	1,878,311	1,719,826
Disposals and write downs	-	-	(397,141)	(23,198)	-	-	-	-	(420,339)	(896,700)
Closing costs	<u>1,778,444</u>	<u>1,621,433</u>	<u>5,593,755</u>	<u>399,904</u>	<u>3,041</u>	<u>13,712,454</u>	<u>1,746,615</u>	<u>1,185,261</u>	<u>26,040,907</u>	<u>24,582,935</u>
Accumulated Amortization										
Opening accum'd amortization	238,228	884,525	3,176,563	230,463	-	10,590,394	502,357	-	15,622,530	15,202,704
Amortization	14,368	39,073	477,444	40,531	-	36,195	54,484	-	662,095	556,807
Disposals and write downs	-	-	(385,487)	(23,198)	-	-	-	-	(408,685)	(136,981)
Closing accum'd amortization	<u>252,596</u>	<u>923,598</u>	<u>3,268,520</u>	<u>247,796</u>	<u>-</u>	<u>10,626,589</u>	<u>556,841</u>	<u>-</u>	<u>15,875,940</u>	<u>15,622,530</u>
Net Book Value of Tangible Capital Assets	<u>\$ 1,525,848</u>	<u>\$ 697,835</u>	<u>\$ 2,325,235</u>	<u>\$ 152,108</u>	<u>\$ 3,041</u>	<u>\$ 3,085,865</u>	<u>\$ 1,189,774</u>	<u>\$ 1,185,261</u>	<u>\$ 10,164,967</u>	<u>\$ 8,960,405</u>

RURAL MUNICIPALITY 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)	\$ 3,627,656	\$ 3,504,665
Taxes added	51,188	108,792
	<u>3,678,844</u>	<u>3,613,457</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	253,441	272,883
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>253,441</u>	<u>272,883</u>
User fees		
Parking meters	-	-
Sales of service	434,986	492,545
Sales of goods	4,661	5,322
Rentals	6,720	8,770
Development charges	-	-
Facility use fees	37,306	26,232
	<u>483,673</u>	<u>532,869</u>
Permits, licences and fines		
Permits	33,458	-
Licences	555	615
Fees	-	-
Fines	-	-
	<u>34,013</u>	<u>615</u>
Investment income:		
Cash and temporary investments	125,859	124,459
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>125,859</u>	<u>124,459</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	118,346	1,945
Gain on sale of land	-	-
Contributed assets	-	-
Penalties and interest	82,626	78,286
Miscellaneous (specify):		
Insurance proceeds	70,984	-
Cemetery income	-	26,301
Insurance rebates	14,268	6,679
Donations	1,002	1,293
Miscellaneous	78,802	80,867
	<u>366,028</u>	<u>195,371</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	696,029	45,071
Consolidated water co-operatives	-	-
	<u>696,029</u>	<u>45,071</u>
Grants - Province of Manitoba		
Municipal operating grants	238,611	170,835
Other unconditional grants	-	-
Conditional grants	223,504	291,273
	<u>462,115</u>	<u>462,108</u>
Grants - other		
Federal government - gas tax funding	334,782	165,773
Federal government - other	-	-
Other municipal governments	46,184	59,955
	<u>380,966</u>	<u>225,728</u>
Total revenue	<u>\$ 6,480,968</u>	<u>\$ 5,472,561</u>

**RURAL MUNICIPALITY OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019**

SCHEDULE 3

	<u>2019 Actual</u>	<u>2018 Actual</u>
General government services:		
Legislative	\$ 153,486	\$ 129,006
General administrative	738,932	551,612
Other	259,113	267,417
	<u>1,151,531</u>	<u>948,035</u>
Protective services:		
Police	105,465	62,269
Fire	213,638	220,162
Emergency measures	27,823	34,416
Other	56,195	53,750
	<u>403,121</u>	<u>370,597</u>
Transportation services:		
Road transport		
Administration and engineering	-	1,875
Road and street maintenance	2,708,819	2,594,594
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	14,417	15,079
Other	6,500	6,500
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,729,736</u>	<u>2,618,048</u>
Environmental health services:		
Waste collection and disposal	435,036	352,645
Recycling	105,130	55,913
Other	45,943	97,560
	<u>586,109</u>	<u>506,118</u>
Public health and welfare services:		
Public health	-	-
Medical care	16,665	66,315
Social assistance	3,096	3,096
Other	26,161	33,529
	<u>45,922</u>	<u>102,940</u>
Regional planning and development		
Planning and zoning	153,995	151,131
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>153,995</u>	<u>151,131</u>
Resource conservation and industrial development		
Rural area weed control	117,735	118,322
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	50,788	36,008
Industrial development	-	-
Tourism	3,579	1,050
Other	25,141	37,463
	<u>197,243</u>	<u>192,843</u>
Sub-totals forward	<u>\$ 5,267,657</u>	<u>\$ 4,889,712</u>

**RURAL MUNICIPALITY OF LAC DU BONNET
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019**

SCHEDULE 3

	<u>2019 Actual</u>	<u>2018 Actual</u>
Sub-totals forward	<u>\$ 5,267,657</u>	<u>\$ 4,889,712</u>
Recreation and cultural services:		
Administration	19,570	19,570
Community centers and halls	23,444	23,097
Swimming pools and beaches	12,560	26,922
Golf courses	-	-
Skating and curling rinks	11,940	46,133
Parks and playgrounds	16,285	16,488
Other recreational facilities	111,418	126,556
Museums	4,642	4,261
Libraries	101,093	105,512
Other cultural facilities	6,427	5,968
	<u>307,379</u>	<u>374,507</u>
Water and sewer services (Schedule 9)		
Municipal utility(ies) (Schedule 9)	24,499	16,626
Consolidated water co-operatives	-	-
	<u>24,499</u>	<u>16,626</u>
Total expenses	<u><u>\$ 5,599,535</u></u>	<u><u>\$ 5,280,845</u></u>

RURAL MUNICIPALITY 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	\$3,678,844	\$ 3,613,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	253,441	272,883	-	-	-	-	-	-	-	-
User fees	235,363	226,632	58,828	100,444	400	550	37,306	26,232	-	-
Grants - other	334,782	165,773	-	-	-	-	-	-	-	-
Permits, licences and fines	555	615	-	-	-	-	-	-	-	-
Investment income	39,618	52,271	15,381	13,486	24,625	16,509	10,769	9,449	24,980	22,148
Other revenue	305,797	111,215	-	-	43,214	54,984	-	-	-	26,301
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	238,611	170,835	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	87,725	159,691	-	-	-	-	82,714	76,358	-	-
Total revenue	\$ 5,174,736	\$ 4,773,372	\$ 74,209	\$ 113,930	\$ 68,239	\$ 72,043	\$ 130,789	\$ 112,039	\$ 24,980	\$ 48,449
EXPENSES										
Personnel services	\$ 631,823	\$ 492,147	\$ 52,039	\$ 61,160	\$ 1,038,313	\$ 953,735	\$ 322,100	\$ 234,975	\$ 5,567	\$ 17,670
Contract services	392,123	333,244	205,077	159,597	147,952	249,779	145,863	158,821	28,485	50,024
Utilities	15,589	13,882	16,862	16,825	44,363	44,449	5,416	6,598	-	-
Maintenance materials and supplies	39,288	60,182	76,447	83,709	1,046,172	979,060	22,050	25,460	11,624	-
Grants and contributions	19,815	24,765	-	-	-	-	-	-	-	35,000
Amortization	52,163	23,137	52,696	49,306	446,436	384,525	90,680	80,264	246	246
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	730	678	-	-	6,500	6,500	-	-	-	-
Total expenses	\$1,151,531	\$ 948,035	\$ 403,121	\$ 370,597	\$ 2,729,736	\$ 2,618,048	\$ 586,109	\$ 506,118	\$ 45,922	\$ 102,940
Surplus (Deficit)	\$ 4,023,205	\$ 3,825,337	\$ (328,912)	\$ (256,667)	\$ (2,661,497)	\$ (2,546,005)	\$ (455,320)	\$ (394,079)	\$ (20,942)	\$ (54,491)

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

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

SCHEDULE 4

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,678,844	\$ 3,613,457
Grants in lieu of taxation	-	-	-	-	-	-	-	-	253,441	272,883
User fees	41,841	75,558	71,074	62,240	38,861	41,213	-	-	483,673	532,869
Grants - other	-	6,284	11,410	28,066	34,774	25,605	-	-	380,966	225,728
Permits, licences and fines	33,458	-	-	-	-	-	-	-	34,013	615
Investment income	4,281	5,251	2,345	1,659	3,860	3,686	-	-	125,859	124,459
Other revenue	14,733	209	970	780	1,314	1,882	-	-	366,028	195,371
Water and sewer	-	-	-	-	-	-	696,029	45,071	696,029	45,071
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	238,611	170,835
Prov of MB - Conditional Grants	-	-	1,656	1,656	51,409	53,568	-	-	223,504	291,273
Total revenue	\$ 94,313	\$ 87,302	\$ 87,455	\$ 94,401	\$ 130,218	\$ 125,954	\$ 696,029	\$ 45,071	\$ 6,480,968	\$ 5,472,561
EXPENSES										
Personnel services	\$ 85,450	\$ 108,796	\$ 66,430	\$ 54,548	\$ 159,347	\$ 151,207	\$ -	\$ -	\$2,361,069	\$ 2,074,238
Contract services	52,172	18,228	44,981	49,820	15,155	33,671	20,706	12,918	1,052,514	1,066,102
Utilities	2,652	2,320	2,248	3,419	6,196	6,871	-	-	93,326	94,364
Maintenance materials and supplies	12,334	2,884	62,513	59,024	49,950	71,466	-	-	1,320,378	1,281,785
Grants and contributions	-	18,830	10,703	14,713	69,501	104,468	-	-	100,019	197,776
Amortization	-	-	9,066	9,303	7,014	6,318	3,793	3,708	662,094	556,807
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	1,387	73	1,302	2,016	216	506	-	-	10,135	9,773
Total expenses	\$ 153,995	\$ 151,131	\$ 197,243	\$ 192,843	\$ 307,379	\$ 374,507	\$ 24,499	\$ 16,626	\$5,599,535	\$ 5,280,845
Surplus (Deficit)	\$ (59,682)	\$ (63,829)	\$ (109,788)	\$ (98,442)	\$ (177,161)	\$ (248,553)	\$ 671,530	\$ 28,445	\$ 881,433	\$ 191,716

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	\$ 3,678,844	\$ 3,410,310	\$ -	\$ -	\$ -	\$ -	\$ 3,678,844	\$ 3,613,457
Grants in lieu of taxation	253,441	335,278	-	-	-	-	253,441	272,883
User fees	331,897	213,780	895	-	150,881	179,011	483,673	532,869
Grants - other	334,782	150,703	-	-	46,184	59,955	380,966	225,728
Permits, licences and fines	34,013	615	-	-	-	-	34,013	615
Investment income	120,966	74,892	-	-	4,893	4,150	125,859	124,459
Other revenue	349,011	360,650	-	-	17,017	2,871	366,028	195,371
Water and sewer	696,029	2,436	-	-	-	-	696,029	45,071
Prov of MB - Unconditional Grants	238,611	116,199	-	-	-	-	238,611	170,835
Prov of MB - Conditional Grants	170,439	165,643	-	-	53,065	55,224	223,504	291,273
Total revenue	\$ 6,208,033	\$ 4,830,506	\$ 895	\$ -	\$ 272,040	\$ 301,211	\$ 6,480,968	\$ 5,472,561
EXPENSES								
Personnel services	\$ 2,115,030	\$ 1,806,059	\$ 30,021	\$ -	\$ 216,018	\$ 268,179	\$ 2,361,069	\$ 2,074,238
Contract services	964,745	997,512	8,143	-	79,626	68,590	1,052,514	1,066,102
Utilities	82,763	81,754	1,061	-	9,502	12,610	93,326	94,364
Maintenance materials and supplies	1,242,620	1,204,703	394	-	77,364	77,082	1,320,378	1,281,785
Grants and contributions	97,926	197,776	-	-	2,093	-	100,019	197,776
Amortization	655,281	549,994	-	-	6,813	6,813	662,094	556,807
Interest on long term debt	-	-	-	-	-	-	-	-
Other	7,232	7,177	-	-	2,903	2,596	10,135	9,773
Total expenses	\$ 5,165,597	\$ 4,844,975	\$ 39,619	\$ -	\$ 394,319	\$ 435,870	\$ 5,599,535	\$ 5,280,845
Surplus (Deficit)	\$ 1,042,436	\$ (14,469)	\$ (38,724)	\$ -	\$ (122,279)	\$ (134,659)	\$ 881,433	\$ 191,716

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

SCHEDULE 6

	2019							
	General Reserve	Capital Reserve	Fire Fighting Reserve	Handi-Van Reserve	Machinery Reserve	Mun Office Reserve	Recreation Reserve	Flood Condition Reserve
REVENUE								
Investment income	\$ 9,586	\$ 922	\$ 10,059	\$ -	\$ 5,548	\$ 158	\$ 2,599	\$ 5,322
Other income	-	-	-	-	-	-	-	-
Total revenue	<u>9,586</u>	<u>922</u>	<u>10,059</u>	<u>-</u>	<u>5,548</u>	<u>158</u>	<u>2,599</u>	<u>5,322</u>
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	9,586	922	10,059	-	5,548	158	2,599	5,322
TRANSFERS								
Transfers from general operating fund	-	-	107,776	-	-	-	-	-
Transfers to general operating fund	-	-	-	-	(205,000)	(13,000)	-	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers to utility operating fund	(99,883)	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(61,179)	-	-	-	-	-	(10,974)	-
CHANGE IN RESERVE FUND BALANCES	(151,476)	922	117,835	-	(199,452)	(12,842)	(8,375)	5,322
FUND SURPLUS, BEGINNING OF YEAR	424,222	42,469	396,506	25,000	327,938	13,807	117,400	234,099
FUND SURPLUS, END OF YEAR	<u>\$ 272,746</u>	<u>\$ 43,391</u>	<u>\$ 514,341</u>	<u>\$ 25,000</u>	<u>\$ 128,486</u>	<u>\$ 965</u>	<u>\$ 109,025</u>	<u>\$ 239,421</u>

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

SCHEDULE 6

	2019						
	Rd. Constr. Reserve	Public Works Reserve	Airport Reserve	Economic Reserve	Gas Tax Reserve	Building Reserve	Liquid/Solid Waste Reserve
REVENUE							
Investment income	\$ 7,945	\$ 316	\$ 3,670	\$ 1,914	\$ 11,772	\$ 397	\$ 10,769
Other income	-	-	-	-	-	-	-
Total revenue	7,945	316	3,670	1,914	11,772	397	10,769
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	7,945	316	3,670	1,914	11,772	397	10,769
TRANSFERS							
Transfers from general operating fund	140,000	5,000	10,000	-	334,782	-	-
Transfers to general operating fund	(166,350)	(5,500)	-	(17,250)	(168,933)	(35,000)	(16,793)
Transfer from nominal surplus	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(18,405)	(184)	13,670	(15,336)	177,621	(34,603)	(6,024)
FUND SURPLUS, BEGINNING OF YEAR	629,273	13,778	158,123	88,525	442,685	35,839	550,728
FUND SURPLUS, END OF YEAR	\$ 610,868	\$ 13,594	\$ 171,793	\$ 73,189	\$ 620,306	\$ 1,236	\$ 544,704

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

SCHEDULE 6

	2019		2018
	P.C. Home Reserve	Stead Glen Reserve	Total
REVENUE			
Investment income	\$ 24,980	\$ 922	\$ 96,879
Other income	-	-	-
Total revenue	<u>24,980</u>	<u>922</u>	<u>96,879</u>
EXPENSES			
Investment charges	-	-	-
Other expenses	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	24,980	922	96,879
TRANSFERS			
Transfers from general operating fund	-	-	597,558
Transfers to general operating fund	-	-	(627,826)
Transfer from nominal surplus	-	-	-
Transfers from utility operating fund	-	-	-
Transfers from accumulated surplus	-	-	-
Transfers to utility operating fund	-	-	(99,883)
Acquisition of tangible capital assets	-	-	(72,153)
CHANGE IN RESERVE FUND BALANCES	24,980	922	(105,425)
FUND SURPLUS, BEGINNING OF YEAR	1,051,574	42,455	4,594,421
FUND SURPLUS, END OF YEAR	\$ 1,076,554	\$ 43,377	\$ 4,488,996

RURAL MUNICIPALITY 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	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

RURAL MUNICIPALITY OF LAC DU BONNET
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 December 31, 2019

SCHEDULE 8

	2019			2018
	Tanco Utility	Brookfield Utility	Total	Total
FINANCIAL ASSETS				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	504,534	504,534	-
Portfolio investments	-	-	-	-
Due from other funds	-	-	-	35,000
	<u>\$ -</u>	<u>\$ 504,534</u>	<u>\$ 504,534</u>	<u>\$ 35,000</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 6,939	\$ 10,280	\$ 17,219	\$ -
Deferred revenue	-	-	-	-
Long-term debt	-	-	-	-
Due to other funds	45,986	879,753	925,739	55,463
	<u>\$ 52,925</u>	<u>\$ 890,033</u>	<u>\$ 942,958</u>	<u>\$ 55,463</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (52,925)</u>	<u>\$ (385,499)</u>	<u>\$ (438,424)</u>	<u>\$ (20,463)</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	\$ 145,688	\$1,193,082	\$1,338,770	\$ 149,396
Inventories	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>\$ 145,688</u>	<u>\$1,193,082</u>	<u>\$1,338,770</u>	<u>\$ 149,396</u>
FUND SURPLUS (DEFICIT)	<u>\$ 92,763</u>	<u>\$ 807,583</u>	<u>\$ 900,346</u>	<u>\$ 128,933</u>

RURAL MUNICIPALITY OF LAC DU BONNET
SCHEDULE OF UTILITY OPERATIONS - Tanco Utility
For the Year Ended December 31, 2019

SCHEDULE 9

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Water			
Water fees	\$ 3,000	\$ 1,267	\$ 3,136
Bulk Water fees	-	-	-
sub-total- water	<u>3,000</u>	<u>1,267</u>	<u>3,136</u>
Sewer			
Sewer fees	8,098	9,239	6,910
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>8,098</u>	<u>9,239</u>	<u>6,910</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	-	25
sub-total- other	<u>-</u>	<u>-</u>	<u>25</u>
Total revenue	<u>\$ 11,098</u>	<u>\$ 10,506</u>	<u>\$ 10,071</u>

SCHEDULE OF UTILITY OPERATIONS (cont'd) - Tanco Utility
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
EXPENSES			
General			
Administration	\$ -	\$ 537	\$ 547
Training costs	-	-	-
Billing and collection	1,050	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>1,050</u>	<u>537</u>	<u>547</u>
Water General			
Purification and treatment	-	-	-
Water purchases	606	627	891
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>606</u>	<u>627</u>	<u>891</u>
Water Amortization & Interest			
Amortization	-	2,721	1,313
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>2,721</u>	<u>1,313</u>
Sewer General			
Collection system costs	9,442	6,804	11,480
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>9,442</u>	<u>6,804</u>	<u>11,480</u>
Sewage Amortization & Interest			
Amortization	-	987	2,395
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>987</u>	<u>2,395</u>
Total expenses	<u>11,098</u>	<u>11,676</u>	<u>16,626</u>
NET OPERATING SURPLUS	-	(1,170)	(6,555)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>(1,170)</u>	<u>(6,555)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>93,933</u>	<u>100,488</u>
FUND SURPLUS, END OF YEAR		<u>\$ 92,763</u>	<u>\$ 93,933</u>

SCHEDULE OF UTILITY OPERATIONS - Brookfield Utility

For the Year Ended December 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
REVENUE			
Water			
Water fees	\$ -	\$ 174,420	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>174,420</u>	<u>-</u>
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	511,095	-
sub-total- government transfers	<u>-</u>	<u>511,095</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	35,000
Installation service	-	-	-
Penalties	-	8	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	-	-
sub-total- other	<u>-</u>	<u>8</u>	<u>35,000</u>
Total revenue	<u>\$ -</u>	<u>\$ 685,523</u>	<u>\$ 35,000</u>

SCHEDULE OF UTILITY OPERATIONS (cont'd) - Brookfield Utility

For the Year Ended December 31, 2019

EXPENSES	<u>Budget</u>	<u>2019</u>	<u>2018</u>
General			
Administration	\$ -	\$ -	\$ -
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	391	-
sub-total- general	<u>-</u>	<u>391</u>	<u>-</u>
Water General			
Purification and treatment	-	464	-
Water purchases	-	7,519	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>7,983</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	85	-
Interest on long term debt	-	4,364	-
sub-total- water amortization & interest	<u>-</u>	<u>4,449</u>	<u>-</u>
Sewer General			
Collection system costs	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>-</u>	<u>-</u>	<u>-</u>
Sewage Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>12,823</u>	<u>-</u>
NET OPERATING SURPLUS	-	672,700	35,000
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	99,883	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>772,583</u>	<u>35,000</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>35,000</u>	<u>-</u>
FUND SURPLUS, END OF YEAR		<u>\$ 807,583</u>	<u>\$ 35,000</u>

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	\$ 3,602,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,602,529
Grants in lieu of taxation	368,068	-	-	-	-	-	-	368,068
User fees	432,262	-	-	-	-	-	151,776	584,038
Permits, licences and fines	600	-	-	-	-	-	-	600
Investment income	29,000	-	-	-	-	-	4,893	33,893
Other revenue	175,463	-	-	-	-	-	17,017	192,480
Water and sewer	-	11,098	-	-	-	-	-	11,098
Grants - Province of Manitoba	416,689	-	-	-	-	-	53,065	469,754
Grants - other	167,962	-	-	-	-	-	46,184	214,146
Transfers from accumulated surplus	262,500	-	-	-	(262,500)	-	-	-
Transfers from reserves	1,755,000	-	-	-	(1,755,000)	-	-	-
Total revenue	\$ 7,210,073	\$ 11,098	\$ -	\$ -	\$ (2,017,500)	\$ -	\$ 272,935	\$ 5,476,606
EXPENSES								
General government services	\$ 1,101,977	\$ -	\$ 52,163	\$ -	\$ 719	\$ -	\$ -	\$ 1,154,859
Protective services	531,769	-	52,696	-	-	-	-	584,465
Transportation services	2,523,022	-	446,436	-	-	-	-	2,969,458
Environmental health services	542,225	-	90,680	-	-	-	-	632,905
Public health and welfare services	70,261	-	246	-	-	-	-	70,507
Regional planning and development	145,433	-	-	-	-	-	108,716	254,149
Resource cons and industrial dev	68,400	-	2,840	-	-	-	149,735	220,975
Recreation and cultural services	211,766	-	6,427	-	-	-	175,487	393,680
Water and sewer services	-	11,098	3,793	-	-	-	-	14,891
Fiscal services:								
Transfer to capital	1,617,263	-	-	-	(1,617,263)	-	-	-
Transfer to utility	-	-	-	-	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Other	6,500	-	-	-	(6,500)	-	-	-
Transfer to reserves	390,738	-	-	-	(390,738)	-	-	-
Allowance for tax assets	719	-	-	-	(719)	-	-	-
Total expenses	\$ 7,210,073	\$ 11,098	\$ 655,281	\$ -	\$ (2,014,501)	\$ -	\$ 433,938	\$ 6,295,889
Surplus (Deficit)	\$ -	\$ -	\$ (655,281)	\$ -	\$ (2,999)	\$ -	\$ (161,003)	\$ (819,283)

**RURAL MUNICIPALITY OF LAC DU BONNET
ANALYSIS OF TAXES ON ROLL
December 31, 2019**

SCHEDULE 11

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 534,685	\$ 766,720
Add:		
Tax levy (Schedule 12)	8,642,329	8,438,594
Taxes added	51,188	108,792
Penalties or interest	82,626	78,155
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	<u>8,776,143</u>	<u>8,625,541</u>
Deduct:		
Cash collections - current	7,546,787	7,544,093
Cash collections - arrears	344,012	608,540
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	728,366	704,943
Other credits (specify)	-	-
Sub-total	<u>8,619,165</u>	<u>8,857,576</u>
Balance, end of year	<u>\$ 691,663</u>	<u>\$ 534,685</u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2019

	2019			2018
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	\$ -	\$ -	\$ -
Name of LUD	\$ -	\$ -	-	-
sub-total- L.U.D.			-	-
Debt charges:				
Frontage	\$ -	\$ -	-	-
LI.D.	\$ -	\$ -	-	-
Other (specify)	\$ -	\$ -	-	-
sub-total- Debt charges			-	-
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Machinery/Handivan Replac. Res.	\$ 355,060,820	\$ -	-	158,954
Road Reconstr. Res. BL 44-06	\$ 355,060,820	\$ 0.3580	127,112	90,831
Recreation Res. BL 43-06	\$ 355,060,820	\$ -	-	-
Economic Dev. Res. BI 12-03	\$ 355,060,820	\$ -	-	9,083
Municipal Office Res. BL 12-03	\$ 355,060,820	\$ -	-	-
Airport Res. BL 42-06	\$ 355,060,820	\$ 0.0260	9,232	54,498
Building Res. BL 26-07	\$ 355,060,820	\$ 0.0130	4,616	-
Fire Fighting Res. BL 13-04	\$ 355,060,820	\$ 0.1740	61,781	-
Personal Care Res. BL 18-10	\$ 355,060,820	\$ -	-	-
Emergency Response Res. BL.....	\$ 355,060,820	\$ -	-	-
Capital Development Res.	\$ 355,060,820	\$ -	-	-
General Reserve BL 40-06	\$ 355,060,820	\$ -	-	-
sub-total- Reserves			202,740	313,366
General municipal	\$ 355,060,820	\$ 9.646	3,424,917	3,191,299
Special levies:				
BL 9-08	\$ -	\$ -	-	-
Tanco Crescent (Frontage)	\$ -	\$ -	-	-
Name of special levy	\$ -	\$ -	-	-
sub-total- Special levies			-	-
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			3,627,656	3,504,665
Education support levy	\$ 10,117,250	\$ 9.771	98,856	97,548
Special levies:				
Sunrise School Division No. 13	\$ 355,060,820	\$ 13.845	4,915,817	4,836,381
Name of school division	\$ -	\$ -	-	-
sub-total- Special levies			4,915,817	4,836,381
Total education taxes			5,014,673	4,933,929
Total tax levy (Schedule 11)			\$ 8,642,329	\$ 8,438,594

RURAL MUNICIPALITY 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	\$ 153,486	\$ 129,006
General administrative	738,932	551,612
Other	259,113	267,417
	<u>1,151,531</u>	<u>948,035</u>
Protective services:		
Police	105,465	62,269
Fire	213,638	220,162
Emergency measures	27,823	34,416
Other	56,195	53,750
	<u>403,121</u>	<u>370,597</u>
Transportation services:		
Road transport		
Administration and engineering	-	1,875
Road and street maintenance	2,708,819	2,594,594
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	14,417	15,079
Other	6,500	6,500
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,729,736</u>	<u>2,618,048</u>
Environmental health services:		
Waste collection and disposal	435,036	352,645
Recycling	105,130	55,913
Other	45,943	97,560
	<u>586,109</u>	<u>506,118</u>
Public health and welfare services:		
Public health	-	-
Medical care	16,665	66,315
Social assistance	3,096	3,096
Other	26,161	33,529
	<u>45,922</u>	<u>102,940</u>
Regional planning and development		
Planning and zoning	45,278	75,320
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>45,278</u>	<u>75,320</u>
Resource conservation and industrial development		
Rural area weed control	51,797	51,252
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	20,899	30,000
Industrial development	-	-
Tourism	3,579	1,050
Other	8,345	24,600
	<u>84,620</u>	<u>106,902</u>
Sub-totals forward	<u>\$ 5,046,317</u>	<u>\$ 4,727,960</u>

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

SCHEDULE 13

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Sub-totals forward	\$ 5,046,317	\$ 4,727,960
Recreation and cultural services:		
Administration	19,570	19,570
Community centers and halls	23,444	23,097
Swimming pools and beaches	12,560	26,922
Golf courses	-	-
Skating and curling rinks	11,940	46,133
Parks and playgrounds	16,285	16,488
Other recreational facilities	42,984	66,955
Museums	4,642	4,261
Libraries	43,956	43,957
Other cultural facilities	6,427	5,968
	<u>181,808</u>	<u>253,351</u>
Total expenses	\$ 5,228,125	\$ 4,981,311

RURAL MUNICIPALITY OF LAC DU BONNET
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) (UNAUDITED)
December 31, 2019

SCHEDULE 14

	2019			2018	
	General	Tanco Utility	Brookfield Utility	Total	
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 532,893	\$ 2,538	\$ (64,499)	\$ 468,394	\$ 395,041
Adjustments for reporting under public sector accounting standards					
Eliminate expense - transfers to reserves	597,558	-	-	597,558	510,773
Eliminate revenue - transfers from reserves	(699,979)	-	(99,883)	(799,862)	(1,237,645)
Eliminate expense - transfers to accumulated surplus	(262,500)	-	-	(262,500)	-
Increase revenue - reserve funds interest	96,879	-	-	96,879	90,689
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(161,003)	-	-	(161,003)	(134,659)
Decrease expense - elimination of contributions to consolidated entities	87,130	-	-	87,130	152,961
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	118,346	-	-	118,346	1,945
Decrease revenue - proceeds from sale of tangible capital assets	(130,000)	-	-	(130,000)	(125,500)
Increase expense - amortization of tangible capital assets	(655,196)	(3,708)	(85)	(655,281)	(549,994)
Decrease revenue - proceeds from debenture pending	-	-	(356,000)	(356,000)	-
Decrease expense - principal portion of debenture debt	-	-	-	-	-
Eliminate expense - acquisitions of tangible capital assets	684,605	-	1,193,167	1,877,772	1,088,105
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 208,733	\$ (1,170)	\$ 672,700	\$ 881,433	\$ 191,716