

**TOWN OF LUMSDEN**  
Financial Statements  
December 31, 2015

**INDEX**

Page 1	Independent Auditors' Report
Page 2	Statement of Financial Position
Page 3	Statement of Operations
Page 4	Statement of Changes in Net Financial Assets
Page 5	Statement of Cash Flows
Pages 6 - 13	Notes to the Financial Statements
Page 14	Schedule of Taxes and Other Unconditional Revenue
Pages 15 - 18	Schedule of Operating and Capital Revenue by Function
Pages 19 - 21	Schedule of Total Expenses by Function
Pages 22 - 23	Schedule of Segment Disclosure by Function
Page 24	Schedule of Tangible Capital Assets by Object
Page 25	Schedule of Tangible Capital Assets by Function
Page 26	Schedule of Accumulated Surplus
Page 27	Schedule of Mill Rates and Assessments
Page 28	Schedule of Council Remuneration
Page 29	Schedule of Financial Statement Adjustments

**INDEPENDENT AUDITORS' REPORT**

To the Mayor and Councillors  
Town of Lumsden

We have audited the accompanying financial statements of the **TOWN OF LUMSDEN**, which comprise the statement of financial position as at December 31, 2015 and the statement of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **TOWN OF LUMSDEN** as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

  
Dudley & Company LLP  
Chartered Professional Accountants

Regina, Saskatchewan  
September 13, 2016

**TOWN OF LUMSDEN**  
Statement of Financial Position  
As at December 31, 2015

Statement 1

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		(Restated)
<b>Financial Assets</b>		
Cash & Temporary Investments (Note 2)	\$ 2,523,748	\$ 1,312,847
Taxes Receivable - Municipal (Note 3)	110,348	97,736
Other Accounts Receivable (Note 4)	523,297	469,504
Land for Resale (Note 5)	-	71,628
Long-Term Investments	-	-
Other	-	-
<b>Total Financial Assets</b>	<b>3,157,393</b>	<b>1,951,715</b>
<b>LIABILITIES</b>		
Bank Indebtedness	-	-
Accounts Payable (Note 6)	234,834	160,109
Accrued Liabilities Payable	-	-
Deposits	33,050	33,729
Deferred Revenue (Note 7)	63,593	64,683
Accrued Landfill Costs (Note 8)	1,575,000	1,514,423
Other Liabilities	-	-
Long-Term Debt (Note 9)	872,092	1,006,828
Lease Obligations	-	-
Utility Deposits	84,788	79,910
<b>Total Liabilities</b>	<b>2,863,357</b>	<b>2,859,682</b>
<b>NET FINANCIAL ASSETS</b>	<b>294,036</b>	<b>(907,967)</b>
Tangible Capital Assets (Schedules 6, 7)	8,709,242	8,593,964
Prepayment and Deferred Charges	102,625	33,097
Stock and Supplies	52,012	48,179
Other	-	-
<b>Total Non-Financial Assets</b>	<b>8,863,879</b>	<b>8,675,240</b>
<b>Accumulated Surplus (Deficit) (Schedule 8)</b>	<b>\$ 9,157,915</b>	<b>\$ 7,767,273</b>

The accompanying notes form an integral part of these financial statements.

**TOWN OF LUMSDEN**  
**Statement of Operations**  
For the year ended December 31, 2015

Statement 2

	<b>2015 Budget</b>	<b>2015</b>	<b>2014</b> (Restated)
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 1,789,431	\$ 1,819,700	\$ 1,692,769
Fees and Charges (Schedule 4, 5)	1,522,374	1,563,440	1,154,322
Conditional Grants (Schedule 4, 5)	124,799	101,476	264,031
Tangible Capital Assets Sales - Gain(Loss) (Schedule 4, 5)	-	5,585	1,206
Land Sales - Gain (Schedule 4, 5)	258,000	344,307	171,874
Investment Income and Commissions (Schedule 4, 5)	8,100	11,460	10,215
Other Revenues (Schedule 4, 5)	33,569	32,611	33,063
<b>Total Revenues</b>	<b>3,736,273</b>	<b>3,878,579</b>	<b>3,327,480</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	270,568	254,663	255,818
Protective Services (Schedule 3)	239,663	225,024	220,853
Transportation Services (Schedule 3)	630,977	650,415	578,442
Environmental and Public Health Services (Schedule 3)	199,186	269,498	250,767
Planning and Development Services (Schedule 3)	148,202	109,514	158,464
Recreation and Cultural Services (Schedule 3)	367,199	377,953	443,057
Utility Services (Schedule 3)	751,843	736,490	722,858
<b>Total Expenses</b>	<b>2,607,638</b>	<b>2,623,557</b>	<b>2,630,259</b>
<b>Surplus (Deficit) before Other Capital Contributions</b>	<b>1,128,635</b>	<b>1,255,022</b>	<b>697,221</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	481,647	135,620	248,317
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>1,610,282</b>	<b>1,390,642</b>	<b>945,538</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>7,767,273</b>	<b>7,767,273</b>	<b>6,821,735</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>\$ 9,377,555</b>	<b>\$ 9,157,915</b>	<b>\$ 7,767,273</b>

The accompanying notes form an integral part of these financial statements.

**TOWN OF LUMSDEN**  
Statement of Changes in Net Financial Assets  
For the year ended December 31, 2015

Statement 3

	<b>2015 Budget</b>	<b>2015</b>	<b>2014</b> (Restated)
<b>Surplus (Deficit)</b>	\$ 1,610,282	\$ 1,390,642	\$ 945,538
(Acquisition) of tangible capital assets	(1,342,033)	(588,436)	(1,169,415)
Amortization of tangible capital assets	360,326	426,180	403,457
Proceeds of disposal of tangible capital assets	-	52,620	52,515
Loss (gain) on disposal of tangible capital assets	-	(5,641)	(1,206)
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>(981,707)</b>	<b>(115,277)</b>	<b>(714,649)</b>
(Acquisition) of supplies inventories	-	(3,833)	-
(Acquisition) of prepaid expense	-	(69,529)	(6,135)
Consumption of supplies inventory	-	-	1,807
Use of prepaid expense	-	-	-
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>(73,362)</b>	<b>(4,328)</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>628,575</b>	<b>1,202,003</b>	<b>226,561</b>
<b>Net Financial Assets - Beginning of Year</b>	<b>(907,967)</b>	<b>(907,967)</b>	<b>(1,134,528)</b>
<b>Net Financial Assets - End of Year</b>	<b>\$ (279,392)</b>	<b>\$ 294,036</b>	<b>\$ (907,967)</b>

The accompanying notes form an integral part of these financial statements.

**TOWN OF LUMSDEN**  
Statement of Cash Flows  
For the year ended December 31, 2015

Statement 4

	<b>2015</b>	<b>2014</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	\$ 1,390,642	\$ 945,538
Amortization	426,180	403,457
Loss (gain) on disposal of tangible capital assets	(5,641)	(1,206)
	<u>1,811,181</u>	<u>1,347,789</u>
<b>Changes in assets / liabilities</b>		
Taxes Receivable - Municipal	(12,612)	(1,019)
Other Receivables	(53,793)	(97,681)
Land for Resale	71,628	35,815
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	74,725	(107,224)
Deposits	(679)	5,317
Deferred Revenues	(1,090)	(4,294)
Utility Deposits	4,875	3,378
Stock and Supplies for Use	(3,833)	1,808
Prepayments and Deferred Charges	(69,528)	(6,135)
Other	60,578	58,247
<b>Net cash from (used for) operations</b>	<b>1,881,452</b>	<b>1,236,001</b>
<b>Capital:</b>		
Acquisition of Capital Assets	(588,436)	(1,169,415)
Proceeds from the Disposal of Capital Assets	52,620	52,515
Other Capital	-	-
<b>Net cash from (used for) capital</b>	<b>(535,816)</b>	<b>(1,116,900)</b>
<b>Investing:</b>		
Long-Term Investments	-	-
Other Investments	-	-
<b>Net cash from (used for) investing</b>	<b>-</b>	<b>-</b>
<b>Financing:</b>		
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	(134,735)	(286,500)
Other Financing	-	-
<b>Net cash from (used for) financing</b>	<b>(134,735)</b>	<b>(286,500)</b>
<b>Increase (Decrease) in cash resources</b>	<b>1,210,901</b>	<b>(167,399)</b>
<b>Cash and Investments - Beginning of Year</b>	<b>1,312,847</b>	<b>1,480,246</b>
<b>Cash and Investments - End of Year</b>	<b>\$ 2,523,748</b>	<b>\$ 1,312,847</b>

The accompanying notes form an integral part of these financial statements.

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the municipality are prepared by management in accordance with the local government standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council.

Significant aspects of the accounting policies are as follows:

**Basis of Accounting:**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

**(a) Reporting Entity:**

The financial statement consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

**(b) Collection of Funds for Other Authorities:**

Collection of funds by the municipality for the school board are collected and remitted in accordance with relevant legislation. The amounts uncollected are disclosed in Note 3.

**(c) Government Transfers:**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of the direct financial return.

Government transfers are recognized as either expenses or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

**(d) Deferred Revenue:**

Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

**(e) Net-Financial Assets:**

Net-Financial Assets at the end of an accounting period are the net amounts of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

**(f) Non-Financial Assets:**

Tangible capital and other Non-Financial Assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

**(g) Appropriated Reserves:**

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.

**(h) Investments:**

Portfolio investments are valued at cost, less any provision for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

**(i) Inventories:**

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost and net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

**(j) Property Tax Revenue:**

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by Council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions from other taxing authorities operate as a flow through and are excluded from municipal revenue.



**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

**(k) Tangible Capital Assets:**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market values at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Amortization is claimed on capital assets in the year of acquisition. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Assets</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	15 years
Buildings	40 years
Vehicles & Equipment	
Vehicles	10 years
Machinery & Equipment	5 to 20 years
<b>Infrastructure Assets</b>	
Infrastructure Assets	15 to 40 years
Water & Sewer	40 years
Road Network Assets	15 to 40 years

**Government Contributions:** Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

**Works of Art:** Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

**Capitalization of Interest:** The municipality capitalizes interest incurred while a tangible capital asset is under construction.

**Leases:** All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital lease are amortized on a straight line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

**(l) Landfill Liability:**

The municipality of **TOWN OF LUMSDEN** maintains a waste disposal site. The municipality has estimated closure and post closure costs, and this has been recorded as a liability.

**(m) Employee Benefit Plans:**

Contributions to the municipality's defined benefit plans are expensed when contributions are due and payable. Under the defined benefit multiemployer plans, the municipality's obligations are limited to their contributions.

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

**(n) Measurement Uncertainty:**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The "Opening Assets costs" of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

**(o) Basis of Segmentation / Segment Report:**

Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

**General Government:** The General Government segment provides for the administration of the municipality.

**Protective Services:** Protective Services is comprised of expenses for Police and Fire protection.

**Transportation Services:** The Transportation Services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

**Environmental and Public Health:** The Environmental segment provides waste disposal and other environmental services. The Public Health segment provides for items relating to public health services in the municipality.

**Planning and Development:** The Planning and Development segment provides for neighbourhood development and sustainability.

**Recreation and Culture:** The Recreation and Culture segment provides for community services through the provision of recreation and leisure services.

**Utility Services:** The Utility Services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

<b>2. Cash and Temporary Investments</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 1,547,404	\$ 838,030
Temporary investments	976,344	474,817
<b>Total Cash and Temporary Investments</b>	<b>\$ 2,523,748</b>	<b>\$ 1,312,847</b>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

<b>3. Taxes and Grants in Lieu Receivable</b>	<b>2015</b>	<b>2014</b>
Municipal - Current	\$ 91,504	\$ 87,205
- Arrears	20,745	12,324
- Tax enforcement	385	246
- Trailer fees	214	461
	112,848	100,236
- Less Allowance for Uncollectables	(2,500)	(2,500)
<b>Total Municipal Taxes Receivable</b>	<b>110,348</b>	<b>97,736</b>

School - Current	29,259	31,336
- Arrears	14,457	9,867
- Trailer Fees	704	803
<b>Total School Taxes Receivable</b>	<b>44,420</b>	<b>42,006</b>

Other	-	-
-------	---	---

Total Taxes and Grants in Lieu Receivable	154,768	139,742
---	---------	---------

Deduct taxes to be collected on behalf of other organizations	(44,420)	(42,006)
---	----------	----------

<b>Total Taxes and Grants in Lieu Receivable</b>	<b>\$ 110,348</b>	<b>\$ 97,736</b>
--	-------------------	------------------

<b>4. Other Accounts Receivable</b>	<b>2015</b>	<b>2014</b>
Trade receivables	\$ 82,945	\$ 28,599
Provincial government	11,575	29,984
GST receivable	51,760	67,433
Local government	56,198	44,875
Utility accounts receivable	325,164	302,958
<b>Total Other Accounts Receivable</b>	<b>527,642</b>	<b>473,849</b>
Less Allowance for Uncollectables	4,345	4,345
<b>Net Other Accounts Receivable</b>	<b>\$ 523,297</b>	<b>\$ 469,504</b>

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

<b>5. Land for Resale</b>	<b>2015</b>	<b>2014</b>
Tax title property	\$ 713	\$ 5,002
Allowance for market value adjustment	(713)	(5,002)
Net Tax Title Property	-	-
Other land	-	71,628
Allowance for market value adjustment	-	-
Net Other Land	-	71,628
<b>Total Land for Resale</b>	<b>\$ -</b>	<b>\$ 71,628</b>

<b>6. Accounts Payable</b>	<b>2015</b>	<b>2014</b>
Trade payables	\$ 47,862	\$ 60,494
Vacation pay	39,939	46,579
Accrued long term debt interest	1,011	3,217
Federal government	-	60
Prairie Valley School Division	120,865	1,094
Saskatchewan Municipal Board	24,970	48,665
Local government	187	-
<b>Total Accounts Payable</b>	<b>\$ 234,834</b>	<b>\$ 160,109</b>

<b>7. Deferred Revenue</b>	<b>2015</b>	<b>2014</b>
Donation for playground equipment and splash park	\$ 17,897	\$ 23,345
Overpaid taxes	45,196	41,338
Prepaid grant	500	-
<b>Total Deferred Revenue</b>	<b>\$ 63,593</b>	<b>\$ 64,683</b>

<b>8. Accrued Landfill Costs</b>	<b>2015</b>	<b>(Restated) 2014</b>
<b>Environmental Liabilities</b>	<b>\$ 1,575,000</b>	<b>\$ 1,514,423</b>

Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Act and include final covering and landscaping of the landfill, pumping of ground, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 89-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

**9. Long-Term Debt**

a) The debt limit of the municipality is \$2,376,887. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* section 161(1)).

b) Debenture debt is repayable as follows:

	<u>Maturity Date</u>	<u>Payment</u>	<u>Interest Rate</u>	<u>2015</u>	<u>2014</u>
a)	31/12/2015	\$25,981/yr	4.05%	\$nil	\$24,970

Future principal and interest payments are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Current Total</b>	<b>Prior Year Total</b>
2016	\$ -	\$ -	\$ -	\$ 24,970
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
Thereafter	-	-	-	-
Balance	\$ -	\$ -	\$ -	\$ 24,970

c) Long Term Liability: Bank loans with the Royal Bank of Canada.

	<u>Maturity Date</u>	<u>Payment</u>	<u>Interest Rate</u>	<u>2015</u>	<u>2014</u>
a)	31/12/2017	\$2,479/mo	6.34%	\$52,735	\$78,256
b)	18/11/2023	\$10,266/mo	4.5%	\$819,357	\$903,602

Future principal and interest payments are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Current Total</b>	<b>Prior Year Total</b>
2016	\$ 115,310	\$ 37,630	\$ 152,940	\$ 152,940
2017	117,726	35,214	152,940	152,940
2018	96,407	26,785	123,192	152,940
2019	100,836	22,353	123,189	123,192
2020	105,469	17,720	123,189	123,189
Thereafter	336,344	22,974	359,318	482,499
Balance	\$ 872,092	\$ 162,676	\$ 1,034,768	\$ 1,187,700

**TOWN OF LUMSDEN**  
Notes to the Financial Statements  
For the year ended December 31, 2015

**10. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2015 was \$47,815. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

**11. Fair Value**

The fair value of the financial assets and liabilities approximates their carrying value due to their short term nature. The fair value of the municipality's long term debt approximates the carrying value as the terms and conditions are comparable to current market conditions, or they are due in a relatively short period of time.

**12. Interest Rate Risk**

The town is not exposed to significant interest rate risk of its monetary current assets and current liabilities due to their short term maturity. The municipality is exposed to interest rate price risk on its long term debt that has a fixed interest rate. The interest rate and maturity date of the debt is disclosed in Note 9.

**13. Credit Risk**

The municipality is exposed to credit risk on the accounts receivable. The municipality does not have significant exposure to any individual creditor.

**TOWN OF LUMSDEN**  
 Schedule of Taxes and Other Unconditional Revenue  
 For the year ended December 31, 2015

Schedule 1

	2015 Budget	2015	2014
<b>TAXES</b>			
General municipal tax levy	\$ 1,332,154	\$ 1,332,747	\$ 1,239,119
Abatements and adjustments	(1,000)	(351)	(809)
Discount on current year taxes	(47,000)	(49,499)	(46,295)
<b>Net Municipal Taxes</b>	<b>1,284,154</b>	<b>1,282,897</b>	<b>1,192,015</b>
Potash tax share	-	26,162	-
Trailer license fees	-	-	-
Penalties on tax arrears	9,642	9,576	10,147
Special tax levy	-	-	-
Other -	-	-	-
<b>Total Taxes</b>	<b>1,293,796</b>	<b>1,318,635</b>	<b>1,202,162</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	367,536	367,536	355,807
Organized Hamlet	-	-	-
Other -	-	-	-
<b>Total Unconditional Grants</b>	<b>367,536</b>	<b>367,536</b>	<b>355,807</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	6,847	7,065	6,847
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	40,000	42,647	45,570
TransGas	-	-	-
SPMC - Municipal Share	2,923	2,149	2,923
SaskTel	1,356	1,399	1,356
Other -	-	-	-
Local/Other			
Housing Authority	5,973	6,163	5,973
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other -	-	-	-
Other Government Transfers			
S.P.C. Surcharges	71,000	74,106	72,131
SaskEnergy Surcharge	-	-	-
Other -	-	-	-
<b>Total Grants in Lieu of Taxes</b>	<b>128,099</b>	<b>133,529</b>	<b>134,800</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 1,789,431</b>	<b>\$ 1,819,700</b>	<b>\$ 1,692,769</b>

## TOWN OF LUMSDEN

### Schedule of Operating and Capital Revenue by Function For the year ended December 31, 2015

Schedule 2-1

	2015 Budget	2015	2014
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 350	\$ 382	\$ 3,282
- Rentals	300	150	-
- Sales of supplies	200	4,851	381
- Other - Licences and permits	15,100	9,270	15,605
Total Fees and Charges	15,950	14,653	19,268
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	-	-
- Investment income and commissions	8,100	11,460	10,215
- Other - Allowance recovery and other	16,017	6,322	5,456
<b>Total Other Segmented Revenue</b>	<b>40,067</b>	<b>32,435</b>	<b>34,939</b>
Conditional Grants			
- Student Employment	-	-	-
- Other - Hiring credit	-	-	-
<b>Total Conditional Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating</b>	<b>40,067</b>	<b>32,435</b>	<b>34,939</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Can/Sask Municipal Rural Infrastructure	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Government Services</b>	<b>\$ 40,067</b>	<b>\$ 32,435</b>	<b>\$ 34,939</b>

## PROTECTIVE SERVICES

### Operating

Other Segmented Revenue			
Fees and Charges			
- Other - Fire, police and other fees	\$ 50,850	\$ 67,422	\$ 39,107
- Custom work	-	-	-
Total Fees and Charges	50,850	67,422	39,107
- Tangible capital asset sales - gain (loss)	-	-	-
- Other - Donations	-	2,300	950
<b>Total Other Segmented Revenue</b>	<b>50,850</b>	<b>69,722</b>	<b>40,057</b>
Conditional Grants			
- Student Employment	-	-	-
- Local Government	15,000	1,486	31,596
- Other - Provincial	-	-	-
<b>Total Conditional Grants</b>	<b>15,000</b>	<b>1,486</b>	<b>31,596</b>
<b>Total Operating</b>	<b>65,850</b>	<b>71,208</b>	<b>71,653</b>

### Capital

Conditional Grants			
- Sask Watershed Flood Control	-	-	-
- Can/Sask Municipal Rural Infrastructure	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Protective Services</b>	<b>\$ 65,850</b>	<b>\$ 71,208</b>	<b>\$ 71,653</b>



**TOWN OF LUMSDEN**  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2015

Schedule 2-2

	2015 Budget	2015	2014
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 500	\$ -	\$ 9,446
- Sales of supplies	-	-	-
- Road maintenance agreements	-	-	-
- Frontage	-	-	-
- Other - Insurance	2,500	9,552	-
Total Fees and Charges	3,000	9,552	9,446
- Tangible capital asset sales - gain (loss)	-	5,585	1,206
- Other -	-	-	-
Total Other Segmented Revenue	3,000	15,137	10,652
Conditional Grants			
- Primary Weight Corridor	-	-	-
- Student Employment	-	-	-
- Other - Youth hires	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>3,000</b>	<b>15,137</b>	<b>10,652</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	92,315	92,641	92,478
- Sask Watershed Flood Control	56,000	2,979	20,839
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
<b>Total Capital</b>	<b>148,315</b>	<b>95,620</b>	<b>113,317</b>
<b>Total Transportation Services</b>	<b>\$ 151,315</b>	<b>\$ 110,757</b>	<b>\$ 123,969</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ 15,000	\$ 28,733	\$ 10,062
- Other - Custom work	25	-	-
- Recycle Fees	9,500	4,487	3,648
- Cemetery Fees	9,500	13,127	18,614
Total Fees and Charges	34,025	46,347	32,324
- Tangible capital asset sales - gain (loss)	-	-	-
- Other - Donations	-	500	300
Total Other Segmented Revenue	34,025	46,847	32,624
Conditional Grants			
- West Nile	-	-	-
- Local Government	21,360	20,475	19,360
- Other - Recycle Grant	36,188	-	36,188
Total Conditional Grants	57,548	20,475	55,548
<b>Total Operating</b>	<b>91,573</b>	<b>67,322</b>	<b>88,172</b>
<b>Capital</b>			
Conditional Grants			
- Local	-	-	-
- Can/Sask Municipal Rural Infrastructure	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other - Recycling	-	-	50,000
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Total Environmental and Public Health Services</b>	<b>\$ 91,573</b>	<b>\$ 67,322</b>	<b>\$ 138,172</b>

**TOWN OF LUMSDEN**

Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2015

Schedule 2-3

	2015 Budget	2015	2014
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Planning, permits, appeal and tourism fees	\$ 29,700	\$ 26,155	\$ 26,494
- Other - Servicing agreement fees	74,000	31,974	13,333
Total Fees and Charges	103,700	58,129	39,827
- Land sales - gain (loss)	258,000	344,307	171,874
- Other - Recovery of expenses and misc	-	1,588	-
Total Other Segmented Revenue	361,700	404,024	211,701
Conditional Grants			
- Sask Watershed Development	-	-	-
- Local Government	4,500	-	30,532
- Other - Dutch Elm Disease	-	-	-
Total Conditional Grants	4,500	-	30,532
<b>Total Operating</b>	<b>366,200</b>	<b>404,024</b>	<b>242,233</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other - Subdivision	-	40,000	85,000
<b>Total Capital</b>	<b>-</b>	<b>40,000</b>	<b>85,000</b>
<b>Total Planning and Development Services</b>	<b>\$ 366,200</b>	<b>\$ 444,024</b>	<b>\$ 327,233</b>

**RECREATION AND CULTURAL SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other - Recreation fees/supplies	\$ 127,400	\$ 146,122	\$ 124,870
Total Fees and Charges	127,400	146,122	124,870
- Tangible capital asset sales - gain (loss)	-	-	-
- Other - Insurance reimbursement	15,552	16,547	22,899
Total Other Segmented Revenue	142,952	162,669	147,769
Conditional Grants			
- Student Employment	2,856	2,770	-
- Saskatchewan Community Initiative	24,500	25,415	24,535
- Donations	18,000	49,935	88,426
- Other - Local government, Canada Day, spray pad, skating and federal	2,395	1,395	32,695
Total Conditional Grants	47,751	79,515	145,656
<b>Total Operating</b>	<b>190,703</b>	<b>242,184</b>	<b>293,425</b>

**Capital**

Conditional Grants			
- Provincial Government	-	-	-
- Local Government	-	-	-
- Other - Sask Lotteries and other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Recreation and Cultural Services</b>	<b>\$ 190,703</b>	<b>\$ 242,184</b>	<b>\$ 293,425</b>

**TOWN OF LUMSDEN**

Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2015

Schedule 2-4

	<b>2015 Budget</b>	<b>2015</b>	<b>2014</b>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 455,742	\$ 520,491	\$ 433,283
- Sewer	699,657	691,831	426,281
- Connection fees	30,050	7,000	28,000
- Other - Custom work	2,000	1,893	1,916
Total Fees and Charges	1,187,449	1,221,215	889,480
- Tangible capital asset sales - gain (loss)	-	-	-
- Other - Interest/donations	2,000	5,354	3,458
Total Other Segmented Revenue	1,189,449	1,226,569	892,938
Conditional Grants			
- Student Employment	-	-	-
- Other - Local grant	-	-	699
Total Conditional Grants	-	-	699
<b>Total Operating</b>	<b>1,189,449</b>	<b>1,226,569</b>	<b>893,637</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Sask Water Corp.	333,332	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
<b>Total Capital</b>	<b>333,332</b>	<b>-</b>	<b>-</b>
<b>Total Utility Services</b>	<b>\$ 1,522,781</b>	<b>\$ 1,226,569</b>	<b>\$ 893,637</b>

<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 2,428,489</b>	<b>\$ 2,194,499</b>	<b>\$ 1,883,028</b>
--	---------------------	---------------------	---------------------

**SUMMARY**

Total Other Segmented Revenue	\$ 1,822,043	\$ 1,957,403	\$ 1,370,680
Total Conditional Grants	124,799	101,476	264,031
Total Capital Grants and Contributions	481,647	135,620	248,317

<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 2,428,489</b>	<b>\$ 2,194,499</b>	<b>\$ 1,883,028</b>
--	---------------------	---------------------	---------------------

**TOWN OF LUMSDEN**  
 Schedule of Total Expenses by Function  
 For the year ended December 31, 2015

Schedule 3-1

	2015 Budget	2015	2014
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 37,375	\$ 36,632	\$ 33,534
Wages and benefits	110,496	102,740	103,583
Professional/Contractual services	80,406	74,692	80,170
Utilities	7,500	8,346	8,279
Maintenance, materials, and supplies	29,010	27,035	28,301
Grants and contributions - operating	500	500	500
- capital	-	-	-
Amortization	4,181	4,518	4,199
Interest	-	-	-
Allowance for uncollectible	-	-	(3,098)
Other - Election and appeal fees	1,100	200	350
<b>Total General Government Services</b>	<b>\$ 270,568</b>	<b>\$ 254,663</b>	<b>\$ 255,818</b>

<b>PROTECTIVE SERVICES</b>			
<b>Police Protection/EMO</b>			
Council remuneration and travel	\$ 900	\$ 145	\$ 280
Wages and benefits	2,625	4,920	2,508
Professional/Contractual services	109,000	115,290	108,170
Utilities	-	-	-
Maintenance, materials, and supplies	10,200	5,958	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other -	-	-	-
<b>Fire Protection</b>			
Wages and benefits	31,507	25,148	30,361
Professional/Contractual services	11,792	13,517	8,814
Utilities	8,900	7,414	8,540
Maintenance, materials, and supplies	19,683	15,084	12,995
Grants and contributions - operating	1,200	-	-
- capital	-	-	-
Amortization	19,875	16,204	18,990
Interest	-	-	-
Other - Bylaw enforcement	23,981	21,344	30,195
<b>Total Protective Services</b>	<b>\$ 239,663</b>	<b>\$ 225,024</b>	<b>\$ 220,853</b>

<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	\$ 225,459	\$ 206,861	\$ 215,098
Council remuneration and travel	2,100	1,935	1,522
Professional/Contractual services	13,043	12,676	12,141
Utilities	40,700	35,853	37,191
Maintenance, materials, and supplies	168,073	148,325	121,879
Gravel	60,000	57,856	20,606
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	82,663	147,965	127,358
Interest	38,939	38,944	42,647
Other -	-	-	-
<b>Total Transportation Services</b>	<b>\$ 630,977</b>	<b>\$ 650,415</b>	<b>\$ 578,442</b>

**TOWN OF LUMSDEN**  
Schedule of Total Expenses by Function  
For the year ended December 31, 2015

Schedule 3-2

	2015 Budget	2015	(Restated) 2014
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 85,410	\$ 93,563	\$ 83,187
Council remuneration and travel	150	1,985	483
Professional/Contractual services	71,947	146,176	132,468
Utilities	4,700	3,165	3,566
Maintenance, materials, and supplies	25,920	14,550	20,504
Grants and contributions - operating	-	-	-
- Waste disposal	-	-	-
- Public health	1,000	-	500
- capital	-	-	-
- Waste disposal	-	-	-
- Public health	-	-	-
Amortization	10,059	10,059	10,059
Interest	-	-	-
Other -	-	-	-
<b>Total Environmental and Public Health Services</b>	<b>\$ 199,186</b>	<b>\$ 269,498</b>	<b>\$ 250,767</b>

<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	\$ 46,945	\$ 45,518	\$ 43,625
Council remuneration and travel	2,550	1,527	2,135
Professional/Contractual services	86,250	52,757	100,474
Maintenance, materials, and supplies	11,400	9,030	7,778
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	1,057	682	1,057
Interest	-	-	3,395
Other -	-	-	-
<b>Total Planning and Development Services</b>	<b>\$ 148,202</b>	<b>\$ 109,514</b>	<b>\$ 158,464</b>

<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	\$ 91,676	\$ 91,249	\$ 87,611
Council remuneration and travel	3,100	3,259	2,956
Professional/Contractual services	76,018	72,747	84,143
Utilities	24,675	24,929	22,917
Maintenance, materials, and supplies	73,200	64,048	71,776
Grants and contributions - operating	17,500	42,516	32,678
- capital	-	-	63,900
Amortization	58,336	58,026	57,373
Interest	2,917	-	-
Allowance for uncollectibles	-	-	-
Other - Regional Library	19,777	21,179	19,703
<b>Total Recreation and Cultural Services</b>	<b>\$ 367,199</b>	<b>\$ 377,953</b>	<b>\$ 443,057</b>

**TOWN OF LUMSDEN**  
Schedule of Total Expenses by Function  
For the year ended December 31, 2015

Schedule 3-3

	2015 Budget	2015	2014
<b>UTILITY SERVICES</b>			
Wages and benefits	\$ 215,721	\$ 215,796	\$ 199,993
Council remuneration and travel	10,600	2,158	4,000
Professional/Contractual services	55,245	44,860	60,626
Utilities	48,550	46,225	46,182
Maintenance, materials, and supplies	230,270	233,487	218,479
Grants and contributions - operating	300	-	150
- capital	-	-	-
Amortization	184,155	188,726	184,421
Interest	6,316	5,238	9,007
Allowance for uncollectibles	686	-	-
Other -	-	-	-
<b>Total Utility Services</b>	<b>\$ 751,843</b>	<b>\$ 736,490</b>	<b>\$ 722,858</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 2,607,638</b>	<b>\$ 2,623,557</b>	<b>\$ 2,630,259</b>

**TOWN OF LUMSDEN**  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2015

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 14,653	\$ 67,422	\$ 9,552	\$ 46,347	\$ 58,129	\$ 146,122	\$ 1,221,215	\$ 1,563,440
Tangible Capital Asset Sales - Gain	-	-	5,585	-	-	-	-	5,585
Land Sales - Gain	-	-	-	-	344,307	-	-	344,307
Investment Income and Commissions	11,460	-	-	-	-	-	-	11,460
Other Revenues	6,322	2,300	-	500	1,588	16,547	5,354	32,611
Grants - Conditional	-	1,486	-	20,475	-	79,515	-	101,476
- Capital	-	-	95,620	-	40,000	-	-	135,620
<b>Total Revenues</b>	<b>32,435</b>	<b>71,208</b>	<b>110,757</b>	<b>67,322</b>	<b>444,024</b>	<b>242,184</b>	<b>1,226,569</b>	<b>2,194,499</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	139,372	30,213	208,796	95,548	47,045	94,508	217,954	833,436
Professional / Contractual Services	74,692	128,807	12,676	146,176	52,757	72,747	44,860	532,715
Utilities	8,346	7,414	35,853	3,165	-	24,929	46,225	125,932
Maintenance, Materials, and Supplies	27,035	21,042	206,181	14,550	9,030	64,048	233,487	575,373
Grants and Contributions	500	-	-	-	-	42,516	-	43,016
Amortization	4,518	16,204	147,965	10,059	682	58,026	188,726	426,180
Interest	-	-	38,944	-	-	-	5,238	44,182
Other	200	21,344	-	-	-	21,179	-	42,723
<b>Total Expenses</b>	<b>254,663</b>	<b>225,024</b>	<b>650,415</b>	<b>269,498</b>	<b>109,514</b>	<b>377,953</b>	<b>736,490</b>	<b>2,623,557</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (222,228)</b>	<b>\$ (153,816)</b>	<b>\$ (539,658)</b>	<b>\$ (202,176)</b>	<b>\$ 334,510</b>	<b>\$ (135,769)</b>	<b>\$ 490,079</b>	<b>\$ (429,058)</b>

Taxation and Other Unconditional Revenue (Schedule 1)

\$ 1,819,700

**Net Surplus (Deficit)**

\$ 1,390,642

**TOWN OF LUMSDEN**  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2014

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	(Restated) Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 19,268	\$ 39,107	\$ 9,446	\$ 32,324	\$ 39,827	\$ 124,870	\$ 889,480	\$ 1,154,322
Tangible Capital Asset Sales - Gain	-	-	1,206	-	171,874	-	-	173,080
Investment Income and Commissions	10,215	-	-	-	-	-	-	10,215
Other Revenues	5,456	950	-	300	-	22,899	3,458	33,063
Grants - Conditional	-	31,596	-	55,548	30,532	145,656	699	264,031
- Capital	-	-	113,317	50,000	85,000	-	-	248,317
<b>Total Revenues</b>	<b>34,939</b>	<b>71,653</b>	<b>123,969</b>	<b>138,172</b>	<b>327,233</b>	<b>293,425</b>	<b>893,637</b>	<b>1,883,028</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	137,117	33,149	216,620	83,670	45,760	90,567	203,993	810,876
Professional / Contractual Services	80,170	116,984	12,141	132,468	100,474	84,143	60,626	587,006
Utilities	8,279	8,540	37,191	3,566	-	22,917	46,182	126,675
Maintenance, Materials, and Supplies	28,301	12,995	142,485	20,504	7,778	71,776	218,479	502,318
Grants and Contributions	500	-	-	500	-	96,578	150	97,728
Amortization	4,199	18,990	127,358	10,059	1,057	57,373	184,421	403,457
Interest	-	-	42,647	-	3,395	-	9,007	55,049
Allowance for uncollectibles	(3,098)	-	-	-	-	-	-	(3,098)
Other	350	30,195	-	-	-	19,703	-	50,248
<b>Total Expenses</b>	<b>255,818</b>	<b>220,853</b>	<b>578,442</b>	<b>250,767</b>	<b>158,464</b>	<b>443,057</b>	<b>722,858</b>	<b>2,630,259</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (220,879)</b>	<b>\$ (149,200)</b>	<b>\$ (454,473)</b>	<b>\$ (112,595)</b>	<b>\$ 168,769</b>	<b>\$ (149,632)</b>	<b>\$ 170,779</b>	<b>\$ (747,231)</b>

Taxation and Other Unconditional Revenue (Schedule 1)

\$ 1,692,769

**Net Surplus (Deficit)**

**\$ 945,538**



**TOWN OF LUMSDEN**  
 Schedule of Tangible Capital Assets by Object  
 For the year ended December 31, 2015

Schedule 6

**2015** **2014**

	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
<b>Asset Cost</b>									
Opening Asset costs	\$ 189,442	\$ 208,920	\$ 5,011,631	\$ 469,148	\$ 1,658,864	\$ 7,412,374	\$ 386,106	\$ 15,336,485	\$ 14,292,923
Additions during the year	40,000	3,707	-	107,767	167,966	218,781	50,215	588,436	1,169,415
Disposals and write downs during the year	-	-	-	-	(49,451)	-	-	(49,451)	(125,853)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
<b>Closing Asset Costs</b>	<b>\$ 229,442</b>	<b>\$ 212,627</b>	<b>\$ 5,011,631</b>	<b>\$ 576,915</b>	<b>\$ 1,777,379</b>	<b>\$ 7,631,155</b>	<b>\$ 436,321</b>	<b>\$ 15,875,470</b>	<b>\$ 15,336,485</b>
<b>Accumulated Amortization</b>									
Opening Accum. Amort. Cost	\$ -	\$ 30,701	\$ 2,108,625	\$ 304,509	\$ 924,248	\$ 3,374,438	\$ -	\$ 6,742,521	\$ 6,413,609
Add: Amortization taken	-	14,076	109,403	30,533	91,340	180,828	-	426,180	403,457
Less: Accum. Amort. on Disposals	-	-	-	-	(2,473)	-	-	(2,473)	(74,545)
<b>Closing Accumulated Amort.</b>	<b>\$ -</b>	<b>\$ 44,777</b>	<b>\$ 2,218,028</b>	<b>\$ 335,042</b>	<b>\$ 1,013,115</b>	<b>\$ 3,555,266</b>	<b>\$ -</b>	<b>\$ 7,166,228</b>	<b>\$ 6,742,521</b>
<b>Net Book Value</b>	<b>\$ 229,442</b>	<b>\$ 167,850</b>	<b>\$ 2,793,603</b>	<b>\$ 241,873</b>	<b>\$ 764,264</b>	<b>\$ 4,075,889</b>	<b>\$ 436,321</b>	<b>\$ 8,709,242</b>	<b>\$ 8,593,964</b>

- |   |    |   |
|---|----|---|
| 1. Total contributed/donated assets received in 2015: | \$ | - |
| 2. List of assets recognized at nominal value are:    | \$ | - |
| - Infrastructure assets                               | \$ | - |
| - Vehicles  | \$ | - |
| - Machinery and Equipment                             | \$ | - |
| 3. Amount of interest capitalized in 2015:            | \$ | - |

**TOWN OF LUMSDEN**  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2015

Schedule 7

	2015							Total	2014
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer		
<b>Asset Cost</b>									
Opening Asset costs	\$ 378,426	\$ 405,419	\$ 4,202,956	\$ 303,834	\$ 121,221	\$ 1,638,974	\$ 8,285,655	\$ 15,336,485	\$ 14,292,923
Additions during the year	5,262	4,141	353,462	29,585	40,000	34,881	121,105	588,436	1,169,415
Disposals and write-downs during the year	-	-	(49,451)	-	-	-	-	(49,451)	(125,853)
<b>Closing Asset Costs</b>	<b>\$ 383,688</b>	<b>\$ 409,560</b>	<b>\$ 4,506,967</b>	<b>\$ 333,419</b>	<b>\$ 161,221</b>	<b>\$ 1,673,855</b>	<b>\$ 8,406,760</b>	<b>\$ 15,875,470</b>	<b>\$ 15,336,485</b>
<b>Accumulated Amortization</b>									
Opening Accum. Amort. Costs	\$ 366,181	\$ 250,178	\$ 1,516,396	\$ 155,487	\$ 15,490	\$ 600,093	\$ 3,838,696	\$ 6,742,521	\$ 6,413,609
Add: Amortization taken	4,518	16,204	147,965	10,059	682	58,026	188,726	426,180	403,457
Less: Accum. Amort. on Disposals	-	-	(2,473)	-	-	-	-	(2,473)	(74,545)
<b>Closing Accumulated Amortization</b>	<b>\$ 370,699</b>	<b>\$ 266,382</b>	<b>\$ 1,661,888</b>	<b>\$ 165,546</b>	<b>\$ 16,172</b>	<b>\$ 658,119</b>	<b>\$ 4,027,422</b>	<b>\$ 7,166,228</b>	<b>\$ 6,742,521</b>
<b>Net Book Value</b>	<b>\$ 12,989</b>	<b>\$ 143,178</b>	<b>\$ 2,845,079</b>	<b>\$ 167,873</b>	<b>\$ 145,049</b>	<b>\$ 1,015,736</b>	<b>\$ 4,379,338</b>	<b>\$ 8,709,242</b>	<b>\$ 8,593,964</b>

**TOWN OF LUMSDEN**  
Schedule of Accumulated Surplus  
For the year ended December 31, 2015

Schedule 8

	(Restated) 2014	Changes	2015
<b>UNAPPROPRIATED SURPLUS</b>	\$ (528,994)	\$ 388,626	\$ (140,368)
<b>APPROPRIATED RESERVES</b>			
General capital infrastructure	-	-	-
Cemetery	8,410	(1,528)	6,882
General reserve	8,201	-	8,201
Potash	-	26,162	26,162
Screwgate	-	50,000	50,000
New replacement infrastructure	56,387	88,166	144,553
Recreation facilities	46,878	(12,451)	34,427
Fire	20,282	51,000	71,282
Utility	424,723	551,620	976,343
Public reserve	2,816	-	2,816
Capital trust	55,245	(427)	54,818
Recycling	86,188	(539)	85,649
<b>Total Appropriated</b>	<b>709,130</b>	<b>752,003</b>	<b>1,461,133</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible Capital Assets (Schedule 6)	8,593,964	115,278	8,709,242
Less: Related debt	(1,006,827)	134,735	(872,092)
<b>Net Investment in Tangible Capital Assets</b>	<b>7,587,137</b>	<b>250,013</b>	<b>7,837,150</b>
<b>OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Accumulated Surplus</b>	<b>\$ 7,767,273</b>	<b>\$ 1,390,642</b>	<b>\$ 9,157,915</b>

**TOWN OF LUMSDEN**  
 Schedule of Mill Rates and Assessments  
 For the year ended December 31, 2015

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	\$ 85,085	\$ 142,621,500	\$ 10,918,600	\$ -	\$ 10,911,400	\$ -	\$ 164,536,585
<b>Regional Park Assessment</b>							-
<b>Total Assessment</b>							164,536,585
<b>Mill Rate Factor(s)</b>	1.000	1.000	1.000	1.000	1.000		
<b>Total Minimum Tax</b>	-	-	-	-	-		-
<b>Total Municipal Tax Levy</b>	\$ 689	\$ 1,155,234	\$ 88,442	\$ -	\$ 88,382		\$ 1,332,747

MILL RATES:	MILLS
Average Municipal*	8.100
Average School*	5.240
Potash Mill Rate	-
Uniform Municipal Mill Rate	8.1000

\* Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

**TOWN OF LUMSDEN**  
 Schedule of Council Remuneration  
For the year ended December 31, 2015

Schedule 10

<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Randy Bogdan	\$ 4,930	\$ -	\$ 4,930
Jane Cogger	4,060	-	4,060
Trevor Grohs	3,770	324	4,094
Wes Holobetz	4,350	-	4,350
Reggie Newkirk	4,930	182	5,112
Bryan Matheson	13,641	612	14,253
Rhonda Phillips	5,747	88	5,835
<b>Total</b>	<b>\$ 41,428</b>	<b>\$ 1,206</b>	<b>\$ 42,634</b>

**TOWN OF LUMSDEN**  
 Schedule of Financial Statement Adjustments  
For the year ended December 31, 2015

Schedule 11

The municipality has restated its financial statements to conform to the new accounting policy in regards to landfill closure costs. The Town contracted a engineering firm to assess the future closure costs of the liability. Previous years financial statements were restated to accrue the past closure costs. The effect on the change is noted below.

<b><u>Effect of Changes on 2013 Statement of Financial Position</u></b>	
2013 Accumulated Surplus / Deficit as previously reported	\$ 8,277,911
Less: Closure costs accrued	(1,456,176)
<b>Restated 2013 Accumulated Surplus / Deficit</b>	<b>\$ 6,821,735</b>

<b><u>Effect of Changes to 2014 Statement of Operations (Financial Activities)</u></b>	
Previously reported "Change in Net Assets"	\$ 1,003,785
Add:	-
Less:	
Closure costs	(58,247)
	-
<b>Restated Surplus (Deficit) of Revenue over Expenses</b>	<b>\$ 945,538</b>

**TOWN OF LUMSDEN**  
Statement of Financial Position  
As at December 31, 2015

**Statement 1**

	2015	(Restated) 2014
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and Temporary Investments	\$ 2,523,748	\$ 1,312,847
Taxes Receivable - Municipal	110,348	97,736
Other Accounts Receivable	523,297	469,504
Land for Resale	-	71,628
Long-Term Investments	-	-
Other	-	-
<b>Total Financial Assets</b>	<b>3,157,393</b>	<b>1,951,715</b>
<b>LIABILITIES</b>		
Bank Indebtedness	-	-
Accounts Payable	234,834	160,109
Accrued Liabilities Payable	-	-
Deposits	33,050	33,729
Deferred Revenue	63,593	64,683
Accrued Landfill Costs	1,575,000	1,514,423
Other Liabilities	-	-
Long-Term Debt	872,092	1,006,828
Lease Obligations	-	-
Utility Deposits	84,788	79,910
<b>Total Liabilities</b>	<b>2,863,357</b>	<b>2,859,682</b>
<b>NET FINANCIAL ASSETS</b>	<b>294,036</b>	<b>(907,967)</b>
Tangible Capital Assets	8,709,242	8,593,964
Prepayment and Deferred Charges	102,625	33,097
Stock and Supplies	52,012	48,179
Other	-	-
<b>Total Non-Financial Assets</b>	<b>8,863,879</b>	<b>8,675,240</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$ 9,157,915</b>	<b>\$ 7,767,273</b>

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

To the Residents of the  
TOWN OF LUMSDEN

Management of the **TOWN OF LUMSDEN** has the responsibility for preparing the accompanying financial statements and ensuring that all information in the related reports is consistent with the statements. This responsibility includes selecting appropriate accounting policies and making objective judgments and estimates in accordance with Canadian public sector accounting standards.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary systems of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained.

Ultimate responsibility for financial statements to the residents of the municipality lies with the Council who review the financial statements in detail with management prior to their approval for publication.

External auditors are appointed by the Council to audit the financial statements and are available to meet separately with both the Council and management to review their findings. The external auditors have full and free access to the Council to discuss their audit and their findings as to the integrity of the municipality's financial reporting and the adequacy of the system of internal controls.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Administrator

**TOWN OF LUMSDEN**  
Statement of Operations  
For the year ended December 31, 2015

Statement 2

(Restated)  
2014

Revenues	2015 Budget	2015	2014
Taxes and Other Unconditional Revenue	\$ 1,789,431	\$ 1,819,700	\$ 1,692,769
Fees and Charges	1,522,374	1,563,440	1,154,322
Conditional Grants	124,799	101,476	264,031
Tangible Capital Assets Sales - Gain	-	5,585	1,206
Land Sales - Gain	258,000	344,307	171,874
Investment Income and Commissions	8,100	11,460	10,215
Other Revenues	33,569	32,611	33,063

<b>Total Revenues</b>	<b>3,736,273</b>	<b>3,878,579</b>	<b>3,327,480</b>
-----------------------	------------------	------------------	------------------

**Expenses**

General Government Services	270,568	254,663	255,818
Protective Services	239,663	225,024	220,853
Transportation Services	630,977	650,415	578,442
Environmental and Public Health Services	199,186	269,498	250,767
Planning and Development Services	148,202	109,514	158,464
Recreation and Cultural Services	367,199	377,953	443,057
Utility Services	751,843	736,490	722,858

<b>Total Expenses</b>	<b>2,607,638</b>	<b>2,623,557</b>	<b>2,630,259</b>
-----------------------	------------------	------------------	------------------

<b>Surplus (Deficit) before Other Capital Contributions</b>	<b>1,128,635</b>	<b>1,255,022</b>	<b>697,221</b>
---	------------------	------------------	----------------

Provincial/Federal Capital Grants and Contributions	481,647	135,620	248,317
---	---------	---------	---------

<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>1,610,282</b>	<b>1,390,642</b>	<b>945,538</b>
--	------------------	------------------	----------------

<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>7,767,273</b>	<b>7,767,273</b>	<b>6,821,735</b>
---	------------------	------------------	------------------

<b>Accumulated Surplus (Deficit), End of Year</b>	<b>\$ 9,377,555</b>	<b>\$ 9,157,915</b>	<b>\$ 7,767,273</b>
---	---------------------	---------------------	---------------------

**REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS**

To the Mayor and Councillors  
TOWN OF LUMSDEN

The accompanying summary financial statements, which comprise the statement of financial position as at December 31, 2015 and the statement of operations for the year then ended, are derived from the audited financial statements of the TOWN OF LUMSDEN for the year ended December 31, 2015. We expressed a qualified audit opinion on those financial statements in our report dated September 13, 2016.

The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the TOWN OF LUMSDEN.

*Management's Responsibility for the Summary Financial Statements*

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian public sector accounting standards.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

*Opinion*

In our opinion, the summary financial statements derived from the audited financial statements of the TOWN OF LUMSDEN for the year ended December 31, 2015 are a fair summary of those financial statements in accordance with Canadian public sector accounting standards.

  
Dudley & Company LLP  
Chartered Professional Accountants