

**Annual Financial Statements**

**And Supporting Schedules**

**For The**

**Village of Loon Lake**

**For the year ended December 31, 2016**

### Management's Responsibility

To the Ratepayers of the Village of Loon Lake:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Holm Raiche Oberg Chartered Professional Accountants P.C. Ltd., an independent firm of chartered professional accountants, is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

June 26, 2017  
Date

Larry Heon  
Mayor

Iain Simpson  
Administrator



**Holm Raiche Oberg**  
Chartered Professional Accountants P.C. Ltd.

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Village of Loon Lake:

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Village of Loon Lake, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated 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 control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Village of Loon Lake as at December 31, 2016, and the results of its consolidated operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

North Battleford, Saskatchewan  
June 26, 2017

  
Chartered Professional Accountants

**Village of Loon Lake**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2016**

Statement 1

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 590,208	\$ 546,534
Taxes Receivable - Municipal (Note 3)	19,835	39,898
Other Accounts Receivable (Note 4)	20,762	20,047
Land for Resale (Note 5)	59,110	50,185
Long-term Investments		
Debt Charges Recoverable		
Other (Specify)		
<b>Total Financial Assets</b>	<b>689,915</b>	<b>656,664</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 6)		
Accounts Payable		
Accrued Liabilities Payable	98,316	12,067
Deposits		
Deferred Revenue (Note 7)	28,917	27,131
Accrued Landfill Costs (Note 8)	7,622	7,622
Liability for Contaminated Sites		
Other Liabilities		
Long-term Debt (Note 9)	50,098	75,325
Lease Obligations		
<b>Total Liabilities</b>	<b>184,953</b>	<b>122,145</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>504,962</b>	<b>534,519</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	1,336,722	1,305,500
Prepayments and Deferred Charges	719	2,514
Stock and Supplies	34,824	34,824
Other		
<b>Total Non-Financial Assets</b>	<b>1,372,265</b>	<b>1,342,838</b>
<b>Accumulated Surplus (Deficit) (Schedule 8)</b>	<b>\$ 1,877,227</b>	<b>\$ 1,877,357</b>

**Village of Loon Lake**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2016**

Statement 2

	2016 Budget	2016	2015
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 262,450	\$ 258,375	\$ 285,113
Fees and Charges (Schedule 4, 5)	184,000	213,692	218,287
Conditional Grants (Schedule 4, 5)	2,400	5,500	7,040
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		394	
Land Sales - Gain (Schedule 4, 5)			14,286
Investment Income and Commissions (Schedule 4, 5)	290	94	292
Other Revenues (Schedule 4, 5)	190	370	175
<b>Total Revenues</b>	<b>449,330</b>	<b>478,425</b>	<b>525,193</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	118,780	106,614	123,015
Protective Services (Schedule 3)	30,700	57,241	56,646
Transportation Services (Schedule 3)	102,940	99,451	137,035
Environmental and Public Health Services (Schedule 3)	55,200	107,590	47,523
Planning and Development Services (Schedule 3)	2,000	1,518	4,425
Recreation and Cultural Services (Schedule 3)	11,670	22,710	24,385
Utility Services (Schedule 3)	130,320	153,542	167,932
<b>Total Expenses</b>	<b>451,610</b>	<b>548,666</b>	<b>560,961</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>(2,280)</b>	<b>(70,241)</b>	<b>(35,768)</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	17,800	70,111	17,896
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>\$ 15,520</b>	<b>(130)</b>	<b>(17,872)</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>		<b>1,877,357</b>	<b>1,895,229</b>
<b>Accumulated Surplus (Deficit), End of Year</b>		<b>\$ 1,877,227</b>	<b>\$ 1,877,357</b>

Village of Loon Lake

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2016

Statement 3

	2016 Budget	2016	2015
<b>Surplus (Deficit)</b>	\$ 15,520	\$ (130)	\$ (17,872)
(Acquisition) of tangible capital assets		(117,765)	(10,603)
Amortization of tangible capital assets		86,937	88,206
Proceeds on disposal of tangible capital assets			
Gain on the disposal of tangible capital assets		(394)	
<b>Surplus (Deficit) of capital revenue over expenditures</b>		<b>(31,222)</b>	<b>77,603</b>
(Acquisition) of supplies inventories			(2,392)
(Acquisition) of prepaid expense			
Consumption of supplies inventories		1,795	
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>1,795</b>	<b>(2,392)</b>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>\$ 15,520</b>	<b>(29,557)</b>	<b>57,339</b>
<b>Net Financial Assets - Beginning of Year</b>		<b>534,519</b>	<b>477,180</b>
<b>Net Financial Assets - End of Year</b>		<b>\$ 504,962</b>	<b>\$ 534,519</b>

Village of Loon Lake  
Consolidated Statement of Cash Flow  
For the year ended December 31, 2016

Statement 4

Cash provided by (used for) the following activities

Operating:

	2016	2015
Surplus (Deficit)	\$ (130)	\$ (17,872)
Amortization	86,937	88,206
Gain on disposal of tangible capital assets	(394)	
	<u>86,413</u>	<u>70,334</u>

Change in assets/liabilities

Taxes Receivable - Municipal	20,063	(14,787)
Other Receivables	(715)	7,530
Land for Resale	(8,925)	
Other Financial Assets		
Accounts and Accrued Liabilities Payable	86,249	(3,997)
Deposits		
Deferred Revenue	1,786	3,290
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use		
Prepayments and Deferred Charges	1,795	(2,392)
Other (Specify)		
<b>Net cash provided by (used for) operations</b>	<b>186,666</b>	<b>59,978</b>

Capital:

Acquisition of Tangible Capital Assets	(117,765)	(10,603)
Proceeds From the Disposal of Tangible Capital Assets		
Other Capital		
<b>Net cash provided by (used for) capital</b>	<b>(117,765)</b>	<b>(10,603)</b>

Investing:

Long-term Investments		
Other Investments		
<b>Net cash provided by (used for) investing</b>		

Financing:

Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid	(25,227)	(23,849)
Other Financing		
<b>Cash provided by (used for) financing transactions</b>	<b>(25,227)</b>	<b>(23,849)</b>

<b>Change in Cash and Temporary Investments during the year</b>	<b>43,674</b>	<b>25,526</b>
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<b>Cash and Temporary Investments - Beginning of Year</b>	<b>546,534</b>	<b>521,008</b>
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<b>Cash and Temporary Investments - End of Year</b>	<b>\$ 590,208</b>	<b>\$ 546,534</b>
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**Village of Loon Lake**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016**

**1. Significant Accounting Policies**

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

- a) **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.
- b) **Reporting Entity:** The financial statements 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. Entities included in these financial statements are as follows:

Entity

Village of Loon Lake

Loon Lake Fire Department (Village's 50% proportionate share)

All inter-organizational transactions and balances have been eliminated.

- c) **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 collected are disclosed in Note 3.
- d) **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 a direct financial return. Government transfers are recognized as revenue 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; 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 account receivable.

- e) **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.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net-Financial Assets:** Net-financial assets at the end of an accounting period are the net amount 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.
- h) **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.



**Village of Loon Lake**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016**

**1. Significant Accounting Policies - continued**

- i) **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.
- 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 operate as a flow through and are excluded from municipal revenue.
- k) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions 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.
- l) **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 or 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.
- m) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital 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 value at the date of contribution. 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. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles and Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
<b>Infrastructure Assets</b>	
Water and Sewer	30 to 75 Yrs
Road Network Assets	30 to 75 Yrs

**Government Contributions:** Government contributions for the acquisition of tangible 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 does not capitalize interest incurred while a tangible capital asset is under construction.

- n) **Landfill Liability:** The Village of Loon Lake maintains a waste disposal site. The waste site closure and post closure cost liability has been estimated at December 31, 2016 to be \$7,622 (2015 - \$7,622). This liability represents the estimated total expenditures for closure and post
- o) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

# Village of Loon Lake

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2016

### 1. Significant Accounting Policies - continued

- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
  - b) contamination exceeds the environmental standard;
  - c) The municipality:
    - i. is directly responsible; or
    - ii. accepts responsibility;
  - d) it is expected that future economic benefits will be given up; and
  - e) a reasonable estimate of the amount can be made.

- q) **Measurement Uncertainty:** The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures during the period. Taxes receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Allowances are determined through an annual review of outstanding amounts.

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

- r) **Basis of Segmentation:** The municipality has adopted the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. 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: The protective services segment 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 expenses related to public health services in the municipality.

Planning and Development: The planning and development segment provides for neighborhood development and sustainability.

Recreation and Cultural: The recreation and cultural 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.

- s) **Land Sales:** Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured.
- t) **Land for Resale:** Land for resale is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and utility service connections. The land is considered available for sale when all the land preparation is completed.
- u) **Tax Title Property:** Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

**Village of Loon Lake**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016**

	2016	2015
<b>2. Cash and Temporary Investments</b>		
Cash	\$ 237,218	\$ 393,544
Temporary Investments	352,990	152,990
Restricted Cash		
<b>Total Cash and Temporary Investments</b>	<b>\$ 590,208</b>	<b>\$ 546,534</b>

Cash and temporary investments include balances with banks, Credit Unions, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

The municipality has not specifically set aside funds to finance future expenditures based upon appropriated reserves (Schedule 8) determined by council. The appropriated reserves are underfunded by \$51,286 and \$82,286 as of December 31, 2016 and 2015, respectively. However, there is sufficient cash in the general account to cover the reserve.

**3. Taxes and Grants in Lieu Receivable**

Municipal - Current	\$ 19,206	\$ 32,408
- Arrears	3,221	10,082
	22,427	42,490
- Less Allowance for Uncollectibles	(2,592)	(2,592)
<b>Total Municipal Taxes Receivable</b>	<b>19,835</b>	<b>39,898</b>

School - Current	2,884	5,033
- Arrears	201	1,620
<b>Total School Taxes Receivable</b>	<b>3,085</b>	<b>6,653</b>

Other		
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Total Taxes and Grants in Lieu Receivable 22,920 46,551

Deduct taxes receivable to be collected on behalf of other organizations (3,085) (6,653)

**Total Taxes Receivable - Municipal \$ 19,835 \$ 39,898**

**4. Other Accounts Receivable**

Federal government	\$ 13,864	\$ 9,534
Provincial government		
Local government		
Utility	10,375	11,778
Trade	1,845	4,057
Other	599	599
<b>Total Other Accounts Receivable</b>	<b>26,683</b>	<b>25,968</b>

Less Allowance for Uncollectibles (5,921) (5,921)

**Net Other Accounts Receivable \$ 20,762 \$ 20,047**

**5. Land for Resale**

Tax Title Property	\$ 11,648	\$ 2,723
Allowance for Market Value Adjustment		
<b>Net Tax Title Property</b>	<b>11,648</b>	<b>2,723</b>

Other Land	47,462	47,462
Allowance for Market Value Adjustment		
<b>Net Other Land</b>	<b>47,462</b>	<b>47,462</b>

**Total Land for Resale \$ 59,110 \$ 50,185**

# Village of Loon Lake

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2016

### 6. Credit Facility Agreement

The municipality has a credit facility agreement with its financial institution that covers its long-term debt facilities referred to in Note 9 and a revolving operating line of credit in the amount of \$95,000.

Interest on the line of credit is prime. Security for the line of credit is the assignment of the municipality's municipal taxes receivable. There was no balance owing at year end under this line of credit at December 31, 2016 and 2015.

### 7. Deferred Revenue

	2016	2015
Doctor's house cost sharing with RM of Loon Lake	\$ 22,412	\$ 19,536
Utility deposits	6,505	7,595
<b>Total Deferred Revenue</b>	<b>\$ 28,917</b>	<b>\$ 27,131</b>

### 8. Accrued Landfill Costs

<b>Environmental liabilities</b>	<b>\$ 7,622</b>	<b>\$ 7,622</b>
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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 100-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.

### 9. Long-term Debt

a) The debt limit of the municipality is \$386,958. 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) The CIBC loan is repayable by monthly payments of \$2,402 including interest at 5.7% and is secured by taxes receivable and future utility billings. The loan is due October, 2018.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2016				\$ 25,169
2017	\$ 26,642	\$ 2,183	\$ 28,825	26,642
2018	23,456	934	24,390	23,514
<b>Balance</b>	<b>50,098</b>	<b>3,117</b>	<b>53,215</b>	<b>75,325</b>

### 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 2016 was \$9,798 (2015 - \$10,080). 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. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

### 12. Budget Figures

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

Village of Loon Lake

Schedule of Taxes and Other Unconditional Revenue

For the year ended December 31, 2016

Schedule 1

	2016 Budget	2016	2015
<b>TAXES</b>			
General municipal tax levy	\$ 174,200	\$ 177,593	\$ 176,212
Abatements and adjustments	(20,000)	(22,586)	(2,050)
Discount on current year taxes	(5,950)	(6,150)	(5,958)
<b>Net Municipal Taxes</b>	<b>148,250</b>	<b>148,857</b>	<b>168,204</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	3,000	5,124	3,401
Special tax levy			
Other (Specify)			
<b>Total Taxes</b>	<b>151,250</b>	<b>153,981</b>	<b>171,605</b>

**UNCONDITIONAL GRANTS**

Revenue Sharing	72,000	74,073	72,393
Organized Hamlet			
<b>Total Unconditional Grants</b>	<b>72,000</b>	<b>74,073</b>	<b>72,393</b>

**GRANTS IN LIEU OF TAXES**

Federal	11,700	11,725	11,725
Provincial			
S.P.C. Electrical	14,600	16,619	16,038
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	1,900	1,977	1,977
Other (SUMA)	11,000		11,375
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			
<b>Total Grants in Lieu of Taxes</b>	<b>39,200</b>	<b>30,321</b>	<b>41,115</b>

<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 262,450</b>	<b>\$ 258,375</b>	<b>\$ 285,113</b>
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Village of Loon Lake  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2016

Schedule 2 - 1

	2016 Budget	2016	2015
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 1,000	\$ 825	\$ 953
- Sales of supplies	1,430	666	1,873
- Other (Rent)	1,370	1,200	1,300
Total Fees and Charges	3,800	2,691	4,126
- Tangible capital asset sales - gain (loss)			14,286
- Land sales - gain			
- Investment income and commissions	290	94	292
- Other (Business licences)	190	370	175
Total Other Segmented Revenue	4,280	3,155	18,879
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>	<b>4,280</b>	<b>3,155</b>	<b>18,879</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total General Government Services</b>	<b>4,280</b>	<b>3,155</b>	<b>18,879</b>

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other (Fire fees)		28,857	34,500
Total Fees and Charges		28,857	34,500
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue		28,857	34,500
Conditional Grants			
- Student Employment			
- Local government		2,500	5,000
- Other (Specify)			
Total Conditional Grants		2,500	5,000
<b>Total Operating</b>		<b>31,357</b>	<b>39,500</b>

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Interest)		1,552	61
<b>Total Capital</b>		<b>1,552</b>	<b>61</b>
<b>Total Protective Services</b>		<b>32,909</b>	<b>39,561</b>

Village of Loon Lake  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2016

Schedule 2 - 2

	2016 Budget	2016	2015
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges		394	
- Tangible capital asset sales - gain			
- Other (Specify)			
Total Other Segmented Revenue		394	
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>		<b>394</b>	
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax	17,800	18,275	17,835
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>	<b>17,800</b>	<b>18,275</b>	<b>17,835</b>
<b>Total Transportation Services</b>	<b>17,800</b>	<b>18,669</b>	<b>17,835</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	39,210	41,205	32,174
- Other (Building permits, pet licenses)	700	1,901	2,150
Total Fees and Charges	39,910	43,106	34,324
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	39,910	43,106	34,324
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (Dr. House Rental & WYWRA grant)	2,400	3,000	2,040
Total Conditional Grants	2,400	3,000	2,040
<b>Total Operating</b>	<b>42,310</b>	<b>46,106</b>	<b>36,364</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Environmental and Public Health Services</b>	<b>42,310</b>	<b>46,106</b>	<b>36,364</b>



Village of Loon Lake  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2016

Schedule 2 - 3

	2016 Budget	2016	2015
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Planning and Development Services</b>			

**RECREATION AND CULTURAL SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other (July 1 fireworks)		59	7
Total Fees and Charges		59	7
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue		59	7
Conditional Grants			
- Student Employment			
- Local government			
- Donations			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>		59	7

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Recreation and Cultural Services</b>		59	7

Village of Loon Lake  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2016

Schedule 2 - 4

	2016 Budget	2016	2015
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	89,700	96,525	92,693
- Sewer	50,500	42,454	52,547
- Other (connections fees)	90		90
Total Fees and Charges	140,290	138,979	145,330
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	140,290	138,979	145,330
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>	140,290	138,979	145,330
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)		50,284	
- Clean Water Wastewater Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>		50,284	
<b>Total Utility Services</b>	140,290	189,263	145,330

<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 204,680</b>	<b>\$ 290,161</b>	<b>\$ 257,976</b>
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**SUMMARY**

Total Other Segmented Revenue	\$ 184,480	\$ 214,550	\$ 233,040
Total Conditional Grants	2,400	5,500	7,040
Total Capital Grants and Contributions	17,800	70,111	17,896
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 204,680</b>	<b>\$ 290,161</b>	<b>\$ 257,976</b>

**Village of Loon Lake**

**Total Expenses by Function**

**For the year ended December 31, 2016**

Schedule 3 - 1

	2016 Budget	2016	2015
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 12,670	\$ 13,687	\$ 11,894
Wages and benefits	67,000	45,197	66,434
Professional/Contractual services	33,260	38,119	36,984
Utilities	300	300	551
Maintenance, materials and supplies	5,550	8,030	5,871
Grants and contributions - operating - capital			
Amortization		1,281	1,281
Interest			
Allowance for uncollectibles			
Other (Specify)			
<b>Total Government Services</b>	<b>118,780</b>	<b>106,614</b>	<b>123,015</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	22,600	21,913	21,525
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating - capital			
Other (Specify)			

**Fire protections**

Wages and benefits		8,086	8,447
Professional/Contractual services	2,020	3,366	3,690
Utilities		3,325	2,863
Maintenance, material and supplies	1,080	9,168	7,363
Grants and contributions - operating - capital	5,000	2,500	5,000
Amortization		8,883	7,758
Interest			
Other (Specify)			

<b>Total Protective Services</b>	<b>30,700</b>	<b>57,241</b>	<b>56,646</b>
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**TRANSPORTATION SERVICES**

Wages and benefits	49,190	42,873	48,531
Professional/Contractual Services			
Utilities	18,560	17,949	17,804
Maintenance, materials and supplies	30,190	21,019	39,405
Gravel	5,000	300	11,832
Grants and contributions - operating - capital			
Amortization		17,310	19,463
Interest			
Other (Specify)			

<b>Total Transportation Services</b>	<b>102,940</b>	<b>99,451</b>	<b>137,035</b>
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Village of Loon Lake

Total Expenses by Function

For the year ended December 31, 2016

Schedule 3 - 2

	2016 Budget	2016	2015
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	17,540	13,472	18,602
Professional/Contractual services	32,080	91,165	21,647
Utilities			
Maintenance, materials and supplies	5,260	1,893	3,398
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization		1,060	826
Interest			
Other (Pest control, dog catcher)	320		3,050
<b>Total Environmental and Public Health Services</b>	<b>55,200</b>	<b>107,590</b>	<b>47,523</b>

**PLANNING AND DEVELOPMENT SERVICES**

Wages and benefits			
Professional/Contractual Services	2,000	1,518	4,425
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
<b>Total Planning and Development Services</b>	<b>2,000</b>	<b>1,518</b>	<b>4,425</b>

**RECREATION AND CULTURAL SERVICES**

Wages and benefits			
Professional/Contractual services	3,560	3,166	
Utilities	2,880	2,976	2,747
Maintenance, materials and supplies			
Grants and contributions - operating	5,230	4,907	9,977
- capital			
Amortization		11,661	11,661
Interest			
Allowance for uncollectibles			
Other (Specify)			
<b>Total Recreation and Cultural Services</b>	<b>11,670</b>	<b>22,710</b>	<b>24,385</b>

Village of Loon Lake

Total Expenses by Function

For the year ended December 31, 2016

Schedule 3 - 3

	2016 Budget	2016	2015
<b>UTILITY SERVICES</b>			
Wages and benefits	32,410	29,107	40,092
Professional/Contractual services	1,470	1,488	1,387
Utilities	16,760	15,585	15,961
Maintenance, materials and supplies	74,840	57,021	58,298
Grants and contributions - operating - capital			
Amortization		46,742	47,217
Interest	4,840	3,599	4,977
Allowance for uncollectibles			
Other (Specify)			
<b>Total Utility Services</b>	<b>130,320</b>	<b>153,542</b>	<b>167,932</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 451,610</b>	<b>\$ 548,666</b>	<b>\$ 560,961</b>

Village of Loon Lake

Consolidated Schedule of Segment Disclosure by Function  
For the year ended December 31, 2016

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 2,691	\$ 28,857	\$ 394	\$ 43,106	\$ 59	\$ 59	\$ 138,979	\$ 213,692
Tangible Capital Asset Sales - Gain								394
Land Sales - Gain								
Investment Income and Commissions	94							94
Other Revenues	370							370
Grants - Conditional		2,500		3,000				5,500
- Capital		1,552	18,275				50,284	70,111
<b>Total Revenues</b>	<b>3,155</b>	<b>32,909</b>	<b>18,669</b>	<b>46,106</b>		<b>59</b>	<b>189,263</b>	<b>290,161</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	58,884	8,086	42,873	13,472			29,107	152,422
Professional/ Contractual Services	38,119	25,279		91,165	1,518	3,166	1,488	160,735
Utilities	300	3,325	17,949			2,976	15,585	40,135
Maintenance, Materials and Supplies	8,030	9,168	21,319	1,893			57,021	97,431
Grants and Contributions		2,500				4,907		7,407
Amortization	1,281	8,883	17,310	1,060		11,661	46,742	86,937
Interest							3,599	3,599
Allowance for Uncollectibles								
Other								
<b>Total Expenses</b>	<b>106,614</b>	<b>57,241</b>	<b>99,451</b>	<b>107,590</b>	<b>1,518</b>	<b>22,710</b>	<b>153,542</b>	<b>548,666</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (103,459)</b>	<b>\$ (24,332)</b>	<b>\$ (80,782)</b>	<b>\$ (61,484)</b>	<b>\$ (1,518)</b>	<b>\$ (22,651)</b>	<b>\$ 35,721</b>	<b>(258,505)</b>

Taxation and Other Unconditional Revenue (Schedule 1)

258,375

**Net Surplus (Deficit)** \$ (130)

**Village of Loon Lake**

**Consolidated Schedule of Segment Disclosure by Function**

**For the year ended December 31, 2015**

Schedule 5

<b>Revenues (Schedule 2)</b>		<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental &amp; Public Health</b>	<b>Planning and Development</b>	<b>Recreation and Cultural</b>	<b>Utility Services</b>	<b>Total</b>
Fees and Charges	\$	4,126	\$ 34,500	\$	\$ 34,324	\$	\$ 7	\$ 145,330	\$ 218,287
Tangible Capital Asset Sales - Gain		14,286							14,286
Land Sales - Gain		292							292
Investment Income and Commissions		175							175
Other Revenues			5,000		2,040				7,040
Grants - Conditional - Capital			61	17,835					17,896
<b>Total Revenues</b>		<b>18,879</b>	<b>39,561</b>	<b>17,835</b>	<b>36,364</b>		<b>7</b>	<b>145,330</b>	<b>257,976</b>
<b>Expenses (Schedule 3)</b>									
Wages & Benefits		78,328	8,447	48,531	18,602			40,092	194,000
Professional/ Contractual Services		36,984	25,215		21,647	4,425		1,387	89,658
Utilities		551	2,863	17,804			2,747	15,961	39,926
Maintenance, Materials and Supplies		5,871	7,363	51,237	3,398			58,298	126,167
Grants and Contributions			5,000				9,977		14,977
Amortization		1,281	7,758	19,463	826		11,661	47,217	88,206
Interest								4,977	4,977
Allowance for Uncollectibles									
Other					3,050				3,050
<b>Total Expenses</b>		<b>123,015</b>	<b>56,646</b>	<b>137,035</b>	<b>47,523</b>	<b>4,425</b>	<b>24,385</b>	<b>167,932</b>	<b>560,961</b>
<b>Surplus (Deficit) by Function</b>	<b>\$</b>	<b>(104,136)</b>	<b>\$ (17,085)</b>	<b>\$ (119,200)</b>	<b>\$ (11,159)</b>	<b>\$ (4,425)</b>	<b>\$ (24,378)</b>	<b>\$ (22,602)</b>	<b>(302,985)</b>

Taxation and Other Unconditional Revenue (Schedule 1)

285,113

**Net Surplus (Deficit)**

**\$ (17,872)**



Village of Loon Lake  
Consolidated Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2016

Schedule 6

2016

2015

	General Assets					Infrastructure Assets	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	
<b>Asset Cost</b>							
Opening Asset costs	\$ 3,458	\$ 1,307,186	\$ 751,544	\$ 256,346	\$ 212,918	\$ 711,931	
Additions during the year				22,500	73,730	21,535	
Disposals and write-downs during the year						(7,872)	
Transfers (from) assets under construction							
<b>Closing Asset Costs</b>	<b>3,458</b>	<b>1,307,186</b>	<b>751,544</b>	<b>278,846</b>	<b>286,648</b>	<b>725,594</b>	
<b>Accumulated Amortization Cost</b>							
Opening Accumulated Amortization Costs		455,042	628,316	188,629	134,012	531,884	
Add: Amortization taken		30,832	18,789	11,956	10,947	14,413	
Less: Accumulated amortization on disposals						(8,266)	
<b>Closing Accumulated Amortization Costs</b>		<b>485,874</b>	<b>647,105</b>	<b>200,585</b>	<b>144,959</b>	<b>538,031</b>	

General/ Infrastructure Assets Under Construction	Total	Total
	\$ 3,243,383	\$ 3,232,780
	117,765	10,6
	(7,872)	
	<b>3,353,276</b>	<b>3,243,383</b>
	1,937,883	1,849,677
	86,937	88,206
	(8,266)	
	<b>2,016,554</b>	<b>1,937,883</b>

<b>Net Book Value</b>	<b>\$ 3,458</b>	<b>\$ 821,312</b>	<b>\$ 104,439</b>	<b>\$ 78,261</b>	<b>\$ 141,689</b>	<b>\$ 187,563</b>
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<b>\$ 1,336,722</b>	<b>\$ 1,305,500</b>
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Village of Loon Lake  
Consolidated Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2016

Schedule 7

	2016						2015	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Cultural	Water & Sewer	Total
<b>Asset Cost</b>								
Opening Asset costs	\$ 66,289	\$ 219,742	\$ 567,230	\$ 106,896		\$ 512,275	\$ 1,770,951	\$ 3,243,383
Additions during the year		22,500	21,535	73,730				117,765
Disposals and write-downs during the year			(7,872)					(7,872)
<b>Closing Asset Costs</b>	<b>\$ 66,289</b>	<b>\$ 242,242</b>	<b>\$ 580,893</b>	<b>\$ 180,626</b>		<b>\$ 512,275</b>	<b>\$ 1,770,951</b>	<b>\$ 3,353,276</b>
<b>Accumulated Amortization Cost</b>								
Opening Accumulated Amortization Costs	56,460	131,934	481,669	44,225		439,922	783,673	1,937,883
Add: Amortization taken	1,281	8,883	17,310	1,060		11,661	46,742	86,937
Less: Accumulated amortization on disposals			(8,266)					(8,266)
<b>Closing Accumulated Amortization Costs</b>	<b>\$ 57,741</b>	<b>\$ 140,817</b>	<b>\$ 490,713</b>	<b>\$ 45,285</b>		<b>\$ 451,583</b>	<b>\$ 830,415</b>	<b>\$ 2,016,554</b>
<b>Net Book Value</b>	<b>\$ 8,548</b>	<b>\$ 101,425</b>	<b>\$ 90,180</b>	<b>\$ 135,341</b>		<b>\$ 60,692</b>	<b>\$ 940,536</b>	<b>\$ 1,336,722</b>
								<b>\$ 1,305,500</b>

Village of Loon Lake

Consolidated Schedule of Accumulated Surplus

For the year ended December 31, 2016

Schedule 8

	2015	Changes	2016
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 564,896</b>	<b>\$ (25,579)</b>	<b>\$ 539,317</b>

**APPROPRIATED RESERVES**

Machinery and Equipment			
Public Reserve			
Capital Trust			
Utility	82,286	(31,000)	51,286
Other (Specify)			
<b>Total Appropriated</b>	<b>82,286</b>	<b>(31,000)</b>	<b>51,286</b>

**NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

Tangible capital assets (Schedule 6)	1,305,500	31,222	1,336,722
Less: Related debt	(75,325)	25,227	(50,098)
<b>Net Investment in Tangible Capital Assets</b>	<b>1,230,175</b>	<b>56,449</b>	<b>1,286,624</b>

<b>Total Accumulated Surplus</b>	<b>\$ 1,877,357</b>	<b>\$ (130)</b>	<b>\$ 1,877,227</b>
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Village of Loon Lake

Schedule of Mill Rates and Assessments

For the year ended December 31, 2016

Schedule 9

	PROPERTY CLASS					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment		\$ 5,180,000			\$ 1,073,200	\$ 6,253,200
Regional Park Assessment						
Total Assessment						6,253,200
Mill Rate Factor(s)		1.00			2	
Total Base/Minimum Tax (generated for each property class)		81,500			24,800	
Total Municipal Tax Levy (include base and/or minimum tax and special levies)		\$ 135,890			\$ 41,703	\$ 177,593

MILL RATES:

MILLS

Average Municipal*	28.4003
Average School*	5.5878
Potash Mill Rate	
Uniform Municipal Mill Rate	10.5000

\* 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.)

**Village of Loon Lake**  
**Schedule of Council Remuneration**  
**For the year ended December 31, 2016**  
*(Unaudited)*

Schedule 10

<b>Position</b>	<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Mayor	Larry Heon	1,260	911	\$ 2,171
Councillor	Glenn Fenrick	975		975
Councillor	Judy Valuck	195		195
Councillor	Les Sieben	975		975
Councillor	Myrna Molinger	195		195
Councillor	Olga Janzen	1,170	78	1,248
Councillor	Ron Waugh	1,105	625	1,730
<b>Total</b>		<b>5,875</b>	<b>1,614</b>	<b>\$ 7,489</b>



*Holm Raiche Oberg*  
*Chartered Professional Accountants P.C. Ltd.*

1321 101<sup>st</sup> Street  
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S9A 0Z9

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June 29, 2017  
File No. 47770

Larry Heon, Mayor  
Box 43  
Loon Lake, Saskatchewan  
S0M 1L0

Dear Larry:

**Re: Village of Loon Lake**

We enclose one copy of the financial statements for the year ended **December 31, 2016**. Additional copies of the statements have been sent to your Administrator for distribution to council.

Also enclosed is a copy of our letter of recommendations.

Yours truly,

Dallan D. Oberg, CPA, CA

/cs

**Enclosures**

cc Administrator

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Graham K. Holm, CPA, CA\*    Loralie A. Raiche, CPA, CA, CFP\*    Dallan D. Oberg, CPA, CA\*

\*Denotes a professional corporation





**Holm Raiche Oberg**  
Chartered Professional Accountants P.C. Ltd.

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Website: [www.hrocpa.ca](http://www.hrocpa.ca)

June 29, 2017  
File No. 47770

Village of Loon Lake  
Box 43  
Loon Lake, Saskatchewan  
S0M 1L0

**Attention: Larry Heon, Mayor**

Dear Larry:

We have completed our final audit of the Village of Loon Lake for the year ended December 31, 2016. As a result of our audit, we wish to advance the following observations and recommendations:

**Related party transactions**

During our audit, we noted that the village has not developed a policy regarding the provision of services to and from related parties. Related parties include the administrator, any member of council, any corporations or business entities owned by council, as well as any spouses or other dependents of council or the administrator. As a publicly accountable entity, transactions between related parties require closer scrutiny to ensure that these kinds of transactions occur in a clear and transparent manner.

We recommend that council draft and approve a policy that is used to disclose any of the above types of transactions. The policy should outline what is considered a related party transaction, how the acquisition of services is documented and how the payment for such services is determined.

**Payroll**

During our audit, we noted that the village is paying for 100% of employee benefits. If the employer pays for 100% of the benefit plan (Life and AD&D), then any payments the employee receives on these policies are conserved taxable to the employee. It is recommended that if the village pays 100% for these benefits then good practice to report these benefits as taxable on the employee's T4.

We recommend that if the employer continues to pay for group benefits the taxable portion mentioned above be reported on the employees T4 for Life and AD&D so any payment received is considered a tax free.