

**LAC LA BICHE COUNTY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**



**INDEPENDENT AUDITORS' REPORT**

To the Mayor and Members of Council of Lac La Biche County

*Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Lac La Biche County (the "County"), which comprises the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, consolidated 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 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.

*Auditors' 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 auditors' 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 auditors consider 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 financial position of Lac La Biche County as at December 31, 2015, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Lac La Biche, Alberta  
 April 26, 2016

*Hawkings Epp Dumont LLP*

Hawkings Epp Dumont LLP  
 Chartered Accountants

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**MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED  
FINANCIAL STATEMENTS**

Administration is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, Administration 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 the consolidated financial statements.

The elected Mayor and Council of Lac La Biche County are composed entirely of individuals who are neither administration nor employees of the County. The Mayor and Council have the responsibility of meeting with Administration and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the County's external auditors.

Hawkings Epp Dumont LLP, an independent firm of Chartered Accountants, is appointed by Council to audit the consolidated financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Mayor and Council and Administration to discuss their audit findings.



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Shadia Ambje, Chief Administrative Officer



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Dan Small, CPA, CMA, Senior Manager, Finance and Grants



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Maurice Gushta, Manager of Finance



Lac La Biche, Alberta  
April 26, 2016

**LAC LA BICHE COUNTY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 46,510,885	\$ 55,729,007
Taxes and grants in place of taxes receivable (Note 3)	904,160	709,589
Trade and other receivables (Note 4)	5,360,431	7,428,501
Investments (Note 5)	<u>32,652,465</u>	<u>57,211</u>
	<u>85,427,941</u>	<u>63,924,308</u>
<b>FINANCIAL LIABILITIES</b>		
Employee benefit obligations (Note 6)	627,483	529,800
Accounts payable and accrued liabilities (Note 7)	7,138,994	9,426,285
Deposit liabilities (Note 8)	1,418,873	1,918,260
Deferred revenue (Note 9)	2,894,918	2,186,422
Landfill closure and post-closure liability (Note 10)	2,865,750	3,070,856
Reclamation liability (Note 15)	890,000	890,000
Long-term debt (Note 11)	<u>26,692,624</u>	<u>32,803,235</u>
	<u>42,528,642</u>	<u>50,824,858</u>
<b>NET FINANCIAL ASSETS</b>	<u>42,899,299</u>	<u>13,099,450</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 5)	325,848,771	324,452,734
Inventory for consumption (Note 12)	3,474,614	2,393,404
Prepaid expenses	<u>462,655</u>	<u>78,699</u>
	<u>329,786,040</u>	<u>326,924,837</u>
<b>ACCUMULATED SURPLUS (Note 15)</b>	<u>\$372,685,339</u>	<u>\$340,024,287</u>

**CONTINGENCIES (Note 16)**

**APPROVED ON BEHALF OF COUNCIL:**

  
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**LAC LA BICHE COUNTY**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u> (Budget) (Note 20)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>REVENUES</b>			
Net municipal property taxes (Schedule 2)	\$64,618,604	<b>\$65,285,905</b>	\$46,356,202
User fees and sales of goods	8,512,226	<b>6,672,741</b>	8,307,115
Government transfers for operating (Schedule 3)	6,159,028	<b>6,381,687</b>	7,380,914
Other	1,260,499	<b>2,151,184</b>	1,569,613
Fines, licenses and permits	1,339,400	<b>706,520</b>	1,394,776
Interest and investment income	645,500	<b>1,068,582</b>	986,669
Rentals	667,000	<b>1,186,088</b>	779,945
Penalties and costs on taxes	<u>190,000</u>	<u><b>218,135</b></u>	<u>189,969</u>
	<u><b>83,392,257</b></u>	<u><b>83,670,842</b></u>	<u><b>66,965,203</b></u>
<b>EXPENSES</b>			
Transportation	11,927,348	<b>17,041,887</b>	16,982,064
Parks and recreation	10,306,148	<b>11,374,760</b>	10,583,150
Administration	6,568,334	<b>5,543,308</b>	5,656,512
Water and waste water services	4,075,211	<b>5,749,036</b>	5,471,781
Natural gas	2,976,985	<b>2,066,902</b>	3,076,529
Solid waste and recycling	2,387,649	<b>2,205,820</b>	2,136,625
Planning and development	1,836,665	<b>1,548,195</b>	1,967,657
Economic and agricultural development	1,579,893	<b>1,124,967</b>	1,201,976
Fire protection and safety services	1,292,292	<b>1,322,538</b>	1,191,142
Family and community support	1,216,332	<b>1,091,492</b>	994,202
Legislative	917,447	<b>809,162</b>	836,127
Bylaw enforcement	809,024	<b>576,706</b>	743,296
Culture	<u>554,715</u>	<u><b>701,273</b></u>	<u>674,835</u>
	<u><b>46,448,043</b></u>	<u><b>51,156,046</b></u>	<u><b>51,515,896</b></u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<u><b>36,944,214</b></u>	<u><b>32,514,796</b></u>	<u><b>15,449,307</b></u>
<b>OTHER INCOME</b>			
Government transfers for capital (Schedule 3)	1,650,602	<b>569,231</b>	1,705,836
Gain (loss) on disposal of tangible capital assets	<u>77,000</u>	<u><b>(422,975)</b></u>	<u>(193,606)</u>
	<u><b>1,727,602</b></u>	<u><b>146,256</b></u>	<u><b>1,512,230</b></u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>38,671,816</b>	<b>32,661,052</b>	16,961,537
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u><b>340,024,288</b></u>	<u><b>340,024,288</b></u>	<u><b>323,062,751</b></u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><b>\$378,696,104</b></u>	<u><b>\$372,685,340</b></u>	<u><b>\$340,024,288</b></u>

The accompanying notes are an integral part of the consolidated financial statements.

**LAC LA BICHE COUNTY**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u> (Budget) (Note 20)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>38,671,816</u></b>	<b>\$ <u>32,661,052</u></b>	<b>\$ <u>16,961,537</u></b>
Acquisition of tangible capital assets	(19,291,286)	<b>(13,426,807)</b>	(12,421,400)
Proceeds on disposal of tangible capital assets	77,000	7,654	188,173
Amortization of tangible capital assets	-	<b>11,600,139</b>	10,986,639
Loss (gain) on disposal of tangible capital assets	-	<b><u>422,975</u></b>	<u>193,606</u>
	<u>(19,214,286)</u>	<b><u>(1,396,039)</u></b>	<u>(1,052,982)</u>
Net change in inventory for consumption	-	<b>(1,081,210)</b>	(519,811)
Net change in prepaid expenses	-	<b><u>(383,954)</u></b>	<u>229,565</u>
	<u>-</u>	<b><u>(1,465,164)</u></b>	<u>(290,246)</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>19,457,530</b>	<b>29,799,849</b>	15,618,309
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<u>13,099,451</u>	<b><u>13,099,451</u></b>	<u>(2,518,858)</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ <u>32,556,981</u></b>	<b>\$ <u>42,899,300</u></b>	<b>\$ <u>13,099,451</u></b>

**LAC LA BICHE COUNTY**  
**CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 32,661,052	\$ 16,961,537
Deduct items not affecting cash:		
Loss on disposal of tangible capital assets	422,975	193,606
Amortization of tangible capital assets	11,600,139	10,986,639
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(194,571)	(53,272)
Trade and other receivables	2,068,071	7,088,071
Deposit liabilities	(499,387)	633,765
Prepaid expenses	(383,956)	229,567
Inventory for consumption	(1,081,210)	(519,811)
Accounts payable and accrued liabilities	(2,287,289)	(1,438,766)
Landfill closure and post-closure costs	(205,106)	(162,812)
Employee benefit obligations	97,683	4,632
Deferred revenue	<u>708,496</u>	<u>(4,326,670)</u>
	<u>42,906,897</u>	<u>29,596,486</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(13,426,807)	(12,421,400)
Proceeds on disposal of tangible capital assets	<u>7,654</u>	<u>188,173</u>
	<u>(13,419,153)</u>	<u>(12,233,227)</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash	(708,496)	4,326,670
Dividend income	(2,120)	(2,177)
Purchase of investments	<u>(32,593,134)</u>	<u>-</u>
	<u>(33,303,750)</u>	<u>4,324,493</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt repayments	<u>(6,110,612)</u>	<u>(5,855,445)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(9,926,618)</b>	<b>15,832,307</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>53,542,586</u></b>	<b><u>37,710,279</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 43,615,968</u></b>	<b><u>\$ 53,542,586</u></b>
Cash	\$ 46,510,885	\$ 25,711,934
Term deposits	<u>-</u>	<u>30,017,073</u>
Cash and cash equivalents	46,510,885	55,729,007
Less: restricted portion of cash related to deferred revenue (Note 9)	<u>(2,894,918)</u>	<u>(2,186,422)</u>
	<b><u>\$ 43,615,967</u></b>	<b><u>\$ 53,542,585</u></b>

The accompanying notes are an integral part of the consolidated financial statements.

LAC LA BICHE COUNTY

SCHEDULE 1

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget (Note 20)	Unrestricted	Restricted for Operating	Restricted for Capital	Equity in Tangible Capital Assets	2015 Total	2014 Total
Balance, Beginning of Year	\$ 3,219,402	\$ 3,219,402	\$ 10,063,902	\$ 35,091,484	\$ 291,649,499	\$ 340,024,287	\$ 323,062,751
Excess of Revenue over Expenses	38,671,816	32,661,052	-	-	-	32,661,052	16,961,537
Purchase of tangible capital assets	(26,950,738)	(13,426,807)	-	-	13,426,807	-	-
Annual amortization expense	-	11,600,139	-	-	(11,600,139)	-	-
Disposal of tangible capital assets	-	430,629	-	-	(430,629)	-	-
Unrestricted funds designated for future use	(8,164,825)	(26,454,240)	302,340	26,151,900	-	-	-
Long-term debt repaid	(6,110,612)	(6,110,612)	-	-	6,110,612	-	-
Balance, End of Year	\$ 665,043	\$ 1,919,563	\$ 10,366,242	\$ 61,243,384	\$ 299,156,150	\$ 372,685,339	\$ 340,024,288

The accompanying notes are an integral part of the consolidated financial statements. 5.



**LAC LA BICHE COUNTY**  
**SCHEDULE OF PROPERTY TAXES LEVIED**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE 2**

	<u>2015</u> (Budget) (Note 20)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>TAXATION</b>			
Real property taxes			
Residential	\$ 6,061,438	\$ 6,061,140	\$ 5,842,667
Non-residential	38,319,574	38,960,582	24,804,946
Linear property taxes	29,012,936	29,203,615	23,699,328
Local improvement taxes	170,000	43,984	320,000
Government grants in place of property taxes	<u>240,071</u>	<u>204,479</u>	<u>245,558</u>
	<u>73,804,019</u>	<u>74,473,800</u>	<u>54,912,499</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	8,338,712	8,342,028	7,761,847
Greater North Foundation	<u>846,703</u>	<u>845,867</u>	<u>794,450</u>
	<u>9,185,415</u>	<u>9,187,895</u>	<u>8,556,297</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 64,618,604</u>	<u>\$ 65,285,905</u>	<u>\$ 46,356,202</u>

**LAC LA BICHE COUNTY**  
**SCHEDULE OF GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE 3**

	<u>2015</u> (Budget) (Note 20)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 6,149,028	\$ 6,377,466	\$ 7,343,762
Local governments	<u>10,000</u>	<u>4,221</u>	<u>37,152</u>
	<u>6,159,028</u>	<u>6,381,687</u>	<u>7,380,914</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	1,328,202	292,568	1,146,969
Local government	<u>322,400</u>	<u>276,663</u>	<u>558,867</u>
	<u>1,650,602</u>	<u>569,231</u>	<u>1,705,836</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 7,809,630</u>	<u>\$ 6,950,918</u>	<u>\$ 9,086,750</u>

LAC LA BICHE COUNTY

SCHEDULE 4

SCHEDULE OF SEGMENT DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2015

	General Revenue	General Government	Protective Services	Transportation Services	Public Utilities	Public Health	Planning and Development	Recreation and Culture	Natural Gas	2015	2014
<b>REVENUE</b>											
Taxation	\$ 65,241,920	-	\$ -	\$ (40,183)	\$ 84,168	\$ -	\$ -	\$ -	\$ -	\$ 65,285,905	\$ 46,356,202
User fees and sales of goods	-	15,508	142,674	59,865	3,412,640	63,670	14,296	519,395	2,444,693	6,672,741	8,307,115
Government transfers	2,000,000	22,000	16,700	570,623	-	279,962	160,477	3,331,925	-	6,381,687	7,380,913
Other revenues	2,118,614	5,341	45,312	155,108	130,297	136,703	573,704	1,096,848	-	4,261,927	3,934,303
Investment income	<u>1,066,785</u>	-	-	-	-	-	-	<u>1,797</u>	-	<u>1,068,582</u>	<u>986,669</u>
<b>EXPENSES</b>											
Salaries, wages and benefits	70,427,319	42,849	204,686	745,413	3,627,105	480,335	748,477	4,949,965	2,444,693	83,670,842	66,965,202
Amortization	-	4,288,824	893,870	4,839,360	1,990,150	705,805	1,376,658	4,055,980	366,522	18,517,169	17,455,887
Contracted and general services	-	125,241	289,453	6,933,738	2,114,707	-	6,769	2,128,209	2,022	11,600,139	10,986,639
Materials, goods, supplies and utilities	-	1,741,137	352,285	1,796,170	2,612,038	126,801	1,103,149	1,203,017	256,873	9,191,470	9,715,401
Interest on long-term debt	-	253,489	363,636	3,450,916	947,947	73,252	91,131	1,256,408	1,441,485	7,878,264	9,201,521
Transfers to local governments	-	-	-	21,703	139,902	-	-	1,187,542	-	1,349,147	1,605,038
Other expenses	-	2,586	-	-	12,100	185,634	95,455	2,197,158	-	2,492,933	2,365,581
	-	<u>(58,807)</u>	-	-	<u>138,012</u>	-	-	<u>47,719</u>	-	<u>126,924</u>	<u>185,829</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>											
	-	6,352,470	1,899,244	17,041,887	7,954,856	1,091,492	2,673,162	12,076,033	2,066,902	51,156,046	51,515,896
Government transfers for capital	70,427,319	(6,309,621)	(1,694,558)	(16,296,474)	(4,327,751)	(611,157)	(1,924,685)	(7,126,068)	377,791	32,514,796	15,449,306
Gain (loss) on disposal of tangible capital assets	-	274,080	-	14,220	13,489	-	-	267,442	-	569,231	1,705,836
	<u>(365,440)</u>	-	22,500	(56,115)	(14,920)	-	-	(9,000)	-	(422,975)	(193,606)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>											
	<u>\$ 70,427,319</u>	<u>\$ (6,035,541)</u>	<u>\$ (1,672,058)</u>	<u>\$ (16,338,369)</u>	<u>\$ (4,329,182)</u>	<u>\$ (611,157)</u>	<u>\$ (1,924,685)</u>	<u>\$ (6,867,626)</u>	<u>\$ 377,791</u>	<u>\$ 32,661,052</u>	<u>\$ 16,961,536</u>

The accompanying notes are an integral part of the consolidated financial statements.

LAC LA BICHE COUNTY

SCHEDULE 5

SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2015	2014
<b>COST:</b>									
Balance, Beginning of Year	\$ 47,344,126	\$ 11,190,728	\$ 89,066,686	\$ 323,962,178	\$ 19,138,544	\$ 7,242,344	\$ 5,227,989	\$ 483,172,595	\$ 471,262,867
Additions	-	1,347,833	985,927	12,003,181	1,527,414	560,732	(2,998,280)	13,426,807	12,421,400
Disposals	-	-	-	(365,440)	(7,828)	-	(64,145)	(437,413)	(511,671)
Transfers	-	-	-	-	(90,095)	90,095	-	-	-
Balance, End of Year	<u>47,344,126</u>	<u>12,538,561</u>	<u>70,052,613</u>	<u>335,599,919</u>	<u>20,568,035</u>	<u>7,893,171</u>	<u>2,165,564</u>	<u>496,161,989</u>	<u>483,172,596</u>
<b>ACCUMULATED AMORTIZATION:</b>									
Balance, Beginning of Year	-	4,930,042	11,067,560	132,606,601	6,150,549	3,965,111	-	158,719,863	147,863,115
Amortization expense	-	737,766	1,374,924	7,540,401	1,385,242	561,806	-	11,600,139	10,986,639
Disposals	-	-	-	-	(6,784)	-	-	(6,784)	(129,892)
Transfers	-	-	-	-	(43,049)	43,049	-	-	-
Balance, End of Year	-	<u>5,667,808</u>	<u>12,442,484</u>	<u>140,147,002</u>	<u>7,485,958</u>	<u>4,569,966</u>	-	<u>170,313,218</u>	<u>158,719,862</u>
<b>2015 NET BOOK VALUE</b>	<b>\$ 47,344,126</b>	<b>\$ 6,870,753</b>	<b>\$ 57,610,129</b>	<b>\$ 195,452,917</b>	<b>\$ 13,082,077</b>	<b>\$ 3,323,205</b>	<b>\$ 2,165,564</b>	<b>\$ 325,848,771</b>	<b>\$ -</b>
<b>2014 NET BOOK VALUE</b>	<b>\$ 47,344,126</b>	<b>\$ 6,260,686</b>	<b>\$ 57,999,126</b>	<b>\$ 191,355,578</b>	<b>\$ 12,987,995</b>	<b>\$ 3,277,233</b>	<b>\$ 5,227,989</b>	<b>\$ -</b>	<b>\$ 324,452,734</b>

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of Lac La Biche County (the "County") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Boards ("PSAB") of the Chartered Professional Accountants of Canada ("CPA"). Significant aspects of the accounting policies adopted by the County are as follows:

**(a) Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to Council for the administration of their financial affairs and resources. Included with the County is the Lac La Biche County Library Board. The County is also a member of various other boards and commissions that are not included in the government reporting entity.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The consolidated statements exclude trust assets that are administered by the County for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

**(b) Basis of accounting**

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

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

(CONTD)

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Use of estimates**

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 expenditure during the period. Where management uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, landfill closure and post-closure costs, and provision for gravel pit reclamation are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

**(d) Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit and term deposits with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

**(e) Investments**

Investments are recorded at the lower of original cost and market value. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

**(f) Reclamation Liability**

Pursuant to the *Environmental Enhancement and Protection Act* (Alberta), the County is required to fund the future reclamation of its work sites. Closure activities include the final top soil cover, landscaping and visual inspection. The requirement is being provided for based on the estimated costs and length of time until the site is expected to be inactive.

(CONT'D)

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Landfill closure and post-closure liability**

Pursuant to the *Environmental Enhancement and Protection Act* (Alberta), the County is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill sites based on usage.

The annual provision is reported as an operating expense in solid waste and recycling services and the accumulated provision is reported as a liability on the Consolidated Statement of Financial Position.

**(h) Tax Revenue**

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the County. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

**(i) 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 in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**(j) Non-financial assets**

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

(CONT'D)

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	3 - 45
Buildings	15 - 50
Engineered structures	
Water system	25 - 75
Wastewater system	25 - 75
Other engineered structures	3 - 60
Machinery and equipment	5 - 40
Vehicles	10 - 15

The amortization in the year of acquisition is charged at one half the normal annual rate and no amortization is charged in the year of disposal.

Historical artifacts owned by the County are not included in tangible capital assets.

*Inventory*

Inventory held for consumption is valued at the lower of cost or replacement cost, with cost determined by the average cost method.

**(k) Requisition over-levy and under-levy**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

**(l) Pension Expenses**

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

(CONT'D)



**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**2. CASH AND CASH EQUIVALENTS**

	<u>2015</u>	<u>2014</u>
Cash	\$ 29,010,885	\$ 25,711,934
Term deposits	<u>17,500,000</u>	<u>30,017,073</u>
	<u>\$ 46,510,885</u>	<u>\$ 55,729,007</u>

Term deposits have original maturities of three months or less bearing interest at rates ranging from 1.46% to 1.47% maturing to March 31, 2016.

Included in term deposits is a restricted amount of \$2,894,918 (2014 - \$2,186,422) received from money-in-place of municipal taxes and held exclusively for municipal and public recreation purposes.

**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES**

	<u>2015</u>	<u>2014</u>
Current taxes and grants in place of taxes	\$ 709,255	\$ 589,353
Arrears taxes	<u>973,124</u>	<u>899,115</u>
	1,682,379	1,488,468
Less: Allowance for doubtful accounts	<u>(778,219)</u>	<u>(778,879)</u>
	<u>\$ 904,160</u>	<u>\$ 709,589</u>

**4. TRADE AND OTHER RECEIVABLES**

	<u>2015</u>	<u>2014</u>
Debt recoverable-local improvements	\$ 3,001,868	\$ 3,339,589
Trade accounts receivable	1,700,053	3,141,588
Receivables from governments	342,884	531,683
Goods and Services Tax recoverable	<u>315,626</u>	<u>415,641</u>
	<u>\$ 5,360,431</u>	<u>\$ 7,428,501</u>

**5. INVESTMENTS**

	<u>2015</u>	<u>2014</u>
Term deposits	\$32,593,133	\$ -
Servus Credit Union Ltd. shares	58,860	56,739
Gas Alberta Inc. shares	<u>472</u>	<u>472</u>
	<u>\$32,652,465</u>	<u>\$ 57,211</u>

Term deposits have original maturity dates ranging from April 30, 2016 to September 30, 2016, bearing interest at rates ranging from 1.47% to 1.49%.

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**6. EMPLOYEE BENEFITS OBLIGATION**

	<u>2015</u>	<u>2014</u>
Vacation	\$ 557,603	\$ 455,138
Overtime	<u>69,880</u>	<u>74,662</u>
	<u>\$ 627,483</u>	<u>\$ 529,800</u>

Employee benefits obligation is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

The County does not provide post-employment benefits to employees.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2015</u>	<u>2014</u>
Trade accounts payable	\$ 5,735,271	\$ 6,244,883
Holdbacks payable	1,390,747	3,141,095
Payables to governments	<u>12,976</u>	<u>40,307</u>
	<u>\$ 7,138,994</u>	<u>\$ 9,426,285</u>

**8. DEPOSIT LIABILITIES**

	<u>2015</u>	<u>2014</u>
Development performance bonds	\$ 1,159,111	\$ 1,081,841
Land sales	206,413	805,013
Other	<u>53,349</u>	<u>31,406</u>
	<u>\$ 1,418,873</u>	<u>\$ 1,918,260</u>

**9. DEFERRED REVENUE**

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2014</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2015</u>
Sponsorship agreements	\$ 1,349,606	\$ 166,020	\$ (494,100)	\$ 1,021,526
Provincial grants	499,784	8,935,530	(7,906,048)	1,529,266
Bold Centre leases and memberships	<u>337,032</u>	<u>6,684,383</u>	<u>(6,677,289)</u>	<u>344,126</u>
	<u>\$ 2,186,422</u>	<u>\$15,785,933</u>	<u>\$15,077,437)</u>	<u>\$ 2,894,918</u>

Sponsorship agreements are being amortized to revenue on a straightline basis per agreement over the next 10 years.

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**10. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

Changes in management's estimates with respect to requirements for both operating and inactive landfill sites resulted in the decrease of the total liability to \$2,865,750 (2014 - \$3,070,856). This is the sum of the discounted future cash flows for closure and post-closure activities for 25 years following the closure of operating sites and the estimated requirements at currently inactive sites. A discount rate of 1.46% (2014 - 1.58%) and an annual inflation rate of 1.15% (2014 - 2.57%) was used.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. At December 31, 2015, approximately 78% (2014 - 68%) of the aggregate landfill capacity had been utilized.

	<u><b>2015</b></u>	<u><b>2014</b></u>
Accrued to date closure costs	<b>\$ 2,218,355</b>	\$ 1,104,314
Accrued to date post-closure costs	<u><b>647,395</b></u>	<u>1,966,542</u>
Total liability accrued to date	<u><b>\$ 2,865,750</b></u>	<u><b>\$ 3,070,856</b></u>

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**11. LONG-TERM DEBT**

	<u>2015</u>	<u>2014</u>
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$2,980,329 including interest at 4.315%; due June 2020; issued for the Bold Center.	\$24,144,311	\$28,908,415
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$263,130 including interest at 4.307%; due December 2015; issued for east and west water and waste water line. Debenture repaid in the year.	-	509,737
Debenture debt held by Alberta Capital Finance Authority, repayable in annual installments of \$241,920 including interest at 3.77%; due September 2015; issued to finance the east and west waste water line. Debenture repaid in the year.	-	470,496
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$69,140 including interest at 4.565%; due December 2023; issued for Lakeview Estate water and waste water line.	918,095	1,011,263
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$182,779 including interest at 5.375%; due December 2018; issued for the water treatment plant.	494,277	642,521
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$34,438 including interest at 4.805%; due September 2022; issued for Sunset Bay subdivision water and waste water lines.	405,343	453,018
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$14,231 including interest at 4.565%; due December 2023; issued for base paving of 99 Avenue in the Town of Lac La Biche.	188,967	208,143
Debenture debt held by Alberta Capital Finance Authority, repayable in annual installments of \$26,024 including interest at 6.00%; due April 2023; issued for Lac La Biche town water and waste water lines.	161,602	177,006

(CONT'D)

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**11. LONG-TERM DEBT (CONT'D)**

	<u>2015</u>	<u>2014</u>
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$6,840 including interest at 4.805%; due September 2022; issued for Bulk Station road base paving.	80,512	89,981
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$5,842 including interest at 4.805%; due September 2022; issued for Gauthier subdivision base paving, curb and gutter replacement.	68,767	76,855
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$5,781 including interest at 4.805%; due September 2022; issued for Plamondon curb and sidewalk replacement and water and waste water lines.	68,049	76,053
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$4,872 including interest at 4.565%; due December 2023; issued for upgrading on Main Street, Lac La Biche Town.	64,698	71,264
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$4,872 including interest at 4.565%; due December 2023; issued for Bulk Station road water and waste water lines.	64,698	71,263
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$2,830 including interest at 4.805%; due September 2022; issued to finance Clearwater Cove subdivision primary water and waste water line.	<u>33,305</u>	<u>37,220</u>
	<u>\$26,692,624</u>	<u>\$32,803,235</u>

(CONT'D)

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**11. LONG-TERM DEBT (CONT'D)**

The current portion of the long-term debt amounts to \$ 5,356,605 (2014 - \$6,110,612).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,356,605	\$ 1,110,552	\$ 6,467,157
2017	5,592,827	874,329	6,467,156
2018	5,839,489	627,667	6,467,156
2019	5,914,273	370,103	6,284,376
2020	3,193,069	110,979	3,304,048
Thereafter	<u>796,361</u>	<u>63,331</u>	<u>859,692</u>
	<u>\$26,692,624</u>	<u>\$ 3,156,961</u>	<u>\$29,849,585</u>

Debenture debt is issued on the credit and security of the County at large.

The County's total cash payments for interest is \$1,366,646 (2014 - \$1,866,294).

**12. INVENTORY FOR CONSUMPTION**

	<u>2015</u>	<u>2014</u>
Gravel	\$ 2,615,395	\$ 1,649,204
Material and supplies	<u>859,219</u>	<u>744,200</u>
	<u>\$ 3,474,614</u>	<u>\$ 2,393,404</u>

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**13. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits, as defined by *Alberta Regulation 255/00*, for the County be disclosed as follows:

	<u>2015</u>	<u>2014</u>
Total debt limit	\$125,506,263	\$100,447,805
Total debt	<u>(26,692,624)</u>	<u>(32,803,235)</u>
Amount of debt limit unused	<u>\$ 98,813,639</u>	<u>\$ 67,644,570</u>
Service on debt limit	\$ 20,917,711	\$ 16,741,301
Service on debt	<u>(6,467,157)</u>	<u>(7,477,258)</u>
Amount of service on debt limit unused	<u>\$ 14,450,554</u>	<u>\$ 9,264,043</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in *Alberta Regulation 255/00*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

**14. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2015</u>	<u>2014</u>
Net book value of tangible capital assets	\$325,848,771	\$324,452,734
Long-term debt related to tangible capital assets	<u>(26,692,624)</u>	<u>(32,803,235)</u>
	<u>\$299,156,147</u>	<u>\$291,649,499</u>

LAC LA BICHE COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

**15. ACCUMULATED SURPLUS**

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<u>2015</u>	<u>2014</u>
Unrestricted surplus	\$ <u>1,919,563</u>	\$ <u>3,219,402</u>
Restricted surplus		
General operations	10,366,242	10,063,902
Capital	<u>61,243,384</u>	<u>35,091,484</u>
	<u>71,609,626</u>	<u>45,155,386</u>
Equity in tangible capital assets	<u>299,156,150</u>	<u>291,649,499</u>
	<u>\$372,685,339</u>	<u>\$340,024,287</u>

**16. CONTINGENCIES**

- a) The County is a member of the Genesis Reciprocal Insurance Exchange ("GENESIS") and the Jubilee Reciprocal Insurance Exchange ("JRIE"). Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by GENESIS and JRIE. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- b) Where estimated reclamation costs are reasonably determinable, the County has recorded a total provision in the amount of \$890,000 (2014 - \$890,000) for environmental liabilities based on management's estimate of these costs. Such estimates are subject to adjustment based on changes in laws and regulations and as additional information becomes available.
- c) The County is a defendant in lawsuits arising in the normal course of operations and involving various amounts. Administration is of the opinion that the results of these actions should not have any material effect on the financial position of the County. No amounts have been accrued in these consolidated financial statements relating to any of these activities. Any awards or settlements will be reflected in the Statement of Operations as the matters are resolved or when sufficient information on amounts and likelihood is known.

**17. LOCAL AUTHORITIES PENSION PLAN**

Employees of the County participate in the *Local Authorities Pension Plan* ("LAPP"), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The County is required to make current service contributions to the LAPP consisting of 11.39% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 15.84% of the excess.

Total current service contributions made by the County to the LAPP in 2015 were \$1,156,449 (2014 - \$1,079,912). Total current service contributions made by the employees of the County to the LAPP in 2015 were \$1,063,915 (2014 - \$991,402).

At December 31, 2014, the LAPP disclosed an actuarial deficiency of \$2.4 billion (2013 - \$4.9 billion).



LAC LA BICHE COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

18. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials and the chief administrative officer as required by *Alberta Regulation 313/2000* is as follows:

	<u>Salary</u>	<u>Honorarium</u>	<u>Benefits</u>	<u>Total 2015</u>	<u>Total 2014</u>
O. Moghrabi, Mayor <i>(July 25, 2014 to December 31, 2015)</i>	\$ 47,940	\$ 35,925	\$ 5,461	\$ 89,326	\$ 37,640
A. Langevin, Mayor <i>(January 1 to May 8, 2014)</i>	-	-	-	-	33,570
W. Austin, Ward 1	27,540	36,300	9,066	72,906	76,705
R. Richard, Ward 2	27,540	40,000	7,218	74,758	71,646
R. Olson, Ward 3	27,540	30,125	8,788	66,453	74,245
D. Phillips, Ward 4	27,540	25,000	10,231	62,771	76,222
MJ Siebold, Ward 5	27,540	23,175	8,558	59,273	62,597
T. Thompson, Ward 6	27,540	28,875	7,358	63,773	68,940
J. Nowak, Ward 7	32,640	38,000	8,830	79,470	81,322
H. Haymour, Ward 7	<u>27,540</u>	<u>29,000</u>	<u>8,253</u>	<u>64,793</u>	<u>64,188</u>
	<u>\$ 273,360</u>	<u>\$ 286,400</u>	<u>\$ 73,763</u>	<u>\$ 633,523</u>	<u>\$ 647,075</u>
Chief Administrative Officer(s)	<u>\$ 180,530</u>	<u>\$ -</u>	<u>\$ 35,044</u>	<u>\$ 215,574</u>	<u>\$ 276,955</u>

Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration. In 2015, the County employed one full-time Chief Administrative Officer ("CAO"). In 2014, CAO salary relates to 2 acting CAOs plus an interim CAO and severance for a previous CAO.

Benefits include the employer's share of all employee benefits and contributions or payments including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long-term and short-term disability plans, professional membership dues, and tuition.

19. SEGMENTED INFORMATION

The County provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Refer to the Schedule of Segmented Disclosure (Schedule 4).

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**20. BUDGET DATA**

The budget presented in these financial statements is based on the 2015 operating budget approved by Council on January 7, 2015. The County compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess revenue over expenditures to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Actual 2014</u>
Excess of Revenue over Expenses, per financial statements	\$ <u>38,671,816</u>	\$ <u>32,661,052</u>	\$ <u>16,961,537</u>
Add back:			
Amortization expense	-	11,600,139	10,986,639
Net transfers (to) from reserves	<u>(8,164,825)</u>	<u>(26,454,240)</u>	<u>(26,465,766)</u>
	<u>(8,164,825)</u>	<u>(14,854,101)</u>	<u>(15,479,127)</u>
Deduct:			
Principal debt repayments	6,110,612	6,110,612	5,855,445
Capital purchases	<u>26,950,738</u>	<u>13,426,807</u>	<u>12,421,400</u>
	<u>33,061,350</u>	<u>19,537,419</u>	<u>18,276,845</u>
Results of Operations as Budgeted	\$ <u>(2,554,359)</u>	\$ <u>(1,730,468)</u>	\$ <u>(16,794,435)</u>

**21. FINANCIAL INSTRUMENTS**

The County's financial instruments include cash and cash equivalents, trade and other accounts receivable, accounts payable and accrued liabilities, tax over-levies, and long-term debt. It is management's opinion that the County is not exposed to significant interest or currency risk arising from these financial instruments.

The County is subject to credit risk with respect to taxes and grants in lieu of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying values of the financial instruments approximates fair values.

**LAC LA BICHE COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**22. COMPARATIVE FIGURES**

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

**23. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these consolidated financial statements on April 26, 2016.

**24. CHANGE IN ACCOUNTING POLICY**

In June 2010, the Public Sector Accounting Board issued PS 3260 *Liability for Contaminated Sites* for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The County adopted this accounting standard retroactively as of January 1, 2015. There was no impact to the County's consolidated financial statements due to this adoption.

## LAC LA BICHE COUNTY

### INTERNAL/EXTERNAL COMMITTEE MEMBERSHIP

Each member of the Council participates in many internal and external committees.

#### Lac La Biche County Committee Listing by Elected Official - 2015

<b>Member</b> <b>Omer Moghrabi</b> <b>Mayor</b>	<b>Mayor</b>	<i>Internal</i> Aboriginal Liaison Committee Emergency Advisory Committee and State of Local Emergency Committee Municipal Planning Commission State of Local Emergency Committee <i>External</i> Greater North Foundation Lac La Biche Health Services Foundation/Lakeland Doctor Recruitment Board Lac La Biche Pow Wow & Fish Derby Association Northeast Alberta Information HUB Oilsands Developers Group
<b>Wanda Austin</b>	<b>Councillor, Ward 1</b>	<i>Internal</i> Agricultural Service Board Emergency Advisory Committee Lac La Biche County Library Board State of Local Emergency Committee <i>External</i> Beaver River Watershed Alliance Lakeland Agricultural Research Association Northern Lights Library Board System VSI Services
<b>Robert Richard</b>	<b>Councillor, Ward 2</b> <b>Deputy Mayor</b>	<i>Internal</i> Agricultural/Environmental Appeals Committee Municipal Planning Commission Public Works Committee Rich Lake Mediation Task Force Solid Waste Management Committee Transportation Master Plan Committee <i>External</i> Coalition for a Safer 63 & 881 Fort McMurray Traffic Corridors Working Group Greater North Foundation (alternate) Lakeland County Regional Trail Working Group Ports to Plains Alliance / Veteran's Memorial Highway Association
<b>Rick Olson</b>	<b>Councillor, Ward 3</b>	<i>Internal</i> Agricultural Service Board Transportation Master Plan Committee <i>External</i> Greater North Foundation Natural Gas Partnership Committee Natural Gas System & Natural Gas Issues Plamondon & District Community Development Society Ports to Plains Alliance / Veteran's Memorial Highway Association (alternate)

LAC LA BICHE COUNTY

INTERNAL/EXTERNAL COMMITTEE MEMBERSHIP (CONT'D)

<b>Dave Phillips</b>	<b>Councillor, Ward 4</b>	<i>Internal</i>	<ul style="list-style-type: none"> <li>Aboriginal Liaison Committee (alternate)</li> <li>Assessment Review Boards</li> <li>Emergency Advisory Committee</li> <li>State of Local Emergency Committee</li> <li>Subdivision and Development Appeal Board</li> <li>Policy Review Committee</li> <li>Public Works Committee</li> </ul>
		<i>External</i>	<ul style="list-style-type: none"> <li>Community Futures Lac La Biche</li> <li>Lac La Biche Health Services Foundation/Lakeland Doctor</li> <li>Lac La Biche Pow Wow &amp; Fish Derby Association</li> <li>Coalition for a Safer 63 &amp; 881</li> <li>Fort McMurray Traffic Corridors Working Group</li> <li>Lakeland County Regional Trail Working Group</li> <li>Natural Gas Partnership Committee</li> <li>Natural Gas System &amp; Natural Gas Issues (alternate)</li> <li>Northeast Alberta Information HUB (alternate)</li> <li>Plamondon &amp; District Community Development Society (alternate)</li> </ul>
<b>MJ Siebold</b>	<b>Councillor, Ward 5</b>	<i>Internal</i>	<ul style="list-style-type: none"> <li>Aboriginal Liaison Committee</li> <li>Agricultural/Environmental Appeals Committee</li> <li>Assessment Review Boards</li> <li>Environmental Stewardship Advisory Committee</li> <li>Lac La Biche County Library Board</li> <li>Policy Review Committee</li> <li>Strategic Communication Planning Team</li> <li>Subdivision and Development Appeal Board</li> </ul>
		<i>External</i>	<ul style="list-style-type: none"> <li>AUMA Municipal Governance Standing Committee</li> <li>Lakeland Agricultural Research Association (alternate)</li> <li>Lakeland Interpretive Society</li> <li>Northern Lights Library System Board (alternate)</li> <li>Water North Coalition</li> </ul>
<b>Tim Thompson</b>	<b>Councillor, Ward 6</b>	<i>Internal</i>	<ul style="list-style-type: none"> <li>Aboriginal Liaison Committee</li> <li>Agricultural/Environmental Appeals Committee</li> <li>FCSS Advisory Board</li> <li>Municipal Planning Commission</li> <li>Solid Waste Management Committee</li> <li>Transportation Master Plan Committee</li> <li>Water Resources Management Task Force</li> </ul>
		<i>External</i>	<ul style="list-style-type: none"> <li>Lac La Biche Golf Club Society</li> </ul>
<b>John Nowak</b>	<b>Councillor, Ward 7 Deputy Mayor</b>	<i>Internal</i>	<ul style="list-style-type: none"> <li>Municipal Planning Commission</li> <li>Policy Review Committee</li> <li>Rich Lake Mediation Task Force</li> <li>Solid Waste Management Committee</li> <li>Strategic Communication Planning Team</li> </ul>
		<i>External</i>	<ul style="list-style-type: none"> <li>Lac La Biche &amp; District Chamber of Commerce</li> <li>Lac La Biche Health Services Foundation/Lakeland Doctor Recruitment Board</li> <li>Oilsands Developers Group (alternate)</li> <li>Water North Coalition</li> </ul>
<b>Hajar (Jerry) Haymour</b>	<b>Councillor, Ward 7</b>	<i>Internal</i>	<ul style="list-style-type: none"> <li>Public Works Committee</li> <li>Emergency Advisory Committee and State of Local Emergency Committee</li> <li>FCSS Advisory Committee</li> <li>Municipal Planning Commission</li> <li>Water Resources Management Task Force</li> </ul>
		<i>External</i>	<ul style="list-style-type: none"> <li>Greater North Foundation</li> </ul>