

**MUNICIPALITY OF BIFROST - RIVERTON**

**Consolidated Financial Statements  
For the Year Ended December 31, 2015**

## STATEMENT OF RESPONSIBILITY

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

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

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

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



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Cindy Stansell  
Chief Administrative Officer



## INDEPENDENT AUDITORS' REPORT

To the Reeve and members of Council of the  
**MUNICIPALITY OF BIFROST - RIVERTON**

We have audited the accompanying consolidated financial statements of the Municipality of Bifrost - Riverton, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2015, 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### *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 financial statements are free from material misstatement.

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

### *Basis for Qualification*

Riverton Bifrost CDC, a controlled entity has not been consolidated into the financial statements. The financial information necessary for consolidation was not available. As a result we were unable to determine whether any adjustments to the financial statements were necessary.

### *Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Bifrost - Riverton as at December 31, 2015, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2015 in accordance with Canadian Public Sector Accounting Standards.

*Exchange*

Chartered Professional Accountants LLP  
Winnipeg, Manitoba  
February 28, 2017

# **MUNICIPALITY OF BIFROST - RIVERTON**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2015**

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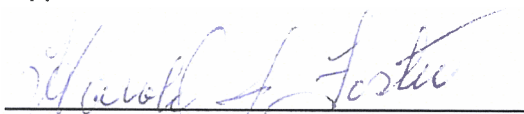
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**MUNICIPALITY OF BIFROST - RIVERTON  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 997,539	\$ 955,535
Amounts receivable (Note 4)	989,009	869,571
Portfolio investments (Note 5)	-	56
	<u>\$ 1,986,548</u>	<u>\$ 1,825,162</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 451,389	\$ 462,185
Landfill closure and post closure liabilities (Note 8)	48,362	45,758
Long-term debt (Note 9)	1,178,293	711,170
	<u>1,678,044</u>	<u>1,219,113</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 308,504</u>	<u>\$ 606,049</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 10,543,197	\$ 9,661,791
Inventories (Note 6)	117,811	98,799
Prepaid expenses	47,611	35,828
	<u>10,708,619</u>	<u>9,796,418</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 14)</b>	<u>\$ 11,017,123</u>	<u>\$ 10,402,467</u>

**CONTINGENCIES (NOTE 10)**

Approved on behalf of Council:

  
\_\_\_\_\_  
Reeve

  
\_\_\_\_\_  
Councillor

*The accompanying notes are an integral part of this financial statement*

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2015**

	<u>2015 Budget (Note 13)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 2,989,101	\$ 2,989,324	\$ 2,961,875
Grants in lieu of taxation	100,613	100,613	114,775
User fees	420,001	433,021	317,113
Permits, licences and fines	550	484	1,042
Investment income	1,010	19,623	12,916
Other revenue	172,089	165,578	145,945
Water and sewer	20,824	35,919	19,562
Grants - Province of Manitoba	363,699	564,103	822,277
Grants - other	350,120	317,098	454,726
Total revenue (Schedules 2, 4 and 5)	<u>4,418,007</u>	<u>4,625,763</u>	<u>4,850,231</u>
<b>EXPENSES</b>			
General government services	686,185	693,556	871,142
Protective services	238,694	237,353	545,536
Transportation services	2,185,441	1,903,725	2,538,450
Environmental health services	181,517	177,920	178,074
Public health and welfare services	15,320	17,016	7,815
Regional planning and development	67,021	67,015	53,664
Resource conservation and industrial development	286,466	287,192	232,489
Recreation and cultural services	546,518	554,739	430,430
Water and sewer services	67,544	72,590	67,082
Total expenses (Schedules 3, 4 and 5)	<u>4,274,706</u>	<u>4,011,106</u>	<u>4,924,682</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 143,301</u>	<u>614,657</u>	<u>(74,451)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>10,402,467</u>	<u>10,476,918</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 11,017,123</u>	<u>\$ 10,402,467</u>

*The accompanying notes are an integral part of this financial statement*

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2015**

	<u>2015 Budget (Note 13)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 143,301</b>	<b>\$ 614,657</b>	<b>\$ (74,451)</b>
Acquisition of tangible capital assets	(2,108,895)	(2,154,592)	(180,157)
Amortization of tangible capital assets	407,149	446,472	423,080
Loss (Gain) on sale of tangible capital assets	-	31,647	585
Proceeds on sale of tangible capital assets	-	795,067	-
Decrease (increase) in inventories	-	(19,012)	112,415
Decrease (increase) in prepaid expense	-	(11,783)	(4,247)
	<u>(1,701,746)</u>	<u>(912,201)</u>	<u>351,676</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ (1,558,445)</u></b>	<b>(297,544)</b>	<b>277,225</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u><b>606,049</b></u>	<u>328,824</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u><b>\$ 308,504</b></u>	<u>\$ 606,049</u>

*The accompanying notes are an integral part of this financial statement*

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 614,657	\$ (75,761)
Changes in non-cash items:		
Amounts receivable	(119,439)	99,173
Inventories	(19,012)	111,105
Prepays	(11,783)	(4,247)
Accounts payable and accrued liabilities	(10,796)	178,900
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	2,604	-
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	31,647	585
Amortization	446,472	423,080
	<u>934,350</u>	<u>732,835</u>
<b>CASH PROVIDED BY OPERATING TRANSACTIONS</b>		
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	795,067	-
Cash used to acquire tangible capital assets	(2,154,592)	(180,157)
	<u>(1,359,525)</u>	<u>(180,157)</u>
<b>CASH APPLIED TO CAPITAL TRANSACTIONS</b>		
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	56	(242)
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
	<u>56</u>	<u>(242)</u>
<b>CASH APPLIED TO INVESTING TRANSACTIONS</b>		
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	737,008	11,815
Debt repayment	(269,885)	(185,655)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
	<u>467,123</u>	<u>(173,840)</u>
<b>CASH APPLIED TO FINANCING TRANSACTIONS</b>		
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>42,004</b>	<b>378,596</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>955,535</b>	<b>576,939</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b>\$ 997,539</b>	<b>\$ 955,535</b>

*The accompanying notes are an integral part of this financial statement*

**MUNICIPALITY OF BIFROST - RIVERTON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

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**1. Status of the Municipality of Bifrost - Riverton**

The incorporated Municipality of Bifrost - Riverton ("the Municipality") is a municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The Municipality of Bifrost - Riverton reflects the amalgamation of the former Rural Municipality of Bifrost and the Village of Riverton. The Municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The Municipality owns one utility, have several designated special purpose reserves and provide funding support for other financial entities involved in economic development, recreation and tourism.

**2. Significant Accounting Policies**

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

The financial statements have been prepared based on the continuity of interest principle with respect to the former Rural Municipality of Bifrost and the Village of Riverton, which requires the Municipality of Bifrost - Riverton, to report the current comparative financial statement as if the former municipalities had been combined since inception. Under this method, assets and liabilities of the amalgamated municipalities are recognized at their carrying values at the date of amalgamation. Result of operations of the amalgamated municipalities are combined as if the amalgamated municipality had always existed as a single municipality.

**a) Reporting Entity**

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

*Riverton-Bifrost Parks & Recreation (consolidated 100%) (2014 - consolidated 100%)*

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

*Arborg-Bifrost Community Development Corp. (consolidated 50%) (2014 - consolidated 50%)*  
*Bar Waste Authority Co-op Inc. (consolidated 67%) (2014 - consolidated 67%)*  
*Eastern Interlake Planning District (consolidated 14.5% (2014 - consolidated 0%))*  
*Evergreen Regional Library (consolidated 29%) (2014 - consolidated 29%)*  
*Interlake Weed Control District (consolidated 25%) (2014 - consolidated 25%)*  
*Arborg-Bifrost Parks and Recreation Commission (consolidated 40%) (2014 - consolidated 40%)*

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

## **b) Basis of Accounting**

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

## **c) Cash and Temporary Investments**

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

## **d) Investments**

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

Portfolio investments are accounted for at cost.

## **e) Real Estate Properties Held for Sale**

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

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

## **f) Landfill Closure and Post Closure Liabilities**

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

## **g) Non-Financial Assets**

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

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

## **h) Tangible Capital Assets**

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

### **General Tangible Capital Assets**

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

## **Infrastructure Assets**

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

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

### **i) Leases**

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

### **j) Inventories**

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

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

### **k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

## **Government Transfers**

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

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

### **l) Measurement Uncertainty**

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

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

### 3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2015</u>	<u>2014</u>
Cash (bank indebtedness)	\$ (106,903)	\$ 688,971
Temporary investments	<u>1,104,442</u>	<u>266,564</u>
	<u>\$ 997,539</u>	<u>\$ 955,535</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,547,482 (2014 \$1,224,982) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has arranged a \$2,000,000 line of credit with their financial institution to address the shortfall in cash resources as compared to reserves for debt principal repayment and tangible capital acquisitions. The line of credit bears interest at 2.125%, and \$NIL (2014 - \$NIL) was utilized as at December 31, 2015. The year end negative cash balance was due to outstanding cheques in excess of funds available in the bank.

### 4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2015</u>	<u>2014</u>
Taxes on roll (Schedule 11)	\$ 423,276	\$ 382,215
Government grants	728,155	661,553
Utility customers	-	-
Accrued interest	-	-
Organizations and individuals	116,520	97,792
Other governments	-	25,808
	<u>1,267,951</u>	<u>1,167,368</u>
Less allowances for doubtful amounts	<u>278,942</u>	<u>297,797</u>
	<u>\$ 989,009</u>	<u>\$ 869,571</u>

### 5. Portfolio Investments

	<u>2015</u>	<u>2014</u>
Marketable securities:		
Government of Canada	<u>\$ -</u>	<u>\$ 56</u>

The aggregate market value of the marketable securities at December 31, 2015 is \$NIL (2014 - \$56). Portfolio investments earned \$NIL in investment income during the year (2014 - \$338).

### 6. Inventories

**Inventories for use:**

	<u>2015</u>	<u>2014</u>
Chemicals, herbicides, insecticides	\$ -	\$ 2,401
Fuel	-	-
Culverts	-	-
Aggregate	117,811	96,398
Other supplies	-	-
	<u>\$ 117,811</u>	<u>\$ 98,799</u>

### 7. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 451,389	\$ 299,542
School levies (Schedule 13)	-	162,643
Other governments	-	-
	<u>\$ 451,389</u>	<u>\$ 462,185</u>

## 8. Landfill Closure and Post Closure Liabilities

### a) Operating Landfill Site

The Municipality is currently operating a Class 2 landfill site within the Municipality through a government partnership. Legislation requires closure and post-closure care of solid waste landfill sites.

Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

One cell reached its capacity at the end of 2012 and ceased operations in 2013. As at December 31, 2015 there is one active cell and one new cell not yet in use. This cell will begin use when the current active cell is capped.

Each cell is estimated to have a post closure cost of \$15,000 with an additional \$1,000 per year for 15 years related to gas management operations. The cost to close a cell is anticipated to be the same regardless of how much the cell is being used.

For the year ended December 31, 2015, a discount rate of 1.9% (Based on the Canadian average inflation rate) was applied to the future cash outflows related to the closure and post-closure costs. The Municipality has recorded its 67% of the liability which represents its portion of the liability.

## 9. Long Term Debt

	<u>2015</u>	<u>2014</u>
<b>General Authority:</b>		
Promissory note, interest at 3.25%, payable in monthly blended payments of \$942, matures September 22, 2034	\$ 149,126	\$ 158,166
Debenture interest at 5.5%, payable at \$35,118 annually including interest, maturing December 31, 2024	244,147	264,706
Note payable bearing interest at 3.39% (floating) per annum, repayable in annual blended payments of \$9,716, matures February 1, 2016	6,944	13,832
Debenture, interest at 7.00%, payable at \$11,780 annually including interest, maturing October 31, 2020	48,302	56,152
Commercial fixed rate loan with interest at 2.6%, repayable in annual blended payments of \$196,382, matures November 1, 2018	545,876	-
Debenture, interest at 5.25%, payable at \$25,000 annually including interest, maturing December 31, 2015	-	22,648
	<u>\$ 994,395</u>	<u>\$ 515,504</u>
<b>Utility Funds:</b>		
Debenture, interest at 4.00%, payable at \$19,595 annually including interest, maturing December 31, 2027	183,898	195,666
	<u>\$ 183,898</u>	<u>\$ 195,666</u>
	<u>\$ 1,178,293</u>	<u>\$ 711,170</u>

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

2016	\$ 233,557
2017	\$ 229,134
2018	\$ 220,951
2019	\$ 46,273
2020	\$ 48,455

## 10. Contingencies

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

## 11. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$34,424 (2014 - \$36,617) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2014.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

## 12. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

## 13. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

## 14. Accumulated Surplus

	<u>2015</u>	<u>2014</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	466	75,263
Utility operating fund(s) - Nominal surplus	94,560	74,851
TCA net of related borrowings	8,814,617	8,466,767
Reserve funds	<u>1,547,482</u>	<u>1,224,982</u>
Accumulated surplus of municipality unconsolidated	10,457,125	9,841,863
Accumulated surpluses of consolidated entities	<u>559,998</u>	<u>560,604</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 11,017,123</u>	<u>\$ 10,402,467</u>

## 15. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2015:

- a) Compensation paid to members of council amounted to \$149,468 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Harold Foster	\$ 19,153	\$ 5,088	\$ 24,241
Councillor - Marvin Magnusson	6,639	1,753	8,392
Councillor - Frode Anderson	1,433	185	1,618
Councillor - Chad Johnson	12,818	2,200	15,018
Councillor - Morley Nordal	15,863	2,218	18,081
Councillor - Richard Chomokovski	12,814	1,936	14,750
Councillor - David Shott	13,875	4,832	18,707
Councillor - Donald Vigfusson	13,208	3,423	16,631
Councillor - Warren Ostertag	11,333	1,957	13,290
Councillor - Colin Bjarnason	15,909	2,831	18,740
	<u>\$ 123,045</u>	<u>\$ 26,423</u>	<u>\$ 149,468</u>

- c) The following officers received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Richard Hjorleifson	Heavy Equipment Operator	\$ 62,773
Rory Hryhorchuk	Riverton Public Works Forman	\$ 51,864
Walter Sewell	Heavy Equipment Operator	\$ 54,351
L.G. Thorsteinson	CAO	\$ 75,385

## 16. Segmented Information

The Municipality of Bifrost - Riverton provides a wide ranges of services to its residents.

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

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

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

## 17. Government Partnerships

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

	<u>2015</u>	<u>2014</u>
<b>Financial Position</b>		
Financial Assets	\$ 151,807	\$ 153,378
Liabilities	<u>(293,358)</u>	<u>(268,163)</u>
Net financial assets (liabilities)	<u>(141,551)</u>	<u>(114,785)</u>
Non-financial assets	<u>712,002</u>	<u>664,476</u>
Accumulated surplus	<u>\$ 570,451</u>	<u>\$ 549,691</u>
<b>Result of Operations</b>		
Revenues	\$ 543,985	\$ 524,747
Expenses	<u>523,192</u>	<u>508,747</u>
Annual surplus	<u>\$ 20,793</u>	<u>\$ 16,000</u>

## 18. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

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

No capital grants have been deferred and amortized in these financial statements.

Description of Utility	14789			Unamortized Balance Ending
	Unamortized Opening Balance	Additions During Year	Amortization During Year	
Utility	<u>\$ 596,550</u>	<u>\$ -</u>	<u>\$ 10,687</u>	<u>\$ 585,863</u>

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2015**

**SCHEDULE 1**

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2015	2014
<b>Cost</b>										
Opening costs	\$ 1,186,648	\$ 744,471	\$ 3,352,211	\$ 59,007	\$ -	\$ 24,679,427	\$ 2,842,101	\$ -	\$ 32,863,865	\$ 32,694,737
Additions during the year	167,211	244,252	1,485,440	17,903	-	239,786	-	-	2,154,592	180,157
Disposals and write downs	-	-	(1,093,555)	(1,498)	-	-	-	-	(1,095,053)	(11,029)
Closing costs	1,353,859	988,723	3,744,096	75,412	-	24,919,213	2,842,101	-	33,923,404	32,863,865
<b>Accumulated Amortization</b>										
Opening accum'd amortization	200,339	563,877	1,636,083	51,233	-	19,794,382	956,160	-	23,202,074	22,789,484
Amortization	28,570	22,763	191,823	6,353	-	135,399	61,564	-	446,472	423,080
Disposals and write downs	-	-	(265,342)	(2,997)	-	-	-	-	(268,339)	(10,490)
Closing accum'd amortization	228,909	586,640	1,562,564	54,589	-	19,929,781	1,017,724	-	23,380,207	23,202,074
Net Book Value of Tangible Capital Assets	\$ 1,124,950	\$ 402,083	\$ 2,181,532	\$ 20,823	\$ -	\$ 4,989,432	\$ 1,824,377	\$ -	\$ 10,543,197	\$ 9,661,791

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2015**

**SCHEDULE 2**

	2015 Actual	2014 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 2,953,672	\$ 2,904,252
Taxes added	35,652	57,623
	<u>2,989,324</u>	<u>2,961,875</u>
<b>Grants in lieu of taxation:</b>		
Federal government	-	-
Federal government enterprises	100,613	69,020
Provincial government	-	9,642
Provincial government enterprises	-	36,113
Other local governments	-	-
Non-government organizations	-	-
	<u>100,613</u>	<u>114,775</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	422,981	302,673
Sales of goods	-	-
Rentals	10,040	12,440
Development charges	-	2,000
Facility use fees	-	-
	<u>433,021</u>	<u>317,113</u>
<b>Permits, licences and fines</b>		
Permits	125	200
Licences	359	457
Fees	-	385
Fines	-	-
	<u>484</u>	<u>1,042</u>
<b>Investment income:</b>		
Cash and temporary investments	19,623	12,916
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>19,623</u>	<u>12,916</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	(31,677)	-
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	49,512	35,084
Miscellaneous	147,743	110,861
	<u>165,578</u>	<u>145,945</u>
<b>Water and sewer</b>		
Municipal utility(ies) (Schedule 9)	35,919	19,562
Consolidated water co-operatives	-	-
	<u>35,919</u>	<u>19,562</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	139,359	139,359
General support grant	-	-
Municipal program grants ( <i>formerly VLT revenues</i> )	60,897	60,897
Other unconditional grants	-	-
Conditional grants	363,847	622,021
	<u>564,103</u>	<u>822,277</u>
<b>Grants - other</b>		
Federal government - gas tax funding	180,741	180,764
Federal government - other	-	-
Other local governments	136,357	273,962
	<u>317,098</u>	<u>454,726</u>
<b>Total revenue</b>	<u>\$ 4,625,763</u>	<u>\$ 4,850,231</u>

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2015**

**SCHEDULE 3**

	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>General government services:</b>		
Legislative	\$ 115,345	\$ 130,033
General administrative	459,172	503,768
Other	119,039	237,341
	<u>693,556</u>	<u>871,142</u>
<b>Protective services:</b>		
Police	-	-
Fire	234,964	206,088
Emergency measures		337,031
Other	2,389	2,417
	<u>237,353</u>	<u>545,536</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	16,184	10,737
Road and street maintenance	1,855,810	2,504,402
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	16,293	15,073
Other	15,438	8,238
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>1,903,725</u>	<u>2,538,450</u>
<b>Environmental health services:</b>		
Waste collection and disposal	174,920	175,074
Recycling	-	-
Other	3,000	3,000
	<u>177,920</u>	<u>178,074</u>
<b>Public health and welfare services:</b>		
Public health	-	-
Medical care	-	-
Social assistance	6,516	6,515
Other	10,500	1,300
	<u>17,016</u>	<u>7,815</u>
<b>Regional planning and development</b>		
Planning and zoning	67,015	53,664
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>67,015</u>	<u>53,664</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	77,780	72,870
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	9,550	10,050
Regional development	188,362	138,069
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>287,192</u>	<u>232,489</u>
<b>Sub-totals forward</b>	<u>\$ 3,383,777</u>	<u>\$ 4,427,170</u>

**MUNICIPALITY OF BIFROST - RIVERTON**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2015**

**SCHEDULE 3**

	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Sub-totals forward</b>	<b>\$ 3,383,777</b>	<b>\$ 4,427,170</b>
<b>Recreation and cultural services:</b>		
Administration	202,006	110,505
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	248,251	225,394
Other recreational facilities	-	-
Museums	-	-
Libraries	104,482	94,531
Other cultural facilities	-	-
	<b>554,739</b>	<b>430,430</b>
<b>Water and sewer services (Schedule 9)</b>		
Municipal utility(ies) (Schedule 9)	72,590	67,082
Consolidated water co-operatives	-	-
	<b>72,590</b>	<b>67,082</b>
<b>Total expenses</b>	<b>\$ 4,011,106</b>	<b>\$ 4,924,682</b>

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2015

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>										
Property taxes	\$ 2,969,715	\$ 2,940,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	100,613	114,775	-	-	-	-	-	-	-	-
User fees	10,555	14,440	-	-	45,405	22,203	67,029	59,106	-	-
Grants - other	180,741	180,764	-	25,436	-	-	-	23,195	-	-
Permits, licences and fines	484	1,042	-	-	-	-	-	-	-	-
Investment income	19,613	12,916	-	-	-	-	-	-	-	-
Other revenue	135,289	131,170	-	-	-	-	14,819	307	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	200,256	200,256	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	24,060	2,959	29,550	517,237	257,886	58,568	-	-	-	-
Total revenue	\$ 3,641,326	\$ 3,598,602	\$ 29,550	\$ 542,673	\$ 303,291	\$ 80,774	\$ 81,848	\$ 82,608	\$ -	\$ -
<b>EXPENSES</b>										
Personnel services	\$ 416,952	\$ 410,692	\$ 80,907	\$ 74,905	\$ 429,470	\$ 426,209	\$ 27,262	\$ 29,469	\$ -	\$ -
Contract services	153,987	237,106	29,712	43,319	481,510	911,758	118,259	101,047	-	2,859
Utilities	18,242	23,549	15,040	23,044	30,007	31,445	1,098	1,500	-	-
Maintenance materials and supplies	16,563	57,255	59,550	99,777	677,420	895,702	475	6,682	-	-
Grants and contributions	2,650	87,895	-	1,000	-	-	6,250	750	17,016	4,956
Amortization	21,349	19,711	50,955	48,201	280,068	261,930	4,701	6,128	-	-
Interest on long term debt	-	29,153	1,189	2,377	5,250	500	-	237	-	-
Other	63,813	5,781	-	252,913	-	10,906	19,875	32,261	-	-
Total expenses	\$ 693,556	\$ 871,142	\$ 237,353	\$ 545,536	\$ 1,903,725	\$ 2,538,450	\$ 177,920	\$ 178,074	\$ 17,016	\$ 7,815
<b>Surplus (Deficit)</b>	<b>\$ 2,947,770</b>	<b>\$ 2,727,460</b>	<b>\$ (207,803)</b>	<b>\$ (2,863)</b>	<b>\$ (1,600,434)</b>	<b>\$ (2,457,676)</b>	<b>\$ (96,072)</b>	<b>\$ (95,466)</b>	<b>\$ (17,016)</b>	<b>\$ (7,815)</b>

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

## MUNICIPALITY OF BIFROST - RIVERTON

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2015

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,609	\$ 21,595	\$ 2,989,324	\$ 2,961,875
Grants in lieu of taxation	-	-	-	-	-	-	-	-	100,613	114,775
User fees	117,208	69,745	-	-	192,824	151,619	-	-	433,021	317,113
Grants - other	25,900	118,970	-	-	110,457	106,361	-	-	317,098	454,726
Permits, licences and fines	-	-	-	-	-	-	-	-	484	1,042
Investment income	9	-	-	-	1	-	-	-	19,623	12,916
Other revenue	444	2,697	-	-	15,026	11,771	-	-	165,578	145,945
Water and sewer	-	-	-	-	-	-	35,919	19,562	35,919	19,562
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	200,256	200,256
Prov of MB - Conditional Grants	17,036	7,500	-	-	35,315	35,757	-	-	363,847	622,021
Total revenue	\$ 160,597	\$ 198,912	\$ -	\$ -	\$ 353,623	\$ 305,508	\$ 55,528	\$ 41,157	\$ 4,625,763	\$ 4,850,231
<b>EXPENSES</b>										
Personnel services	\$ 38,427	\$ 32,934	\$ 50,009	\$ 52,085	\$ 139,272	\$ 131,162	\$ 2,729	\$ 760	\$ 1,185,028	\$ 1,158,216
Contract services	25,532	13,862	63,552	78,326	313,886	154,495	-	-	1,186,438	1,542,772
Utilities	1,019	810	1,891	1,466	36,512	35,998	-	-	103,809	117,812
Maintenance materials and supplies	1,912	3,207	24,297	16,445	27,136	71,252	21,140	17,150	828,493	1,167,470
Grants and contributions	-	2,716	45,399	2,275	4,000	8,842	-	-	75,315	108,434
Amortization	104	109	27,119	23,778	21,283	22,330	40,893	40,893	446,472	423,080
Interest on long term debt	21	26	18,489	4,444	4,024	3,885	7,828	8,279	36,801	48,901
Other	-	-	56,436	53,670	8,626	2,466	-	-	148,750	357,997
Total expenses	\$ 67,015	\$ 53,664	\$ 287,192	\$ 232,489	\$ 554,739	\$ 430,430	\$ 72,590	\$ 67,082	\$ 4,011,106	\$ 4,924,682
<b>Surplus (Deficit)</b>	\$ 93,582	\$ 145,248	\$ (287,192)	\$ (232,489)	\$ (201,116)	\$ (124,922)	\$ (17,062)	\$ (25,925)	\$ 614,657	\$ (74,451)

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2015

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>								
Property taxes	\$ 2,989,324	\$ 2,961,875	\$ -	\$ -	\$ -	\$ -	\$ 2,989,324	\$ 2,961,875
Grants in lieu of taxation	100,613	114,775	-	-	-	-	100,613	114,775
User fees	55,960	44,190	14,193	25,827	362,868	247,096	433,021	317,113
Grants - other	180,741	221,514	15,777	-	120,580	233,212	317,098	454,726
Permits, licences and fines	484	1,042	-	-	-	-	484	1,042
Investment income	19,613	12,813	-	-	10	103	19,623	12,916
Other revenue	135,289	131,170	10,806	3,789	19,483	10,986	165,578	145,945
Water and sewer	35,919	19,562	-	-	-	-	35,919	19,562
Prov of MB - Unconditional Grants	200,256	200,256	-	-	-	-	200,256	200,256
Prov of MB - Conditional Grants	311,462	578,764	11,341	9,907	41,044	33,350	363,847	622,021
Total revenue	\$ 4,029,661	\$ 4,285,961	\$ 52,117	\$ 39,523	\$ 543,985	\$ 524,747	\$ 4,625,763	\$ 4,850,231
<b>EXPENSES</b>								
Personnel services	\$ 930,058	\$ 912,566	\$ 20,088	\$ 15,060	\$ 234,882	\$ 230,590	\$ 1,185,028	\$ 1,158,216
Contract services	1,092,170	1,499,948	13,022	5,253	81,246	37,571	1,186,438	1,542,772
Utilities	63,549	78,291	-	823	40,260	38,698	103,809	117,812
Maintenance materials and supplies	777,711	1,062,525	1,843	19,598	48,939	85,347	828,493	1,167,470
Grants and contributions	75,315	108,434	-	-	-	-	75,315	108,434
Amortization	417,589	397,796	-	-	28,883	25,284	446,472	423,080
Interest on long term debt	32,756	44,753	-	-	4,045	4,148	36,801	48,901
Other	63,813	270,888	-	-	84,937	87,109	148,750	357,997
Total expenses	\$ 3,452,961	\$ 4,375,201	\$ 34,953	\$ 40,734	\$ 523,192	\$ 508,747	\$ 4,011,106	\$ 4,924,682
<b>Surplus (Deficit)</b>	\$ 576,700	\$ (89,240)	\$ 17,164	\$ (1,211)	\$ 20,793	\$ 16,000	\$ 614,657	\$ (74,451)

MUNICIPALITY OF BIFROST - RIVERTON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2015

	2015						
	General Reserve	Equipment Reserve	Drainage Reserve	ABFD Reserve	Gas Tax Reserve	ABFD Reserve	General Reserve
<b>REVENUE</b>							
Investment income	\$ 1,329	\$ 2,431	\$ 2,277	\$ 151	\$ 7,685	\$ 113	\$ 302
Other income	-	-	-	-	-	-	-
Total revenue	<u>1,329</u>	<u>2,431</u>	<u>2,277</u>	<u>151</u>	<u>7,685</u>	<u>113</u>	<u>302</u>
<b>EXPENSES</b>							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<b>1,329</b>	<b>2,431</b>	<b>2,277</b>	<b>151</b>	<b>7,685</b>	<b>113</b>	<b>302</b>
<b>TRANSFERS</b>							
Transfers from general operating fund	10,000	281,420	129,805	19,467	180,741		2,100
Transfers to general operating fund	-	(194,116)	-	-	(84,151)	(18,120)	-
Transfer from nominal surplus	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	<b>11,329</b>	<b>89,735</b>	<b>132,082</b>	<b>19,618</b>	<b>104,275</b>	<b>(18,007)</b>	<b>2,402</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>1,705</b>	<b>75,062</b>	<b>207,693</b>	<b>9,065</b>	<b>692,789</b>	<b>18,007</b>	<b>25,306</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 13,034</b>	<b>\$ 164,797</b>	<b>\$ 339,775</b>	<b>\$ 28,683</b>	<b>\$ 797,064</b>	<b>\$ -</b>	<b>\$ 27,708</b>

MUNICIPALITY OF BIFROST - RIVERTON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2015

	2015					2014	
	Capital Reserve	Fire Reserve	Utility Reserve	Lagoon Reserve	Riverton Recreation Reserve	Total	Total
<b>REVENUE</b>							
Investment income	\$ 506	\$ 789	\$ -	\$ 652	\$ -	\$ 16,235	\$ 11,074
Other income	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>506</b>	<b>789</b>	<b>-</b>	<b>652</b>	<b>-</b>	<b>16,235</b>	<b>11,074</b>
<b>EXPENSES</b>							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET REVENUES</b>	<b>506</b>	<b>789</b>	<b>-</b>	<b>652</b>	<b>-</b>	<b>16,235</b>	<b>11,074</b>
<b>TRANSFERS</b>							
Transfers from general operating fund	5,700	2,800	2,000	-	-	634,033	604,745
Transfers to general operating fund	-	(8,381)	-	-	(23,000)	(327,768)	(255,016)
Transfer from nominal surplus	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	2,000
Transfers between reserve funds	-	-	(15,782)	15,782	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	<b>6,206</b>	<b>(4,792)</b>	<b>(13,782)</b>	<b>16,434</b>	<b>(23,000)</b>	<b>322,500</b>	<b>362,803</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>77,128</b>	<b>60,984</b>	<b>34,243</b>	<b>-</b>	<b>23,000</b>	<b>1,224,982</b>	<b>862,179</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 83,334</b>	<b>\$ 56,192</b>	<b>\$ 20,461</b>	<b>\$ 16,434</b>	<b>\$ -</b>	<b>\$ 1,547,482</b>	<b>\$ 1,224,982</b>

**MUNICIPALITY OF BIFROST - RIVERTON**  
**SCHEDULE OF TRUST FUNDS**  
**For the Year Ended December 31, 2015**

**SCHEDULE 7**

	Cemetery Trust	Hecla-Grindstone Trust	Total	
			2015	2014
<b>ASSETS</b>				
Cash and temporary investments	\$ -	\$ 23,005	\$ 23,005	\$ 22,734
Portfolio investments	-	-	-	-
Due from Municipality	696	-	696	1,981
	<u>\$ 696</u>	<u>\$ 23,005</u>	<u>\$ 23,701</u>	<u>\$ 24,715</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance	(696)	23,005	22,309	24,715
	<u>\$ (696)</u>	<u>\$ 23,005</u>	<u>\$ 22,309</u>	<u>\$ 24,715</u>
<b>REVENUES</b>				
Contributions and donations	\$ 4,215	\$ -	\$ 4,215	\$ 3,966
Investment income	-	242	242	2,507
	<u>4,215</u>	<u>242</u>	<u>4,457</u>	<u>6,473</u>
<b>EXPENDITURES</b>				
Cemetery maintenance	6,892	-	6,892	-
Distribution to beneficiaries	-	-	-	-
Other	-	-	-	34,069
	<u>6,892</u>	<u>-</u>	<u>6,892</u>	<u>34,069</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(2,677)</b>	<b>242</b>	<b>(2,435)</b>	<b>(27,596)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,981</b>	<b>22,763</b>	<b>24,744</b>	<b>52,311</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (696)</b>	<b>\$ 23,005</b>	<b>\$ 22,309</b>	<b>\$ 24,715</b>

**MUNICIPALITY OF BIFROST - RIVERTON**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**December 31, 2015**

**SCHEDULE 8**

	<u>Total</u>	<u>2014</u> Total
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	<b>94,254</b>	81,157
	<b><u>\$ 94,254</u></b>	<b><u>\$ 81,157</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ (306)	\$ 306
Deferred revenue	-	-
Long-term debt (Note 9)	<b>183,898</b>	195,666
Due to other funds	-	-
	<b><u>183,592</u></b>	<b><u>195,972</u></b>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<b><u>\$ (89,338)</u></b>	<b><u>\$ (114,815)</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	\$ 961,298	\$ 1,002,189
Inventories	-	-
Prepaid expenses	-	-
	<b><u>961,298</u></b>	<b><u>1,002,189</u></b>
<b>FUND SURPLUS (DEFICIT)</b>	<b><u>\$ 871,960</u></b>	<b><u>\$ 887,374</u></b>

SCHEDULE OF UTILITY OPERATIONS - Name of Utility  
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer</b>			
Sewer fees	19,324	19,256	19,204
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>19,324</u>	<u>19,256</u>	<u>19,204</u>
<b>Property taxes</b>	<u>1,200</u>	<u>19,609</u>	<u>21,595</u>
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other</b>			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	300	228	358
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	16,082	-
sub-total- other	<u>300</u>	<u>16,310</u>	<u>358</u>
<b>Total revenue</b>	<u>\$ 20,824</u>	<u>\$ 55,175</u>	<u>\$ 41,157</u>

MUNICIPALITY OF BIFROST - RIVERTON  
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility  
 For the Year Ended December 31, 2015

**SCHEDULE 9**

	<u>Budget</u>	<u>2015</u>	<u>2014</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 1,144	\$ 2,729	\$ 760
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>1,144</u>	<u>2,729</u>	<u>760</u>
<b>Water General</b>			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer General</b>			
Collection system costs	12,280	21,140	17,150
Treatment and disposal cost	-	-	-
Lift Station costs	5,400	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>17,680</u>	<u>21,140</u>	<u>17,150</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	40,893	40,893
Interest on long term debt	-	7,827	8,279
sub-total- sewer amortization & interest	<u>-</u>	<u>48,720</u>	<u>49,172</u>
<b>Total expenses</b>	<u>18,824</u>	<u>72,589</u>	<u>67,082</u>
<b>NET OPERATING SURPLUS</b>	<b>2,000</b>	<b>(17,414)</b>	<b>(25,925)</b>
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(2,000)</u>	<u>2,000</u>	<u>(2,000)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ -</u>	<u>(15,414)</u>	<u>(27,925)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>887,374</u>	<u>915,299</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 871,960</u>	<u>\$ 887,374</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2015

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 2,969,506	\$ 19,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,989,101
Grants in lieu of taxation	100,613	-	-	-	-	-	-	100,613
User fees	42,940	-	-	-	-	-	377,061	420,001
Permits, licences and fines	550	-	-	-	-	-	-	550
Investment income	1,000	-	-	-	-	-	10	1,010
Other revenue	141,800	-	-	-	-	-	30,289	172,089
Water and sewer	-	20,824	-	-	-	-	-	20,824
Grants - Province of Manitoba	311,314	-	-	-	-	-	52,385	363,699
Grants - other	213,763	-	-	-	-	-	136,357	350,120
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	398,880	-	-	-	(398,880)	-	-	-
Total revenue	<u>\$ 4,180,366</u>	<u>\$ 40,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (398,880)</u>	<u>\$ -</u>	<u>\$ 596,102</u>	<u>\$ 4,418,007</u>
<b>EXPENSES</b>								
General government services	\$ 648,836	\$ -	\$ 21,349	\$ 16,000	\$ -	\$ -	\$ -	\$ 686,185
Protective services	186,550	-	50,955	1,189	-	-	-	238,694
Transportation services	1,912,160	-	273,281	-	-	-	-	2,185,441
Environmental health services	109,940	-	-	-	-	-	71,577	181,517
Public health and welfare services	15,320	-	-	-	-	-	-	15,320
Regional planning and development	20,755	-	-	-	-	-	46,266	67,021
Resource cons and industrial dev	106,450	-	20,671	18,490	-	-	140,855	286,466
Recreation and cultural services	262,293	-	-	-	-	-	284,225	546,518
Water and sewer services	-	18,824	40,893	7,827	-	-	-	67,544
Fiscal services:								
Transfer to capital	30,000	-	-	-	(30,000)	-	-	-
Debt charges	238,030	19,595	-	(27,506)	(230,119)	-	-	-
Short term interest	16,000	-	-	(16,000)	-	-	-	-
Transfer to reserves	634,032	2,000	-	-	(636,032)	-	-	-
Allowance for tax assets	-	-	-	-	-	-	-	-
Total expenses	<u>\$ 4,180,366</u>	<u>\$ 40,419</u>	<u>\$ 407,149</u>	<u>\$ -</u>	<u>\$ (896,151)</u>	<u>\$ -</u>	<u>\$ 542,923</u>	<u>\$ 4,274,706</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (407,149)</u>	<u>\$ -</u>	<u>\$ 497,271</u>	<u>\$ -</u>	<u>\$ 53,179</u>	<u>\$ 143,301</u>

**MUNICIPALITY OF BIFROST - RIVERTON  
ANALYSIS OF TAXES ON ROLL  
December 31, 2015**

**SCHEDULE 11**

	<u>2015</u>	<u>2014</u>
<b>Balance, beginning of year</b>	<b>\$ 382,215</b>	<b>\$ 294,967</b>
<b>Add:</b>		
Tax levy (Schedule 12)	4,700,043	4,588,374
Taxes added	35,652	57,623
Penalties or interest	49,512	35,084
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
<b>Sub-total</b>	<b><u>4,785,207</u></b>	<b><u>4,681,081</u></b>
<b>Deduct:</b>		
Cash collections - current	4,157,160	4,017,539
Cash collections - arrears	-	-
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	586,986	576,294
Other credits (specify)	-	-
<b>Sub-total</b>	<b><u>4,744,146</u></b>	<b><u>4,593,833</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 423,276</u></u></b>	<b><u><u>\$ 382,215</u></u></b>

## ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2015

	2015			2014
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	-	\$ -	\$ -
Name of LUD	\$ -	-	-	-
Name of LUD	\$ -	-	-	-
sub-total- L.U.D.			<u>-</u>	<u>-</u>
Debt charges:				
Frontage	\$ -	-	-	-
Natural gas	\$ 9,647,780	1.09	10,516	13,739
Lagoon	\$ 12,669,410	1.417	17,953	10,539
Bifrost sewer	\$ -	-	35,118	41,096
Other (specify)	\$ -	-	-	-
sub-total- Debt charges			<u>63,587</u>	<u>65,374</u>
Deferred surplus	\$ -	-	-	-
Reserves:				
General	\$ -	-	-	1,865
Fire	\$ -	-	-	2,518
Capital	\$ -	-	-	5,037
Machinery Replacement	\$ -	-	-	250,904
Fire Equipment	\$ -	-	-	18,818
Drainage Reserve	\$ -	-	-	125,452
sub-total- Reserves			<u>-</u>	<u>404,594</u>
General municipal	\$ 137,031,450	5.93	812,596	2,434,284
Special levies:				
Urban area	\$ 9,647,780	33.363	321,879	-
Rural area	\$ 127,383,670	13.855	1,755,610	-
Name of special levy	\$ -	-	-	-
sub-total- Special levies			<u>2,077,489</u>	<u>-</u>
Business tax (rate%)	\$ -	-	-	-
<b>Total municipal taxes (Schedule 2)</b>			<u>2,953,672</u>	<u>2,904,252</u>
Education support levy	\$ 12,823,130	11.61	148,877	143,778
Special levies:				
Evergreen	\$ 134,417,590	11.703	1,573,089	1,520,857
Lakeshore	\$ 1,304,230	18.713	24,406	19,487
Name of school division	\$ -	-	-	-
sub-total- Special levies			<u>1,597,495</u>	<u>1,540,344</u>
<b>Total education taxes</b>			<u>1,746,372</u>	<u>1,684,122</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 4,700,043</u>	<u>\$ 4,588,374</u>

MUNICIPALITY OF BIFROST - RIVERTON  
ANALYSIS OF SCHOOL ACCOUNTS  
December 31, 2015

SCHEDULE 13

	2015				2014
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 13,768	\$ 172,057	\$ 185,825	\$ -	\$ 13,768
<b>Special levies</b>					
Evergreen	146,298	1,618,928	1,765,226	-	146,298
Lakeshore	2,577	25,474	28,051	-	2,577
<b>Sub-total</b>	<b>148,875</b>	<b>1,644,402</b>	<b>1,793,277</b>	<b>-</b>	<b>148,875</b>
<b>Total</b>	<b>\$ 162,643</b>	<b>\$ 1,816,459</b>	<b>\$ 1,979,102</b>	<b>\$ -</b>	<b>\$ 162,643</b>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2015

	2015 Actual	2014 Actual
<b>General government services:</b>		
Legislative	\$ 115,345	\$ 130,033
General administrative	459,172	510,340
Other	119,040	202,438
	<u>693,557</u>	<u>842,811</u>
<b>Protective services:</b>		
Police	-	-
Fire	237,352	172,581
Emergency measures	-	34,448
Other	2,388	2,417
	<u>239,740</u>	<u>209,446</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	16,184	10,737
Road and street maintenance	1,854,500	2,121,170
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	16,292	15,073
Other	15,438	7,737
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>1,902,414</u>	<u>2,154,717</u>
<b>Environmental health services:</b>		
Waste collection and disposal	100,093	86,407
Recycling	-	-
Other	3,000	3,000
	<u>103,093</u>	<u>89,407</u>
<b>Public health and welfare services:</b>		
Public health	-	-
Medical care	-	-
Social assistance	6,516	6,515
Other	10,500	1,300
	<u>17,016</u>	<u>7,815</u>
<b>Regional planning and development</b>		
Planning and zoning	20,749	15,390
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>20,749</u>	<u>15,390</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	9,200	9,200
Drainage of land	-	-
Veterinary services	11,500	11,200
Water resources and conservation	9,550	9,550
Regional development	98,415	47,704
Industrial development	-	7,241
Tourism	-	-
Other	-	-
	<u>128,665</u>	<u>84,895</u>
<b>Sub-totals forward</b>	<u>\$ 3,105,234</u>	<u>\$ 3,404,481</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2015

	<u>2015 Actual</u>	<u>2014 Actual</u>
<b>Sub-totals forward</b>	<b><u>\$ 3,105,234</u></b>	<b><u>\$ 3,404,481</u></b>
<b>Recreation and cultural services:</b>		
Administration	202,006	133,289
Community centers and halls	-	4,950
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	14,270	48,591
Other recreational facilities	-	-
Museums	-	-
Libraries	36,018	4,842
Other cultural facilities	-	-
	<u>252,294</u>	<u>191,672</u>
<b>Total expenses</b>	<b><u>\$ 3,357,528</u></b>	<b><u>\$ 3,596,153</u></b>

SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.

For the Year Ended December 31, 2015

	2015 Budget	2015 Actual	2014 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
<b>Expenses</b>			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
<b>Net revenues (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	<u>\$ -</u>	-	-
<b>Unexpended balance, beginning of year</b>		-	-
<b>Unexpended balance, end of year</b>		<u>\$ -</u>	<u>\$ -</u>



MUNICIPALITY OF BIFROST - RIVERTON

SCHEDULE 17

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) (Unaudited)

December 31, 2015

	General	2015 Utility	Total	2014 Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	<b>\$ (111,175)</b>	<b>\$ 9,711</b>	<b>\$ (101,464)</b>	<b>\$ (348,955)</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
	-	-	-	-
Eliminate expense - transfers to reserves	632,033	2,000	634,033	606,745
Eliminate revenue - transfers from reserves	(327,768)	-	(327,768)	(255,016)
Increase revenue - reserve funds interest	16,235	-	16,235	11,074
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	37,957	-	37,957	42,451
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase expense - amortization of tangible capital assets	(405,579)	(40,893)	(446,472)	(423,080)
Decrease revenue - loan proceeds	(737,008)	-	(737,008)	(11,815)
Decrease revenue - trade in values	(795,067)	-	(795,067)	0
Decrease expense - principal portion of debenture debt	258,117	11,768	269,885	185,655
Eliminate expense - acquisitions of tangible capital assets	2,064,325	-	2,064,325	118,490
	<b>\$ 632,070</b>	<b>\$ (17,414)</b>	<b>\$ 614,656</b>	<b>\$ (74,451)</b>
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>				