

# **MUNICIPALITY OF BIFROST-RIVERTON**

**Consolidated Financial Statements  
For the Year Ended December 31, 2016**

## 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 AUDITOR'S 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, 2016 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year ended December 31, 2016, 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 auditors consider 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.

We believe that the audit evidence we have obtained in our audit 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 the Municipality of Bifrost-Riverton as at December 31, 2016, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2016 in accordance with Canadian Public Sector Accounting Standards.

### *Exchange*

Chartered Professional Accountants LLP  
September 28, 2018

# **MUNICIPALITY OF BIFROST-RIVERTON**

## **Consolidated Financial Statements For the Year Ended December 31, 2016**

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**MUNICIPALITY OF BIFROST-RIVERTON  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2016**

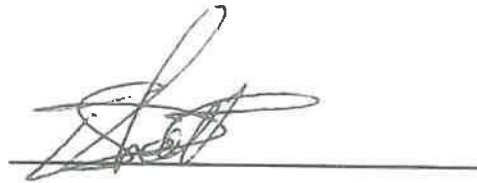
	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 1,320,932	\$ 997,539
Amounts receivable (Note 4)	<u>992,947</u>	<u>989,009</u>
	<u>\$ 2,313,879</u>	<u>\$ 1,986,548</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 827,221	\$ 451,389
Landfill closure and post closure liabilities (Note 7)	36,624	48,362
Long-term debt (Note 8)	1,126,899	1,178,293
Obligations under capital lease (Note 9)	<u>126,259</u>	<u>-</u>
	<u>2,117,003</u>	<u>1,678,044</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 196,876</u>	<u>\$ 308,504</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 10,900,382	\$ 10,543,197
Inventories (Note 5)	174,166	117,811
Prepaid expenses	<u>58,945</u>	<u>47,612</u>
	<u>11,133,493</u>	<u>10,708,620</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 14)</b>	<u>\$ 11,330,369</u>	<u>\$ 11,017,124</u>

**CONTINGENCIES (NOTES 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, 2016**

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 3,125,122	\$ 3,209,158	\$ 2,989,324
Grants in lieu of taxation	100,538	100,539	100,613
User fees	437,617	449,126	433,021
Permits, licences and fines	355	370	484
Investment income	2,501	17,253	19,623
Other revenue	250,118	185,974	165,578
Water and sewer	22,200	36,986	35,919
Grants - Province of Manitoba	279,772	721,546	564,103
Grants - other	351,256	322,256	317,098
Total revenue (Schedules 2, 4 and 5)	<u>4,569,479</u>	<u>5,043,208</u>	<u>4,625,763</u>
<b>EXPENSES</b>			
General government services	730,149	754,811	693,556
Protective services	273,616	240,365	237,353
Transportation services	2,526,950	2,349,525	1,903,725
Environmental health services	220,678	235,000	177,920
Public health and welfare services	15,320	28,329	17,016
Regional planning and development	61,996	60,996	67,015
Resource conservation and industrial development	338,892	294,709	287,192
Recreation and cultural services	748,387	693,887	554,739
Water and sewer services	79,825	72,341	72,590
Total expenses (Schedules 3, 4 and 5)	<u>4,995,813</u>	<u>4,729,963</u>	<u>4,011,106</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (426,334)</u>	313,245	614,657
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>11,017,124</u>	<u>10,402,467</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 11,330,369</u>	<u>\$ 11,017,124</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, 2016**

	<u>2016 Budget (Note 13)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (426,334)</b>	<b>\$ 313,245</b>	<b>\$ 614,657</b>
Acquisition of tangible capital assets	(991,120)	(856,225)	(2,154,592)
Amortization of tangible capital assets	435,281	475,592	446,472
Loss (Gain) on sale of tangible capital assets	-	-	31,647
Proceeds on sale of tangible capital assets	-	23,446	795,067
Decrease (increase) in inventories	-	(56,355)	(19,012)
Decrease (increase) in prepaid expense	-	(11,331)	(11,784)
	<u>(555,839)</u>	<u>(424,873)</u>	<u>(912,202)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (982,173)</b>	<b>(111,628)</b>	<b>(297,545)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>308,504</u>	<u>606,049</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u>\$ 196,876</u>	<u>\$ 308,504</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, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 313,245	\$ 614,657
Changes in non-cash items:		
Amounts receivable	(3,938)	(119,439)
Inventories	(56,355)	(19,012)
Prepays	(11,331)	(11,783)
Accounts payable and accrued liabilities	394,367	(10,796)
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	(11,397)	2,604
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	-	31,647
Amortization	475,592	446,472
	<u>1,100,183</u>	<u>934,350</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	23,446	795,067
Cash used to acquire tangible capital assets	(856,225)	(2,154,592)
	<u>(832,779)</u>	<u>(1,359,525)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	-	56
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
	<u>-</u>	<u>56</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	173,793	737,008
Debt repayment	(244,033)	(269,885)
Obligation under capital lease	157,939	-
Repayment of obligation under capital lease	(31,710)	-
	<u>55,989</u>	<u>467,123</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>323,393</b>	<b>42,004</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>997,539</b>	<b>955,535</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b>\$ 1,320,932</b>	<b>\$ 997,539</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, 2016

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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 fire, public works, planning, parks and recreation, library and other general government operations. The Municipality owns one utility, has 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:

##### 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 include:

*Riverton-Bifrost Parks & Recreation (consolidated 100%) (2015 - 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%) (2015 - consolidated 50%)*  
*Bar Waste Authority Co-op Inc. (consolidated 67%) (2015 - consolidated 67%)*  
*Eastern Interlake Planning District (consolidated 14.5%) (2015 - consolidated 14.5%)*  
*Evergreen Regional Library (consolidated 29%) (2015 - consolidated 29%)*  
*Interlake Weed Control District (consolidated 25%) (2015 - consolidated 25%)*  
*Arborg-Bifrost Parks and Recreation Commission (consolidated 40%) (2015 - 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 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>2016</u>	<u>2015</u>
Cash	\$ (203,788)	\$ (106,903)
Temporary investments	<u>1,524,720</u>	<u>1,104,442</u>
	<u>\$ 1,320,932</u>	<u>\$ 997,539</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,529,793 (2015 \$1,547,482) 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 \$196,544 (2015 - \$NIL) was utilized as at December 31, 2016. 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>2016</u>	<u>2015</u>
Taxes on roll (Schedule 11)	\$ 481,091	\$ 423,276
Government grants	178,335	728,155
Utility customers	-	-
Accrued interest	-	-
Organizations and individuals	333,521	116,520
Other governments	-	-
	<u>992,947</u>	<u>1,267,951</u>
Less allowances for doubtful amounts	-	278,942
	<u>\$ 992,947</u>	<u>\$ 989,009</u>

#### 5. Inventories

**Inventories for use:**

	<u>2016</u>	<u>2015</u>
Chemicals, herbicides, insecticides	\$ 4,980	\$ -
Fuel	-	-
Culverts	-	-
Aggregate	169,186	117,811
Other supplies	-	-
	<u>\$ 174,166</u>	<u>\$ 117,811</u>

#### 6. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 546,614	\$ 451,389
School levies (Schedule 13)	280,607	-
Other governments	-	-
	<u>\$ 827,221</u>	<u>\$ 451,389</u>

#### 7. Landfill Closure and Post Closure Liabilities

##### 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.

During 2016, an active cell was closed. Expenses incurred to cap, clean, and reslope the cell totaled \$16,165, \$15,000 of these costs were previously recorded as a liability.

As at December 31, 2016, there is one active cell and three closed cells remaining. During 2016, the Co-op has begun the development phase for a landfill expansion, as there are no remaining cells to be used once the active cell is closed. The estimated date of closure for the active cell is December 31, 2024.

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, 2016, a discount rate of 1.442% (2015 - 1.13%) (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.

**8. Long Term Debt**

	<u>2016</u>	<u>2015</u>
<b>General Authority:</b>		
Debenture, interest at 5.5%, payable at \$35,118 annually including interest, maturing December 31, 2024	\$ 222,457	\$ 244,147
Debenture, interest at 7.00%, payable at \$11,780 annually including interest, maturing October 31, 2020	39,903	48,302
Commercial fixed rate loan with interest at 2.6% repayable in annual blended payments of \$196,382, matures November 1, 2018	<u>363,746</u>	<u>545,876</u>
	<u>\$ 626,106</u>	<u>\$ 838,325</u>
<b>Utility Funds:</b>		
Debenture, interest at 4.00%, payable at \$19,595 annually including interest, maturing December 31, 2027	\$ 171,659	\$ 183,898
<b>Consolidated Government Partnerships:</b>		
BAR Waste Authority Co-op note payable bearing interest at 3.39% (floating) per annum, repayable in annual blended payments of \$16,250, matures February 1, 2016	\$ -	\$ 6,944
BAR Waste Authority Co-op loan payable bearing interest at 4.00% (floating) per annum, repayable in annual blended payments of \$20,750, matures November 1, 2026	112,739	-
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at 3.25% per annum, repayable in monthly blended payments of \$2,355, secured by general security agreement and letters of comfort from the Town of Arborg and the Municipality of Bifrost-Riverton, maturing September 2034.	<u>148,795</u>	<u>149,126</u>
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at 3.00% per annum, repayable in annual blended payments of \$32,500, secured by general security agreement and letters of comfort from the Town of Arborg and the Municipality of Bifrost-Riverton, maturing February 2026.	<u>67,600</u>	-
	<u>\$ 329,134</u>	<u>\$ 156,070</u>
	<u>\$ 1,126,899</u>	<u>\$ 1,178,293</u>

Long term debt for the consolidated government partnerships are described in terms of the entire debt owing for the entity. The amount shown as owing for the Municipality is the percentage of the total debt that has been consolidated. Consolidation percentages for each entity are listed in Note 2a.

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

2017	\$ 256,658
2018	\$ 248,710
2019	\$ 75,268
2020	\$ 78,752
2021	\$ 50,505

**9. Obligation Under Capital Lease(s)**

Future minimum lease payments under the capital lease together with the obligation due under the capital

	<u>2016</u>	<u>2015</u>
2017	\$ -	\$ -
2018	82,936	-
2019	48,379	-
Remainder of lease	-	-
Total minimum lease payments	<u>\$ 131,315</u>	<u>\$ -</u>
Less amount representing future interest at 4.75%	<u>5,056</u>	<u>-</u>
Balance of obligation	<u>\$ 126,259</u>	<u>\$ -</u>

Interest expense includes \$2,876 (2015 - \$-) with respect to this obligation.

Assets under capital lease includes vehicles, machinery and road construction equipment.

	<u>2016</u>	<u>2015</u>
Cost of leased tangible capital asset(s)	\$ 157,939	\$ -
Accumulated amortization of leased tangible capital asset(s)	<u>(4,387)</u>	<u>-</u>
	<u>\$ 153,552</u>	<u>\$ -</u>

Amortization expense includes \$4,387 (2015 - \$-) on leased tangible capital assets.

**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 \$44,785 (2015 - \$34,424) 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, 2015 indicated the plan was 98% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2015.

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>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 190,963	\$ 467
Utility operating fund(s) - Nominal surplus	77,771	94,560
TCA net of related borrowings	8,950,089	8,814,617
Reserve funds	<u>1,529,793</u>	<u>1,547,482</u>
Accumulated surplus of municipality unconsolidated	10,748,616	10,457,126
Accumulated surpluses of consolidated entities	<u>581,753</u>	559,998
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 11,330,369</u>	<u>\$ 11,017,124</u>

**15. Public Sector Compensation Disclosure**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be

- a) Compensation paid to members of council amounted to \$139,912 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	\$ 18,395	\$ 3,955	\$ 22,350
Councillor - Frode Andersen	10,146	1,927	12,073
Councillor - Chad Johnson	13,553	2,336	15,889
Councillor - Morley Nordal	15,434	1,853	17,287
Councillor - David Shott	10,707	1,549	12,256
Councillor - Richard Chomokovski	12,355	1,383	13,738
Councillor - Donald Vigfusson	11,225	2,649	13,874
Councillor - Warren Ostertag	11,549	1,673	13,222
Councillor - Colin Bjarnason	<u>16,132</u>	<u>3,091</u>	<u>19,223</u>
	<u>\$ 119,496</u>	<u>\$ 20,416</u>	<u>\$ 139,912</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Hjorleifson, Richard B.</i>	<i>Heavy Equipment Operator</i>	\$ 70,967
<i>Stansell, Cindy</i>	<i>Chief Administrative Officer</i>	\$ 65,585
<i>Johnson, Gerret</i>	<i>Heavy Equipment Operator</i>	\$ 64,320
<i>Hryhorchuk, Rory</i>	<i>Riverton Public Works Foreman</i>	\$ 60,761
<i>Sewell, W. Dana</i>	<i>Heavy Equipment Operator</i>	\$ 57,566
<i>Hjorleifson, V. Jamie</i>	<i>Heavy Equipment Operator</i>	\$ 51,433
<i>Furgala, Kimberly</i>	<i>Assistant C.A.O.</i>	\$ 51,412

**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>2016</u>	<u>2015</u>
<b>Financial Position</b>		
Financial assets	\$ 190,058	\$ 151,807
Financial liabilities	<u>(460,767)</u>	<u>(293,358)</u>
Net financial assets (liabilities)	<u>(270,709)</u>	<u>(141,551)</u>
Non-financial assets	<u>852,461</u>	<u>712,002</u>
Accumulated surplus	<u>\$ 581,752</u>	<u>\$ 570,451</u>
<b>Result of Operations</b>		
Revenues	\$ 593,456	\$ 543,985
Expenses	<u>528,698</u>	<u>523,192</u>
Annual surplus	<u>\$ 64,758</u>	<u>\$ 20,793</u>

**18. Public Utilities Board**

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the

For information purposes, the Municipality has deferred the capital grants it has received in the past for its

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

**Sewer services:**

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Utility	<u>\$ 585,863</u>	<u>\$ 15,848</u>	<u>\$ 10,687</u>	<u>\$ 591,024</u>

**MUNICIPALITY OF BIFROST-RIVERTON**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2016**

**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	2016	2015
<b>Cost</b>										
Opening costs	\$ 1,353,858	\$ 988,723	\$ 3,744,096	\$ 75,412	\$ -	\$ 24,919,213	\$ 2,842,102	\$ -	\$ 33,923,404	\$ 32,863,865
Additions during the year	256,780	130,898	388,009	1,420	-	39,780	7,652	31,686	856,225	2,154,592
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	(115,548)	-	-	-	-	-	(115,548)	(1,095,053)
Closing costs	1,610,638	1,119,621	4,016,557	76,832	-	24,958,993	2,849,754	31,686	34,664,081	33,923,404
<b>Accumulated Amortization</b>										-
Opening accum'd amortization	228,909	586,640	1,562,564	54,589	-	19,929,781	1,017,724	-	23,380,207	23,202,074
Amortization	34,838	18,391	213,716	6,628	-	140,378	61,641	-	475,592	446,472
Disposals and write downs	-	-	(92,100)	-	-	-	-	-	(92,100)	(268,339)
Closing accum'd amortization	263,747	605,031	1,684,180	61,217	-	20,070,159	1,079,365	-	23,763,699	23,380,207
Net Book Value of Tangible Capital Assets	\$ 1,346,891	\$ 514,590	\$ 2,332,377	\$ 15,615	\$ -	\$ 4,888,834	\$ 1,770,389	\$ 31,686	\$ 10,900,382	\$ 10,543,197

**MUNICIPALITY OF BIFROST-RIVERTON**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 2**

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 3,077,275	\$ 2,953,672
Taxes added	131,883	35,652
	<u>3,209,158</u>	<u>2,989,324</u>
<b>Grants in lieu of taxation:</b>		
Federal government	-	-
Federal government enterprises	100,539	100,613
Provincial government	-	-
Provincial government enterprises	-	-
Other local governments	-	-
Non-government organizations	-	-
	<u>100,539</u>	<u>100,613</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	440,404	422,981
Sales of goods	-	-
Rentals	8,722	10,040
Development charges	-	-
Facility use fees	-	-
	<u>449,126</u>	<u>433,021</u>
<b>Permits, licences and fines</b>		
Permits	50	125
Licences	320	359
Fees	-	-
Fines	-	-
	<u>370</u>	<u>484</u>
<b>Investment income:</b>		
Cash and temporary investments	17,253	19,623
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>17,253</u>	<u>19,623</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	60,095	49,512
Miscellaneous (specify):	125,879	147,743
	<u>185,974</u>	<u>165,578</u>
<b>Water and sewer</b>		
Municipal utility(ies) (Schedule 9)	36,986	35,919
Consolidated water co-operatives	-	-
	<u>36,986</u>	<u>35,919</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	139,359	139,359
General support grant	-	-
Municipal program grants	60,897	60,897
Other unconditional grants	-	-
Conditional grants	521,290	363,847
	<u>721,546</u>	<u>564,103</u>
<b>Grants - other</b>		
Federal government - gas tax funding	189,778	180,741
Federal government - other	-	-
Other local governments	132,478	136,357
	<u>322,256</u>	<u>317,098</u>
<b>Total revenue</b>	<u>\$ 5,043,208</u>	<u>\$ 4,625,763</u>

**MUNICIPALITY OF BIFROST-RIVERTON**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 3**

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>General government services:</b>		
Legislative	\$ 120,622	\$ 115,345
General administrative	527,524	459,172
Other	106,665	119,039
	<u>754,811</u>	<u>693,556</u>
<b>Protective services:</b>		
Police	-	-
Fire	238,010	234,964
Emergency measures	-	-
Other	2,355	2,389
	<u>240,365</u>	<u>237,353</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	11,190	16,184
Road and street maintenance	2,313,375	1,855,810
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	18,784	16,293
Other	6,176	15,438
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,349,525</u>	<u>1,903,725</u>
<b>Environmental health services:</b>		
Waste collection and disposal	186,489	174,920
Recycling	45,511	-
Other	3,000	3,000
	<u>235,000</u>	<u>177,920</u>
<b>Public health and welfare services:</b>		
Public health	-	-
Medical care	-	-
Social assistance	6,516	6,516
Other	21,813	10,500
	<u>28,329</u>	<u>17,016</u>
<b>Regional planning and development</b>		
Planning and zoning	60,996	67,015
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>60,996</u>	<u>67,015</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	88,487	77,780
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	9,550	9,550
Regional development	185,172	188,362
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>294,709</u>	<u>287,192</u>
<b>Sub-totals forward</b>	<u>\$ 3,963,735</u>	<u>\$ 3,383,777</u>

**MUNICIPALITY OF BIFROST-RIVERTON  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2016**

**SCHEDULE 3**

	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>Sub-totals forward</b>	<b>\$ 3,963,735</b>	<b>\$ 3,383,777</b>
<b>Recreation and cultural services:</b>		
Administration	246,747	202,006
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	355,694	248,251
Other recreational facilities	-	-
Museums	-	-
Libraries	91,446	104,482
Other cultural facilities	-	-
	<u>693,887</u>	<u>554,739</u>
<b>Water and sewer services (Schedule 9)</b>		
Municipal utility(ies) (Schedule 9)	72,341	72,590
Consolidated water co-operatives	-	-
	<u>72,341</u>	<u>72,590</u>
<b>Total expenses</b>	<b><u>\$ 4,729,963</u></b>	<b><u>\$ 4,011,106</u></b>

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Property taxes	\$ 3,189,560	\$ 2,969,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	100,539	100,613	-	-	-	-	-	-	-	-
User fees	9,990	10,555	1,690	-	52,600	45,405	58,169	67,029	-	-
Grants - other	189,778	180,741	-	-	-	-	-	-	-	-
Permits, licences and fines	370	484	-	-	-	-	-	-	-	-
Investment income	17,253	19,613	-	-	-	-	-	-	-	-
Other revenue	129,755	135,289	-	-	-	-	26,891	14,819	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	200,256	200,256	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	24,060	25,000	29,550	338,122	257,886	42,261	-	11,413	-
<b>Total revenue</b>	<b>\$ 3,837,501</b>	<b>\$ 3,641,326</b>	<b>\$ 26,690</b>	<b>\$ 29,550</b>	<b>\$ 390,722</b>	<b>\$ 303,291</b>	<b>\$ 127,321</b>	<b>\$ 81,848</b>	<b>\$ 11,413</b>	<b>\$ -</b>
<b>EXPENSES</b>										
Personnel services	\$ 372,633	\$ 416,952	\$ 60,318	\$ 80,907	\$ 534,590	\$ 429,470	\$ 28,044	\$ 27,262	\$ -	\$ -
Contract services	147,342	153,987	116,038	29,712	845,423	481,510	122,436	118,259	-	-
Utilities	18,004	18,242	8,432	15,040	28,760	30,007	991	1,098	-	-
Maintenance materials and supplies	25,034	16,563	9,346	59,550	615,888	677,420	498	475	-	-
Grants and contributions	2,276	2,650	-	-	-	-	48,511	6,250	28,329	17,016
Amortization	12,515	21,349	46,231	50,955	307,748	280,068	11,482	4,701	-	-
Interest on long term debt	-	-	-	1,189	17,116	5,250	-	-	-	-
Other	177,007	63,813	-	-	-	-	23,038	19,875	-	-
<b>Total expenses</b>	<b>\$ 754,811</b>	<b>\$ 693,556</b>	<b>\$ 240,365</b>	<b>\$ 237,353</b>	<b>\$ 2,349,525</b>	<b>\$ 1,903,725</b>	<b>\$ 235,000</b>	<b>\$ 177,920</b>	<b>\$ 28,329</b>	<b>\$ 17,016</b>
<b>Surplus (Deficit)</b>	<b>\$ 3,082,690</b>	<b>\$ 2,947,770</b>	<b>\$ (213,675)</b>	<b>\$ (207,803)</b>	<b>\$ (1,958,803)</b>	<b>\$ (1,600,434)</b>	<b>\$ (107,679)</b>	<b>\$ (96,072)</b>	<b>\$ (16,916)</b>	<b>\$ (17,016)</b>

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

MUNICIPALITY OF BIFROST-RIVERTON  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2016

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,598	\$ 19,609	\$ 3,209,158	\$ 2,989,324
Grants in lieu of taxation		-	-	-	-	-		-	100,539	100,613
User fees	14,915	117,208	79,051	-	232,711	192,824		-	449,126	433,021
Grants - other	11,774	25,900	41,998	-	78,706	110,457		-	322,256	317,098
Permits, licences and fines		-	-	-	-	-		-	370	484
Investment income		9	-	-	-	1		-	17,253	19,623
Other revenue	196	444	1,386	-	27,746	15,026		-	185,974	165,578
Water and sewer		-	-	-	-	-	36,986	35,919	36,986	35,919
Prov of MB - Unconditional Grants		-	-	-	-	-		-	200,256	200,256
Prov of MB - Conditional Grants		17,036	27,869	-	76,625	35,315		-	521,290	363,847
<b>Total revenue</b>	<b>\$ 26,885</b>	<b>\$ 160,597</b>	<b>\$ 150,304</b>	<b>\$ -</b>	<b>\$ 415,788</b>	<b>\$ 353,623</b>	<b>\$ 56,584</b>	<b>\$ 55,528</b>	<b>\$ 5,043,208</b>	<b>\$ 4,625,763</b>
<b>EXPENSES</b>										
Personnel services	\$ 35,126	\$ 38,427	\$ 57,179	\$ 50,009	\$ 157,672	\$ 139,272	\$ 11,453	\$ 2,729	\$ 1,257,015	\$ 1,185,028
Contract services	23,375	25,532	96,376	63,552	405,707	313,886	-	-	1,756,697	1,186,438
Utilities	821	1,019	1,783	1,891	37,655	36,512	-	-	96,446	103,809
Maintenance materials and supplies	1,594	1,912	25,050	24,297	29,148	27,136	12,563	21,140	719,121	828,493
Grants and contributions	-	-	58,969	45,399	12,400	4,000	-	-	150,485	75,315
Amortization	70	104	23,906	27,119	32,671	21,283	40,969	40,893	475,592	446,472
Interest on long term debt	10	21	16,809	18,489	3,794	4,024	7,356	7,828	45,085	36,801
Other	-	-	14,637	56,436	14,840	8,626	-	-	229,522	148,750
<b>Total expenses</b>	<b>\$ 60,996</b>	<b>\$ 67,015</b>	<b>\$ 294,709</b>	<b>\$ 287,192</b>	<b>\$ 693,887</b>	<b>\$ 554,739</b>	<b>\$ 72,341</b>	<b>\$ 72,590</b>	<b>\$ 4,729,963</b>	<b>\$ 4,011,106</b>
<b>Surplus (Deficit)</b>	<b>\$ (34,111)</b>	<b>\$ 93,582</b>	<b>\$ (144,405)</b>	<b>\$ (287,192)</b>	<b>\$ (278,099)</b>	<b>\$ (201,116)</b>	<b>\$ (15,757)</b>	<b>\$ (17,062)</b>	<b>\$ 313,245</b>	<b>\$ 614,657</b>

## MUNICIPALITY OF BIFROST-RIVERTON

## SCHEDULE 5

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>								
Property taxes	\$ 3,209,158	\$ 2,989,324	\$ -	\$ -	\$ -	\$ -	\$ 3,209,158	\$ 2,989,324
Grants in lieu of taxation	100,539	100,613	-	-	-	-	100,539	100,613
User fees	64,280	55,960	13,726	14,193	371,120	362,868	449,126	433,021
Grants - other	189,778	180,741	-	15,777	132,478	120,580	322,256	317,098
Permits, licences and fines	370	484	-	-	-	-	370	484
Investment income	17,252	19,613	-	-	1	10	17,253	19,623
Other revenue	129,755	135,289	22,423	10,806	33,796	19,483	185,974	165,578
Water and sewer	36,986	35,919	-	-	-	-	36,986	35,919
Prov of MB - Unconditional Grants	200,256	200,256	-	-	-	-	200,256	200,256
Prov of MB - Conditional Grants	447,992	311,462	17,237	11,341	56,061	41,044	521,290	363,847
Total revenue	\$ 4,396,366	\$ 4,029,661	\$ 53,386	\$ 52,117	\$ 593,456	\$ 543,985	\$ 5,043,208	\$ 4,625,763
<b>EXPENSES</b>								
Personnel services	\$ 978,994	\$ 930,058	\$ 39,588	\$ 20,088	\$ 238,433	\$ 234,882	\$ 1,257,015	\$ 1,185,028
Contract services	1,600,323	1,092,170	52,340	13,022	104,034	81,246	1,756,697	1,186,438
Utilities	55,465	63,549	-	-	40,981	40,260	96,446	103,809
Maintenance materials and supplies	666,039	777,711	4,461	1,843	48,621	48,939	719,121	828,493
Grants and contributions	150,485	75,315	-	-	-	-	150,485	75,315
Amortization	443,846	417,589	-	-	31,746	28,883	475,592	446,472
Interest on long term debt	41,281	32,756	-	-	3,804	4,045	45,085	36,801
Other	168,443	63,813	-	-	61,079	84,937	229,522	148,750
Total expenses	\$ 4,104,876	\$ 3,452,961	\$ 96,389	\$ 34,953	\$ 528,698	\$ 523,192	\$ 4,729,963	\$ 4,011,106
<b>Surplus (Deficit)</b>	\$ 291,490	\$ 576,700	\$ (43,003)	\$ 17,164	\$ 64,758	\$ 20,793	\$ 313,245	\$ 614,657

MUNICIPALITY OF BIFROST-RIVERTON  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016							
	General Reserve	Equipment Reserve	Drainage Reserve	Gas Tax Reserve	Bifrost Fire Reserve	General Reserve	Capital Reserve	Riverton Fire Reserve
<b>REVENUE</b>								
Investment income	\$ 1,261	\$ 959	\$ 2,159	\$ 7,364	\$ 116	\$ 308	\$ 522	\$ 801
Other income	-	-	-	-	-	-	-	-
Total revenue	1,261	959	2,159	7,364	116	308	522	801
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	1,261	959	2,159	7,364	116	308	522	801
<b>TRANSFERS</b>								
Transfers from general operating fund	10,000	339,819	-	189,778	23,727	2,100	5,700	2,800
Transfers to general operating fund	-	(289,911)	(236,000)	(86,613)	-	-	-	-
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>	11,261	50,867	(233,841)	110,529	23,843	2,408	6,222	3,601
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	13,034	164,797	339,775	797,064	28,683	27,708	83,334	56,192
<b>FUND SURPLUS, END OF YEAR</b>	\$ 24,295	\$ 215,664	\$ 105,934	\$ 907,593	\$ 52,526	\$ 30,116	\$ 89,556	\$ 59,793

MUNICIPALITY OF BIFROST-RIVERTON  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 For the Year Ended December 31, 2016

SCHEDULE 6

	2016			2015
	Utility Reserve	Lagoon Reserve	Sidewalk Reserve	Total
<b>REVENUE</b>				
Investment income	\$ 184	\$ 237	\$ -	\$ 13,911
Other income	-	-	-	-
Total revenue	184	237	-	13,911
<b>EXPENSES</b>				
Investment charges	-	-	-	-
Other expenses	-	-	-	-
Total expenses	-	-	-	-
<b>NET REVENUES</b>	184	237	-	13,911
<b>TRANSFERS</b>				
Transfers from general operating fund	2,000	-	5,000	580,924
Transfers to general operating fund	-	-	-	(612,524)
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>	2,184	237	5,000	(17,689)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	20,461	16,434	-	1,547,482
<b>FUND SURPLUS, END OF YEAR</b>	\$ 22,645	\$ 16,671	\$ 5,000	\$ 1,529,793

**MUNICIPALITY OF BIFROST-RIVERTON**  
**SCHEDULE OF TRUST FUNDS**  
**For the Year Ended December 31, 2016**

**SCHEDULE 7**

	Cemetery Trust	Hecla-Grindstone Trust	Total	
			2016	2015
<b>ASSETS</b>				
Cash and temporary investments	\$ -	\$ 23,283	\$ 23,283	\$ 23,005
Portfolio investments	-	-	-	-
Due from Municipality	-	-	-	696
	<u>\$ -</u>	<u>\$ 23,283</u>	<u>\$ 23,283</u>	<u>\$ 23,701</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance	-	23,283	23,283	22,309
	<u>\$ -</u>	<u>\$ 23,283</u>	<u>\$ 23,283</u>	<u>\$ 22,309</u>
<b>REVENUES</b>				
Contributions and donations	\$ 8,357	\$ -	\$ 8,357	\$ 4,215
Investment income	-	278	278	242
	<u>8,357</u>	<u>278</u>	<u>8,635</u>	<u>4,457</u>
<b>EXPENDITURES</b>				
Cemetery maintenance	7,661	-	7,661	6,892
Distribution to beneficiaries	-	-	-	-
Other	-	-	-	-
	<u>7,661</u>	<u>-</u>	<u>7,661</u>	<u>6,892</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>696</b>	<b>278</b>	<b>974</b>	<b>(2,435)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(696)</b>	<b>23,005</b>	<b>22,309</b>	<b>24,744</b>
<b>FUND BALANCE, END OF YEAR</b>	<u><b>\$ -</b></u>	<u><b>\$ 23,283</b></u>	<u><b>\$ 23,283</b></u>	<u><b>\$ 22,309</b></u>

**MUNICIPALITY OF BIFROST-RIVERTON**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**As at December 31, 2016**

**SCHEDULE 8**

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	<u>78,077</u>	<u>94,254</u>
	<u>\$ 78,077</u>	<u>\$ 94,254</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 306	\$ (306)
Deferred revenue	-	-
Long-term debt (Note 9)	<u>171,659</u>	<u>183,898</u>
Due to other funds	-	-
	<u>171,965</u>	<u>183,592</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ (93,888)</u>	<u>\$ (89,338)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 952,091	\$ 961,298
Inventories	-	-
Prepaid expenses	-	-
	<u>952,091</u>	<u>961,298</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u>\$ 858,203</u>	<u>\$ 871,960</u>

SCHEDULE OF UTILITY OPERATIONS - Name of Utility

For the Year Ended December 31, 2016

REVENUE	<u>Budget</u>	<u>2016</u>	<u>2015</u>
<b>Water</b>			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer</b>			
Sewer fees	20,700	20,588	19,256
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>20,700</u>	<u>20,588</u>	<u>19,256</u>
<b>Property taxes</b>	<u>-</u>	<u>19,598</u>	<u>19,609</u>
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	15,843	-
sub-total- government transfers	<u>-</u>	<u>15,843</u>	<u>-</u>
<b>Other</b>			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	300	455	228
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,200	100	16,082
sub-total- other	<u>1,500</u>	<u>555</u>	<u>16,310</u>
<b>Total revenue</b>	<u>\$ 22,200</u>	<u>\$ 56,584</u>	<u>\$ 55,175</u>

MUNICIPALITY OF BIFROST-RIVERTON  
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility  
 For the Year Ended December 31, 2016

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2016</u>	<u>2015</u>
<b>General</b>			
Administration	\$ 7,500	\$ 11,453	\$ 2,729
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>7,500</u>	<u>11,453</u>	<u>2,729</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	24,000	12,563	21,140
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>24,000</u>	<u>12,563</u>	<u>21,140</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	40,969	40,893
Interest on long term debt	-	7,356	7,827
sub-total- sewer amortization & interest	<u>-</u>	<u>48,325</u>	<u>48,720</u>
<b>Total expenses</b>	<u>31,500</u>	<u>72,341</u>	<u>72,589</u>
<b>NET OPERATING SURPLUS</b>	(9,300)	(15,757)	(17,414)
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	9,300	2,000	2,000
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ -</u>	<u>(13,757)</u>	<u>(15,414)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>871,960</u>	<u>887,374</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 858,203</u>	<u>\$ 871,960</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 3,105,527	\$ 19,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,125,122
Grants in lieu of taxation	100,538	-	-	-	-	-	-	100,538
User fees	52,770	-	-	-	-	-	384,847	437,617
Permits, licences and fines	355	-	-	-	-	-	-	355
Investment income	2,500	-	-	-	-	-	1	2,501
Other revenue	193,899	-	-	-	-	-	56,219	250,118
Water and sewer	-	22,200	-	-	-	-	-	22,200
Grants - Province of Manitoba	206,474	-	-	-	-	-	73,298	279,772
Grants - other	218,778	-	-	-	-	-	132,478	351,256
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	779,460	9,300	-	-	(788,760)	-	-	-
Total revenue	\$ 4,660,301	\$ 51,095	\$ -	\$ -	\$ (788,760)	\$ -	\$ 646,843	\$ 4,569,479
<b>EXPENSES</b>								
General government services	\$ 700,634	\$ -	\$ 12,515	\$ 17,000	\$ -	\$ -	\$ -	\$ 730,149
Protective services	227,385	-	46,231	-	-	-	-	273,616
Transportation services	2,204,950	-	307,748	14,252	-	-	-	2,526,950
Environmental health services	148,820	-	-	-	-	-	71,858	220,678
Public health and welfare services	15,320	-	-	-	-	-	-	15,320
Regional planning and development	19,700	-	-	-	-	-	42,296	61,996
Resource cons and industrial dev	161,150	-	20,671	16,809	-	-	140,262	338,892
Recreation and cultural services	370,568	-	7,147	-	-	-	370,672	748,387
Water and sewer services	-	31,500	40,969	7,356	-	-	-	79,825
Fiscal services:								
Transfer to capital	1,600	-	-	-	(1,600)	-	-	-
Debt charges	212,250	19,595	-	(38,417)	(193,428)	-	-	-
Short term interest	17,000	-	-	(17,000)	-	-	-	-
Transfer to reserves	580,924	-	-	-	(580,924)	-	-	-
Allowance for tax assets	-	-	-	-	-	-	-	-
Total expenses	\$ 4,660,301	\$ 51,095	\$ 435,281	\$ -	\$ (775,952)	\$ -	\$ 625,088	\$ 4,995,813
<b>Surplus (Deficit)</b>	\$ -	\$ -	\$ (435,281)	\$ -	\$ (12,808)	\$ -	\$ 21,755	\$ (426,334)

**MUNICIPALITY OF BIFROST-RIVERTON  
ANALYSIS OF TAXES ON ROLL  
December 31, 2016**

**SCHEDULE 11**

	<u>2016</u>	<u>2015</u>
<b>Balance, beginning of year</b>	<b>\$ 423,276</b>	<b>\$ 382,215</b>
<b>Add:</b>		
Tax levy (Schedule 12)	4,997,969	4,700,044
Taxes added	131,883	35,652
Penalties or interest	60,095	49,512
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
<b>Sub-total</b>	<b><u>5,189,947</u></b>	<b><u>4,785,208</u></b>
<b>Deduct:</b>		
Cash collections - current	4,229,667	3,868,730
Cash collections - arrears	304,293	288,430
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	598,172	586,987
Other credits (specify)	-	-
<b>Sub-total</b>	<b><u>5,132,132</u></b>	<b><u>4,744,147</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 481,091</u></u></b>	<b><u><u>\$ 423,276</u></u></b>

## ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2016

	2016			2015
	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	\$ 10,397,860	1.02	10,554	10,516
Lagoon	\$ 13,542,660	1.33	17,998	17,953
Bifrost Sewer	\$ -	-	35,118	35,118
Other (specify)	\$ -	-	-	-
sub-total- Debt charges			<u>63,670</u>	<u>63,587</u>
Deferred surplus	\$ -	-	-	-
Reserves:				
Name of reserve	\$ -	-	-	-
Name of reserve	\$ -	-	-	-
	\$ -	-	-	-
	\$ -	-	-	-
	\$ -	-	-	-
Name of reserve	\$ -	-	-	-
sub-total- Reserves			<u>-</u>	<u>-</u>
General municipal	\$ 165,971,550	6.22	<u>1,024,469</u>	812,596
Special levies:				
Urban Area	\$ 10,397,860	34.43	357,946	321,879
Rural Area	\$ 155,573,690	10.49	1,631,190	1,755,610
sub-total- Special levies			<u>1,989,136</u>	<u>2,077,489</u>
Business tax (rate%)	\$ -	-	-	-
<b>Total municipal taxes (Schedule 2)</b>			<u><b>3,077,275</b></u>	<u>2,953,672</u>
Education support levy	\$ 14,730,750	10.50	<u>154,673</u>	148,877
Special levies:				
Evergreen	\$ 162,661,990	10.70	1,740,158	1,573,089
Lakeshore	\$ 1,604,800	16.12	25,863	24,406
sub-total- Special levies			<u>1,766,021</u>	<u>1,597,495</u>
<b>Total education taxes</b>			<u><b>1,920,694</b></u>	<u>1,746,372</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 4,997,969</b></u>	<u>\$ 4,700,044</u>

MUNICIPALITY OF BIFROST-RIVERTON  
 ANALYSIS OF SCHOOL ACCOUNTS  
 December 31, 2016

SCHEDULE 13

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 177,610	\$ 152,567	\$ -
<b>Special levies</b>				
Evergreen	-	1,785,674	1,533,894	-
Lakeshore	-	26,834	23,050	-
<b>Sub-total</b>	-	1,812,508	1,556,944	-
<b>Total</b>	\$ -	\$ 1,990,118	\$ 1,709,511	\$ -

**MUNICIPALITY OF BIFROST-RIVERTON**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 14**

	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>General government services:</b>		
Legislative	\$ 120,622	\$ 115,345
General administrative	527,524	459,172
Other	106,665	119,040
	<u>754,811</u>	<u>693,557</u>
<b>Protective services:</b>		
Police	-	-
Fire	238,010	234,964
Emergency measures	-	-
Other	2,355	2,388
	<u>240,365</u>	<u>237,352</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	11,190	16,184
Road and street maintenance	2,313,375	1,854,500
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	18,784	16,292
Other	6,176	15,438
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,349,525</u>	<u>1,902,414</u>
<b>Environmental health services:</b>		
Waste collection and disposal	114,631	100,093
Recycling	45,511	-
Other	3,000	3,000
	<u>163,142</u>	<u>103,093</u>
<b>Public health and welfare services:</b>		
Public health	-	-
Medical care	-	-
Social assistance	6,516	6,516
Other	10,400	10,500
	<u>16,916</u>	<u>17,016</u>
<b>Regional planning and development</b>		
Planning and zoning	18,700	20,749
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>18,700</u>	<u>20,749</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	9,200	9,200
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	9,550	9,550
Regional development	124,197	98,415
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>154,447</u>	<u>128,665</u>
<b>Sub-totals forward</b>	<u>\$ 3,697,906</u>	<u>\$ 3,102,846</u>

**MUNICIPALITY OF BIFROST-RIVERTON**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 14**

	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>Sub-totals forward</b>	<b>\$ 3,697,906</b>	<b>\$ 3,102,846</b>
<b>Recreation and cultural services:</b>		
Administration	266,294	202,006
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	20,903	14,270
Other recreational facilities	-	-
Museums	-	-
Libraries	36,018	36,018
Other cultural facilities	-	-
	<u>323,215</u>	<u>252,294</u>
<b>Total expenses</b>	<b>\$ 4,021,121</b>	<b>\$ 3,355,140</b>

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

For the Year Ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</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>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>Unexpended balance, beginning of year</b>		<b>-</b>	<b>-</b>
<b>Unexpended balance, end of year</b>		<b>\$ -</b>	<b>\$ -</b>

MUNICIPALITY OF BIFROST-RIVERTON  
 SCHEDULE OF DEBENTURES PENDING  
 December 31, 2016

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			\$ -	\$ -

**MUNICIPALITY OF BIFROST-RIVERTON**

**SCHEDULE 17**

**RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) (Unaudited)**

**December 31, 2016**

	General	2016 Utility	Total	2015 Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	<b>\$ 15,720</b>	<b>\$ (26,365)</b>	<b>\$ (10,645)</b>	<b>\$ (101,463)</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
	-	-	-	-
Eliminate expense - transfers to reserves	580,924	-	580,924	634,033
Eliminate revenue - transfers from reserves	(612,524)	-	(612,524)	(327,768)
Increase revenue - reserve funds interest	13,911	-	13,911	16,235
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	21,755	-	21,755	37,957
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase expense - amortization of tangible capital assets	(394,312)	(40,969)	(435,281)	(446,472)
Decrease revenue - loan proceeds	-	-	-	(737,008)
Decrease revenue - obligation under capital lease proceeds	(157,959)	-	(157,959)	-
Decrease revenue - trade in values	-	-	-	(795,067)
Decrease expense - principal portion of debenture debt	212,219	12,239	224,458	269,885
Decrease expense - principal portion of capital lease	31,710	-	31,710	-
Eliminate expense - acquisitions of tangible capital assets	617,558	39,338	656,896	2,064,325
	<u>617,558</u>	<u>39,338</u>	<u>656,896</u>	<u>2,064,325</u>
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 329,002</b>	<b>\$ (15,757)</b>	<b>\$ 313,245</b>	<b>\$ 614,657</b>