

MUNICIPALITY OF BIFROST-RIVERTON

**Consolidated Financial Statements
For the Year Ended December 31, 2017**

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.



Cindy Stensell

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, 2017 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year ended December 31, 2017, 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.

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, 2017, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
August 30, 2019

MUNICIPALITY OF BIFROST-RIVERTON

Consolidated Financial Statements

For the Year Ended December 31, 2017

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**MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017**

	2017	2016
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 80,493	\$ 1,320,932
Amounts receivable (Note 4)	<u>1,864,845</u>	<u>992,947</u>
	\$ 1,945,338	\$ 2,313,879
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 455,841	\$ 827,221
Landfill closure and post closure liabilities (Note 7)	38,185	36,624
Long-term debt (Note 8)	854,997	1,126,899
Obligations under capital lease (Note 9)	<u>47,019</u>	<u>126,259</u>
	<u>1,396,042</u>	<u>2,117,003</u>
	\$ 549,296	\$ 196,876
NET FINANCIAL ASSETS		
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 12,392,241	\$ 10,900,382
Inventories (Note 5)	194,645	174,166
Prepaid expenses	<u>41,674</u>	<u>58,945</u>
	<u>12,628,560</u>	<u>11,133,493</u>
ACCUMULATED SURPLUS (Note 14)	\$ 13,177,856	\$ 11,330,369

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, 2017**

	2017 Budget (Note 13)	2017 Actual	2016 Actual
REVENUE			
Property taxes	\$ 3,243,465	\$ 3,229,342	\$ 3,209,158
Grants in lieu of taxation	112,220	112,220	100,539
User fees	440,747	510,968	449,126
Permits, licences and fines	270	259	370
Investment income	2,500	24,872	17,253
Other revenue	152,827	245,755	185,974
Water and sewer	22,000	22,307	36,986
Grants - Province of Manitoba	377,534	1,769,341	721,546
Grants - other	292,097	299,180	322,256
Total revenue (Schedules 2, 4 and 5)	4,643,660	6,214,244	5,043,208
EXPENSES			
General government services	652,410	629,437	754,811
Protective services	206,833	196,688	240,365
Transportation services	2,202,094	2,158,058	2,349,525
Environmental health services	234,693	256,181	235,000
Public health and welfare services	17,535	25,237	28,329
Regional planning and development	60,267	63,267	60,996
Resource conservation and industrial development	262,475	246,200	294,709
Recreation and cultural services	639,142	683,894	693,887
Water and sewer services	111,584	107,795	72,341
Total expenses (Schedules 3, 4 and 5)	4,387,033	4,366,757	4,729,963
	\$ 256,627	1,847,487	313,245
ACCUMULATED SURPLUS, BEGINNING OF YEAR		11,330,369	11,017,124
ACCUMULATED SURPLUS, END OF YEAR		\$13,177,856	\$ 11,330,369

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, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (112,866)	\$ 1,847,487	\$ 313,245
Acquisition of tangible capital assets	(1,363,500)	(1,995,623)	(856,225)
Amortization of tangible capital assets	444,461	498,123	475,592
Loss (Gain) on sale of tangible capital assets	-	198	-
Proceeds on sale of tangible capital assets	-	5,442	23,446
Decrease (increase) in inventories	-	(20,479)	(56,355)
Decrease (increase) in prepaid expense	-	17,272	(11,331)
	<u>(919,039)</u>	<u>(1,495,067)</u>	<u>(424,873)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (1,031,905)	352,420	(111,628)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>196,876</u>	<u>308,504</u>
NET FINANCIAL ASSETS, END OF YEAR		\$ 549,296	\$ 196,876

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, 2017**

	2017	2016
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,847,487	\$ 313,245
Changes in non-cash items:		
Amounts receivable	(871,898)	(3,938)
Inventories	(20,479)	(56,355)
Prepays	17,272	(11,331)
Accounts payable and accrued liabilities	(371,380)	394,367
Landfill closure and post closure liabilities	1,561	(11,397)
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	198	-
Amortization	498,123	475,592
	1,100,884	1,100,183
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	5,442	23,446
Cash used to acquire tangible capital assets	(1,995,623)	(856,225)
	(1,990,181)	(832,779)
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	-
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
	-	-
Cash applied to investing transactions		
FINANCING TRANSACTIONS		
Proceeds of long-term debt	106,000	173,793
Debt repayment	(377,902)	(244,033)
Obligation under capital lease	-	157,939
Repayment of obligation under capital lease	(79,240)	(31,710)
	(351,142)	55,989
Cash applied to financing transactions		
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(1,240,439)	323,393
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	1,320,932	997,539
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 80,493	\$ 1,320,932

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, 2017**

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%) (2016 - consolidated 50%)

Bar Waste Authority Co-op Inc. (consolidated 67%) (2016 - consolidated 67%)

Eastern Interlake Planning District (consolidated 14.5%) (2016 - consolidated 14.5%)

Evergreen Regional Library (consolidated 29%) (2016 - consolidated 29%)

Interlake Weed Control District (consolidated 25%) (2016 - 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	25 to 40 years
Buildings	Life of lease
Leasehold improvements	5 years
Vehicles and Equipment	10 years
Vehicles	15 years
Machinery, equipment and furniture	4 years
Maintenance and road construction equipment	
Computer Hardware and Software	

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>2017</u>	<u>2016</u>
Cash (Bank indebtedness)	\$ (1,436,458)	\$ (203,788)
Temporary investments	<u>1,516,951</u>	<u>1,524,720</u>
	<u>\$ 80,493</u>	<u>\$ 1,320,932</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,508,117 (2016 \$1,666,164) 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 for a Line of Credit with their financial institution in the amount of \$2,000,000, bearing interest at 2.375%. As at December 31, 2017, \$563,542 remains available for use (2017 - \$1,796,212).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2017	2016
Taxes on roll (Schedule 11)		
Government grants	\$ 496,599	\$ 481,091
Utility customers	241,805	178,335
Accrued interest	-	-
Organizations and individuals	-	-
Other governments	1,126,441	333,521
	<u>-</u>	<u>-</u>
	<u>1,864,845</u>	<u>992,947</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,864,845</u>	<u>\$ 992,947</u>

5. Inventories

Inventories for use:

	2017	2016
Chemicals, herbicides, insecticides		
Fuel	\$ 2,754	\$ 4,980
Culverts	38,456	-
Aggregate	153,435	169,186
Other supplies	-	-
	<u>-</u>	<u>-</u>
	<u>\$ 194,645</u>	<u>\$ 174,166</u>

6. Accounts Payable and Accrued Liabilities

Accounts payable
School levies
Other governments

	2017	2016
Accounts payable	\$ 337,989	\$ 546,614
School levies	117,852	280,607
Other governments	-	-
	<u>-</u>	<u>-</u>
	<u>\$ 455,841</u>	<u>\$ 827,221</u>

7. 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 (BAR Waste Co-op Inc.). 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, 2017, 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, 2017, a discount rate of 1.125% (2015 - 1.442%) (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>2017</u>	<u>2016</u>
General Authority:		
Debtenture, interest at 5.5%, payable at \$35,118 annually including interest, maturing December 31, 2024	\$ 199,574	\$ 222,457
Debtenture, interest at 7.00%, payable at \$11,780 annually including interest, maturing October 31, 2020	30,915	39,903
Commercial fixed rate loan with interest at 2.6%, repayable in annual blended payments of \$196,382, matures November 1, 2018	<u>176,836</u>	<u>363,746</u>
	\$ 407,325	\$ 626,106
Utility Funds:		
Debtenture, interest at 4.00%, payable at \$19,595 annually including interest, maturing December 31, 2027	<u>\$ 158,931</u>	<u>\$ 171,659</u>

Consolidated Government Partnerships

BAR Waste Authority Co-op note payable bearing interest at 4.25% (floating) per annum, repayable in annual blended payments of \$20,750, matures November 1, 2026	\$ 103,100	\$ 112,739
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at prime 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>141,958</u>	<u>148,795</u>
Arborg Bifrost Parks & Recreation Commission, Noventis Credit Union loan bearing interest at prime 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>43,683</u>	<u>67,600</u>
	\$ 288,741	\$ 329,134
	<u>\$ 854,997</u>	<u>\$ 1,126,899</u>

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

2018	\$ 252,935
2019	\$ 78,177
2020	\$ 81,852
2021	\$ 73,931
2022	\$ 77,162

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law # 18-2017	Water Management Project as a LIP	\$ 4,000,000
By-law # 9-2018	Lease Fire Equipment	\$ 201,707

9. Obligation Under Capital Lease(s)

Future minimum lease payments under the capital lease together with the obligation due under the capital lease are as follows:

	2017	2016
2018	\$ 48,938	\$ 82,936
2019	-	48,379
Remainder of lease	-	-
Total minimum lease payments	\$ 48,938	\$ 131,315
Less amount representing future interest at 4.75%	1,919	5,056
Balance of obligation	\$ 47,019	\$ 126,259

Interest expense includes \$3,137 (2016 - \$2,876) with respect to this obligation.

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

	2017	2016
Cost of leased tangible capital asset(s)	\$ 157,939	\$ 157,939
Accumulated amortization of leased tangible capital asset(s)	(20,181)	(4,387)
	\$ 137,758	\$ 153,552

Amortization expense includes \$15,794 (2016 - \$4,387) 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 \$43,608 (2016 - \$44,785) 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, 2016 indicated the plan was 98.0% 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, 2016.

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

Accumulated surplus consists of the following:

	2017	2016
General operating fund - Nominal surplus	\$ 14,526	\$ 54,592
Utility operating fund(s) - Nominal surplus	36,534	77,771
TCA net of related borrowings	10,979,418	8,950,089
Reserve funds	1,508,117	1,666,164
Accumulated surplus of municipality unconsolidated	12,538,595	10,748,616
Accumulated surpluses of consolidated entities	639,261	581,753
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 13,177,856</u>	<u>\$ 11,330,369</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, 2017:

- a) Compensation paid to members of council amounted to \$129,935 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Reeve - Harold Foster	\$ 18,901	\$ 4,260	\$ 23,161
Councillor - Frode Andersen	9,780	1,639	11,419
Councillor - Chad Johnson	12,615	2,129	14,744
Councillor - Morley Nordal	11,524	1,483	13,007
Councillor - David Shott	10,140	1,614	11,754
Councillor - Richard Chomokovski	11,315	963	12,278
Councillor - Donald Vigfusson	10,693	2,798	13,491
Councillor - Warren Osterlag	11,341	1,747	13,088
Councillor - Colin Bjarnason	14,459	2,534	16,993
	<u>\$ 110,768</u>	<u>\$ 19,167</u>	<u>\$ 129,935</u>

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

Name	Position	Amount
Comeau, Jason	Public Works Manager/Fire Chief	\$ 71,229
Stansell, Cindy	Chief Administrative Officer	\$ 67,608
Hryhorchuk, Rory	Utility Operator	\$ 59,467
Hjorleifson, Richard B.	Heavy Equipment Operator	\$ 51,938
Sewell, W. Dana	Heavy Equipment Operator	\$ 51,458
Furgala, Kimberly	Assistant C.A.O.	\$ 50,833

16. Trust Funds

The Municipality of Bifrost-Riverton administers the following trust:

	Balance, beg. of the year	Excess of Receipts over Disbursements	Balance, end of the year
<i>Riverton Cemetery</i>	\$ (696)	\$ 696	\$ -
<i>Hecla/Grindstone</i>	\$ 23,005	\$ 585	\$ 23,590
	<u>\$ 22,309</u>	<u>\$ 1,281</u>	<u>\$ 23,590</u>

17. 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.

18. 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:

	2017	2016
Financial Position		
Financial assets	\$ 172,194	\$ 190,058
Financial liabilities	(395,218)	(460,767)
Net financial assets (liabilities)	(223,024)	(270,709)
Non-financial assets	854,882	852,461
Accumulated surplus	\$ 631,858	\$ 581,752
Result of Operations		
Revenues	\$ 562,588	\$ 593,456
Expenses	534,224	528,698
Annual surplus	\$ 28,364	\$ 64,758

19. 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.

Sewer services:

Description of Utility	Unamortized		Amortization		Unamortized	
	Opening Balance	Additions During Year	During Year	Ending Balance	Ending	Balance
Utility	\$ 591,024	\$ -	\$ 10,687	\$ 580,337		

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2017

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	2017	2016
Cost										
Opening costs	\$ 1,610,638	\$ 1,119,621	\$ 4,015,258	\$ 78,131		\$ 24,958,993	\$ 2,849,754	\$ 31,686	\$ 34,664,081	\$ 33,923,404
Additions during the year	1,197,047	86,336	188,835	4,583	-	518,822	-	-	1,995,623	856,225
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	(3,185)	-	(3,688)	(24,887)	-	-	-	-	(31,760)	(115,548)
Closing costs	2,804,500	1,205,957	4,200,405	57,827	-	25,477,815	2,849,754	31,686	36,627,944	34,664,081
Accumulated Amortization										
Opening accum'd amortization	261,041	604,998	1,680,344	67,792	-	20,070,159	1,079,365	-	23,763,699	23,380,207
Amortization	48,232	30,367	213,333	1,914	-	142,560	61,717	-	498,123	475,592
Disposals and write downs	-	-	(3,188)	(22,931)	-	-	-	-	(26,119)	(92,100)
Closing accum'd amortization	309,273	635,365	1,890,489	46,775	-	20,212,719	1,141,082	-	24,235,703	23,763,699
Net Book Value of Tangible Capital Assets	\$ 2,495,227	\$ 570,592	\$ 2,309,916	\$ 11,052	\$ -	\$ 5,265,096	\$ 1,708,672	\$ 31,686	\$ 12,392,241	\$ 10,900,382

**MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2017**

SCHEDULE 2

	2017 Actual	2016 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,168,975	\$ 3,077,275
Taxes added	60,367	131,883
	<u>3,229,342</u>	<u>3,209,158</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	112,220	100,539
Provincial government	-	-
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>112,220</u>	<u>100,539</u>
User fees		
Parking meters	-	-
Sales of service	502,246	440,404
Sales of goods	-	-
Rentals	8,722	8,722
Development charges	-	-
Facility use fees	-	-
	<u>510,968</u>	<u>449,126</u>
Permits, licences and fines		
Permits	25	50
Licences	234	320
Fees	-	-
Fines	-	-
	<u>259</u>	<u>370</u>
Investment income:		
Cash and temporary investments	24,872	17,253
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>24,872</u>	<u>17,253</u>
Other revenue:		
Gain on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	61,401	60,095
Miscellaneous (specify):	184,354	125,879
	<u>245,755</u>	<u>185,974</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	22,307	36,986
Consolidated water co-operatives	-	-
	<u>22,307</u>	<u>36,986</u>
Grants - Province of Manitoba		
Municipal operating grants	183,232	200,256
Other unconditional grants	-	-
Conditional grants	1,586,109	521,290
	<u>1,769,341</u>	<u>721,546</u>
Grants - other		
Federal government - gas tax funding	192,083	189,778
Federal government - other	-	-
Other municipal governments	107,097	132,478
	<u>299,180</u>	<u>322,256</u>
Total revenue	<u>\$ 6,214,244</u>	<u>\$ 5,043,208</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
General government services:		
Legislative	\$ 122,510	\$ 120,622
General administrative	406,921	527,524
Other	100,006	106,665
	<u>629,437</u>	<u>754,811</u>
Protective services:		
Police	-	-
Fire	194,688	238,010
Emergency measures	-	-
Other	2,000	2,355
	<u>196,688</u>	<u>240,365</u>
Transportation services:		
Road transport		
Administration and engineering	4,346	11,190
Road and street maintenance	2,128,111	2,313,375
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	19,636	18,784
Other	5,965	6,176
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,158,058</u>	<u>2,349,525</u>
Environmental health services:		
Waste collection and disposal	214,059	186,489
Recycling	39,122	45,511
Other	3,000	3,000
	<u>256,181</u>	<u>235,000</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,516	6,516
Other	18,721	21,813
	<u>25,237</u>	<u>28,329</u>
Regional planning and development		
Planning and zoning	63,267	60,996
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>63,267</u>	<u>60,996</u>
Resource conservation and industrial development		
Rural area weed control	96,177	88,487
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	9,550	9,550
Regional development	128,973	185,172
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>246,200</u>	<u>294,709</u>
Sub-totals forward	\$ 3,575,068	\$ 3,963,735

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
Sub-totals forward	\$ 3,575,068	\$ 3,963,735
Recreation and cultural services:		
Administration	262,638	246,747
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	328,433	355,694
Other recreational facilities	-	-
Museums	-	-
Libraries	92,823	91,446
Other cultural facilities	-	-
	<u>683,894</u>	<u>693,887</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	107,795	72,341
Consolidated water co-operatives	-	-
	<u>107,795</u>	<u>72,341</u>
Total expenses	\$ 4,366,757	\$ 4,729,963

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2017

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ 3,209,741	\$ 3,189,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	112,220	100,539	-	-	-	-	-	-	-	-
User fees	11,270	9,990	-	1,690	105,373	52,600	82,910	58,169	-	-
Grants - other	192,082	189,778	-	-	-	-	-	-	-	-
Permits, licences and fines	259	370	-	-	-	-	-	-	-	-
Investment income	24,872	17,253	-	-	-	-	-	-	-	-
Other revenue	185,508	129,755	-	-	-	-	19,646	26,891	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	183,232	200,256	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	5,676	-	25,000	25,000	1,375,508	338,122	34,872	42,261	68,757	11,413
Total revenue	\$ 3,924,860	\$ 3,837,501	\$ 25,000	\$ 26,690	\$ 1,480,881	\$ 390,722	\$ 137,428	\$ 127,321	\$ 68,757	\$ 11,413
EXPENSES										
Personnel services	\$ 379,247	\$ 372,633	\$ 81,494	\$ 60,318	\$ 492,859	\$ 534,590	\$ 46,166	\$ 28,044	\$ -	\$ -
Contract services	172,685	147,342	56,915	116,038	563,197	845,423	138,916	122,436	-	-
Utilities	18,709	18,004	16,897	8,432	33,965	28,760	1,702	991	-	-
Maintenance materials and supplies	19,308	25,034	15,604	9,346	721,656	615,888	1,463	498	-	-
Grants and contributions	6,153	2,276	2,000	-	-	-	42,122	48,511	23,022	28,329
Amortization	12,817	12,515	23,778	46,231	336,909	307,748	15,440	11,482	2,215	-
Interest on long term debt	-	-	-	-	9,472	17,116	-	-	-	-
Other	20,518	177,007	-	-	-	-	10,372	23,038	-	-
Total expenses	\$ 629,437	\$ 754,811	\$ 196,688	\$ 240,365	\$ 2,158,058	\$ 2,349,525	\$ 256,181	\$ 235,000	\$ 25,237	\$ 28,329
Surplus (Deficit)	\$ 3,295,423	\$ 3,082,690	\$ (171,688)	\$ (213,675)	\$ (677,177)	\$ (1,958,803)	\$ (118,753)	\$ (107,679)	\$ 43,520	\$ (16,916)

* 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, 2017

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,601	\$ 19,598	\$ 3,229,342	\$ 3,209,158
Grants in lieu of taxation	-	-	-	-	-	-	-	-	112,220	100,539
User fees	40,245	14,915	77,700	79,051	193,470	232,711	-	-	510,968	449,126
Grants - other	24,880	11,774	-	41,998	82,218	78,706	-	-	299,180	322,256
Permits, licences and fines	-	-	-	-	-	-	-	-	259	370
Investment income	-	-	-	-	-	-	-	-	24,872	17,253
Other revenue	321	196	191	1,386	40,089	27,746	-	-	245,755	185,974
Water and sewer	-	-	-	-	-	-	22,307	36,986	22,307	36,986
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	183,232	200,256
Prov of MB - Conditional Grants	18,997	-	9,100	27,869	48,199	76,625	-	-	1,586,109	521,290
Total revenue	\$ 84,443	\$ 26,885	\$ 86,991	\$ 150,304	\$ 363,976	\$ 415,788	\$ 41,908	\$ 56,584	\$ 6,214,244	\$ 5,043,208
EXPENSES										
Personnel services	\$ 37,100	\$ 35,126	\$ 51,035	\$ 57,179	\$ 120,031	\$ 157,672	\$ 9,072	\$ 11,453	\$ 1,217,004	\$ 1,257,015
Contract services	23,212	23,375	71,971	96,376	336,406	405,707	12,919	-	1,376,221	1,756,697
Utilities	1,005	821	1,967	1,783	51,500	37,655	3,592	-	129,337	96,446
Maintenance materials and supplies	1,865	1,594	27,971	25,050	26,728	29,148	13,629	12,563	828,224	719,121
Grants and contributions	-	-	64,789	58,969	9,045	12,400	-	-	147,131	150,485
Amortization	54	70	824	23,906	44,369	32,671	61,717	40,969	498,123	475,592
Interest on long term debt	31	10	15,028	16,809	7,591	3,794	6,866	7,356	38,988	45,085
Other	-	-	12,615	14,637	88,224	14,840	-	-	131,729	229,522
Total expenses	\$ 63,267	\$ 60,996	\$ 246,200	\$ 294,709	\$ 683,894	\$ 693,887	\$ 107,795	\$ 72,341	\$ 4,366,757	\$ 4,729,963
Surplus (Deficit)	\$ 21,176	\$ (34,111)	\$ (159,209)	\$ (144,405)	\$ (319,918)	\$ (278,099)	\$ (65,887)	\$ (15,757)	\$ 1,847,487	\$ 313,245

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2017

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Property taxes	\$ 3,229,342	\$ 3,209,158	\$ -	\$ -	\$ -	\$ -	\$ 3,229,342	\$ 3,209,158
Grants in lieu of taxation	112,220	100,539	-	-	-	-	112,220	100,539
User fees	116,643	64,280	16,077	13,726	378,248	371,120	510,968	449,126
Grants - other	176,008	189,778	-	-	123,172	132,478	299,180	322,256
Permits, licences and fines	259	370	-	-	-	-	259	370
Investment income	24,872	17,252	-	-	-	1	24,872	17,253
Other revenue	185,508	129,755	32,276	22,423	27,971	33,796	245,755	185,974
Water and sewer	22,307	36,986	-	-	-	-	22,307	36,986
Prov of MB - Unconditional Grants	183,232	200,256	-	-	-	-	183,232	200,256
Prov of MB - Conditional Grants	1,537,910	447,992	15,002	17,237	33,197	56,061	1,586,109	521,290
Total revenue	\$ 5,588,301	\$ 4,396,366	\$ 63,355	\$ 53,386	\$ 562,588	\$ 593,456	\$ 6,214,244	\$ 5,043,208
EXPENSES								
Personnel services	\$ 883,243	\$ 978,994	\$ 49,701	\$ 39,588	\$ 284,060	\$ 238,433	\$ 1,217,004	\$ 1,257,015
Contract services	1,326,936	1,600,323	1,450	52,340	47,835	104,034	1,376,221	1,756,697
Utilities	73,441	55,465	-	-	55,896	40,981	129,337	96,446
Maintenance materials and supplies	766,248	666,039	3,721	4,461	58,255	48,621	828,224	719,121
Grants and contributions	147,131	150,485	-	-	-	-	147,131	150,485
Amortization	446,754	443,846	-	-	51,369	31,746	498,123	475,592
Interest on long term debt	31,365	41,281	-	-	7,623	3,804	38,988	45,085
Other	97,791	168,443	4,752	-	29,186	61,079	131,729	229,522
Total expenses	\$ 3,772,909	\$ 4,104,876	\$ 59,624	\$ 96,389	\$ 534,224	\$ 528,698	\$ 4,366,757	\$ 4,729,963
Surplus (Deficit)	\$ 1,815,392	\$ 291,490	\$ 3,731	\$ (43,003)	\$ 28,364	\$ 64,758	\$ 1,847,487	\$ 313,245

MUNICIPALITY OF BIFROST-RIVERTON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2017

SCHEDULE 6

	2017							
	General Reserve	Equipment Reserve	Drainage Reserve	Gas Tax Reserve	Bifrost Fire Reserve	General Reserve	Capital Reserve	Riverton Fire Reserve
REVENUE								
Investment income	\$ 313	\$ 2,806	\$ 2,122	\$ 11,955	\$ 678	\$ 391	\$ 1,299	\$ 841
Other income	-	-	-	-	-	-	-	-
Total revenue	313	2,806	2,122	11,955	678	391	1,299	841
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	313	2,806	2,122	11,955	678	391	1,299	841
TRANSFERS								
Transfers from general operating fund	30,000	-	-	192,083	2,250	-	-	19,800
Transfers to general operating fund	-	(56,489)	(56,610)	(379,943)	(11,550)	-	-	(15,003)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	30,313	(53,683)	(54,488)	(175,905)	(8,622)	391	1,299	5,638
FUND SURPLUS, BEGINNING OF YEAR	24,295	215,664	218,614	907,616	76,194	30,116	89,556	59,793
FUND SURPLUS, END OF YEAR	\$ 54,608	\$ 161,981	\$ 164,126	\$ 731,711	\$ 67,572	\$ 30,507	\$ 90,855	\$ 65,431

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2017

SCHEDULE 6

	2017					2016
	Utility Reserve	Lagoon Reserve	Building Reserve	Econ Dev Reserve	Sidewalk Reserve	Total
REVENUE						
Investment income	\$ 293	\$ 220	\$ -	\$ -	\$ 64	\$ 20,982
Other income	-	-	-	-	-	-
Total revenue	293	220	-	-	64	20,982
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	293	220	-	-	64	20,982
TRANSFERS						
Transfers from general operating fund	2,000	-	40,000	64,338	-	350,471
Transfers to general operating fund	(4,905)	-	-	-	(5,000)	(529,500)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(2,612)	220	40,000	64,338	(4,936)	(158,047)
FUND SURPLUS, BEGINNING OF YEAR	22,645	16,671	-	-	5,000	1,666,164
FUND SURPLUS, END OF YEAR	\$ 20,033	\$ 16,891	\$ 40,000	\$ 64,338	\$ 64	\$ 1,508,117

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
For the Year Ended December 31, 2017

SCHEDULE 7

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Taxation	-	\$ -	-
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
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	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2017

SCHEDULE 8

	2017	2016
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	<u>35,840</u>	<u>78,077</u>
	<u>\$ 35,840</u>	<u>\$ 78,077</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 306	\$ 306
Deferred revenue	-	-
Long-term debt (Note 8)	158,931	171,659
Due to other funds	-	-
	<u>159,237</u>	<u>171,965</u>
	<u>\$ (123,397)</u>	<u>\$ (93,888)</u>
NET FINANCIAL ASSETS (NET DEBT)		
	<u>159,237</u>	<u>171,965</u>
	<u>\$ (123,397)</u>	<u>\$ (93,888)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 939,289	\$ 952,091
Inventories	-	-
Prepaid expenses	-	-
	<u>939,289</u>	<u>952,091</u>
	<u>\$ 815,892</u>	<u>\$ 858,203</u>
FUND SURPLUS (DEFICIT)		
	<u>\$ 815,892</u>	<u>\$ 858,203</u>
CONTINGENCIES (NOTE 10)		

MUNICIPALITY OF BIFROST-RIVERTON
 SCHEDULE OF UTILITY OPERATIONS - Riverton Sewer
 For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
Sewer			
Sewer fees	21,500	21,379	20,588
Lagoon tipping fees	-	-	-
sub-total- sewer	21,500	21,379	20,588
Property taxes		19,601	19,598
Government transfers			
Operating	-	-	-
Capital	-	-	15,843
sub-total- government transfers	-	-	15,843
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	400	628	455
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	100	300	100
sub-total- other	500	928	555
Total revenue	\$ 22,000	\$ 41,908	\$ 56,584

MUNICIPALITY OF BIFROST-RIVERTON
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Riverton Sewer
 For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
EXPENSES			
General			
Administration	\$ 14,000	\$ 13,759	\$ 11,453
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>14,000</u>	<u>13,759</u>	<u>11,453</u>
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Collection system costs	20,000	8,330	12,563
Treatment and disposal cost	5,000	13,480	-
Lift Station costs	4,000	3,643	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>29,000</u>	<u>25,453</u>	<u>12,563</u>
Sewage Amortization & Interest			
Amortization	-	41,046	40,969
Interest on long term debt	-	6,866	7,356
sub-total- sewer amortization & interest	<u>-</u>	<u>47,912</u>	<u>48,325</u>
Total expenses	<u>43,000</u>	<u>87,124</u>	<u>72,341</u>
NET OPERATING SURPLUS	<u>(21,000)</u>	<u>(45,216)</u>	<u>(15,757)</u>
TRANSFERS			
Transfers from (to) operating fund	12,000	-	-
Transfers from (to) reserve funds	9,000	2,905	2,000
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>(42,311)</u>	<u>(13,757)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>858,203</u>	<u>871,960</u>
FUND SURPLUS, END OF YEAR		<u>\$ 815,892</u>	<u>\$ 858,203</u>

MUNICIPALITY OF BIFROST-RIVERTON
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 For the Year Ended December 31, 2017

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,223,870	\$ 19,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,243,465
Grants in lieu of taxation	112,220	-	-	-	-	-	-	112,220
User fees	46,422	-	-	-	-	-	394,325	440,747
Permits, licences and fines	270	-	-	-	-	-	-	270
Investment income	2,500	-	-	-	-	-	-	2,500
Other revenue	92,580	-	-	-	-	-	60,247	152,827
Water and sewer	-	22,000	-	-	-	-	-	22,000
Grants - Province of Manitoba	313,260	-	-	-	-	-	64,274	377,534
Grants - other	185,000	-	-	-	-	-	107,097	292,097
Transfers from accumulated surplus	-	12,000	-	-	(12,000)	-	-	-
Transfers from reserves	107,000	14,000	-	-	(121,000)	-	-	-
Total revenue	\$ 4,083,122	\$ 67,595	\$ -	\$ -	\$ (133,000)	\$ -	\$ 625,943	\$ 4,643,660
EXPENSES								
General government services	\$ 609,075	\$ -	\$ 12,817	\$ 10,000	\$ 20,518	\$ -	\$ -	\$ 652,410
Protective services	183,055	-	23,778	-	-	-	-	206,833
Transportation services	1,858,000	-	334,616	9,478	-	-	-	2,202,094
Environmental health services	133,220	-	-	-	-	-	101,473	234,693
Public health and welfare services	15,320	-	2,215	-	-	-	-	17,535
Regional planning and development	18,800	-	-	-	-	-	41,467	60,267
Resource cons and industrial dev	144,030	-	-	15,028	-	-	103,417	262,475
Recreation and cultural services	282,334	-	9,318	-	-	-	347,490	639,142
Water and sewer services	-	43,000	61,717	6,867	-	-	-	111,584
Fiscal services:								
Transfer to capital	214,360	5,000	-	-	(219,360)	-	-	-
Debt charges	238,395	19,595	-	(50,968)	(207,022)	-	-	-
Short term interest	10,000	-	-	(10,000)	-	-	-	-
Deficit recovery	76,965	-	-	-	(76,965)	-	-	-
Transfer to reserves	279,050	-	-	-	(279,050)	-	-	-
Allowance for tax assets	20,518	-	-	-	(20,518)	-	-	-
Total expenses	\$ 4,083,122	\$ 67,595	\$ 444,461	\$ (19,595)	\$ (782,397)	\$ -	\$ 593,847	\$ 4,387,033
Surplus (Deficit)	\$ -	\$ -	\$ (444,461)	\$ 19,595	\$ 649,397	\$ -	\$ 32,096	\$ 256,627

MUNICIPALITY OF BIFROST-RIVERTON
 ANALYSIS OF TAXES ON ROLL
 December 31, 2017

SCHEDULE 11

	2017	2016
Balance, beginning of year	\$ 481,091	\$ 423,276
Add:		
Tax levy (Schedule 12)	5,143,452	4,997,969
Taxes added	60,397	131,883
Penalties or interest	61,401	60,095
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	5,265,250	5,189,947
Deduct:		
Cash collections - current	4,313,767	4,229,667
Cash collections - arrears	341,241	304,293
Writeoffs	-	-
Tax discounts	-	-
E.P.T.C. - cash advance	594,734	598,172
Other credits (specify)	-	-
Sub-total	5,249,742	5,132,132
Balance, end of year	\$ 496,599	\$ 481,091

**MUNICIPALITY OF BIFROST-RIVERTON
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2017**

SCHEDULE 12

	2017		2016	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	\$ -	\$ -	\$ -	\$ -
Name of LUD	\$ -	\$ -	\$ -	\$ -
Name of LUD	\$ -	\$ -	\$ -	\$ -
sub-total- L.U.D.				
Debt charges:				
Frontage	\$ -	\$ -	\$ -	\$ -
Natural Gas	\$ 10,928,120	\$ 0.93	10,152	10,554
Lagoon	\$ 14,069,410	\$ 1.25	17,559	17,998
Bifrost Sewer	\$ -	\$ -	35,118	35,118
Other (specify)	\$ -	\$ -	-	-
sub-total- Debt charges			62,829	63,670
Deferred surplus				
	\$ -	\$ -	\$ -	\$ -
Reserves:				
Name of reserve	\$ -	\$ -	\$ -	\$ -
Name of reserve	\$ -	\$ -	\$ -	\$ -
Name of reserve	\$ -	\$ -	\$ -	\$ -
sub-total- Reserves			\$ -	\$ -
General municipal				
	\$ 167,221,160	\$ 14.07	2,345,361	1,024,469
Special levies:				
Urban Area	\$ 10,928,120	\$ 20.68	225,950	357,946
Rural Area	\$ 156,293,040	\$ 3.42	534,835	1,631,190
sub-total- Special levies			760,785	1,989,136
Business tax (rate%)				
	\$ -	\$ -	\$ -	\$ -
Total municipal taxes (Schedule 2)				
			3,168,975	3,077,275
Education support levy				
	\$ 14,718,650	\$ 10.50	154,546	154,673
Special levies:				
Evergreen	\$ 163,921,950	\$ 10.95	1,794,126	1,740,158
Lakeshore	\$ 1,592,910	\$ 16.20	25,805	25,863
sub-total- Special levies			1,819,931	1,766,021
Total education taxes				
			1,974,477	1,920,694
Total tax levy (Schedule 11)				
			\$ 5,143,452	\$ 4,997,969

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017	2016
	Actual	Actual
General government services:		
Legislative	\$ 122,510	\$ 120,622
General administrative	406,921	527,524
Other	100,006	106,665
	<u>629,437</u>	<u>754,811</u>
Protective services:		
Police	-	-
Fire	194,688	238,010
Emergency measures	-	-
Other	2,000	2,355
	<u>196,688</u>	<u>240,365</u>
Transportation services:		
Road transport		
Administration and engineering	4,346	11,190
Road and street maintenance	2,128,111	2,313,375
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	19,636	18,784
Other	5,965	6,176
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,158,058</u>	<u>2,349,525</u>
Environmental health services:		
Waste collection and disposal	112,586	114,631
Recycling	39,122	45,511
Other	3,000	3,000
	<u>154,708</u>	<u>163,142</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,516	6,516
Other	16,507	10,400
	<u>23,023</u>	<u>16,916</u>
Regional planning and development		
Planning and zoning	21,800	18,700
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>21,800</u>	<u>18,700</u>
Resource conservation and industrial development		
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	112,533	124,197
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>142,783</u>	<u>154,447</u>
Sub-totals forward	\$ 3,326,497	\$ 3,697,906

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2017

	2017 Actual	2016 Actual
Sub-totals forward	\$ 3,326,497	\$ 3,697,906
Recreation and cultural services:		
Administration	281,000	266,294
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	19,380	20,903
Other recreational facilities	-	-
Museums	-	-
Libraries	36,018	36,018
Other cultural facilities	-	-
	<u>336,398</u>	<u>323,215</u>
Total expenses	\$ 3,662,895	\$ 4,021,121

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - (Unaudited)

December 31, 2017

	General	2017 Utility	Total	2016 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 254,256	\$ 18,678	\$ 272,934	\$ (10,645)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	348,165	-	348,165	580,924
Eliminate revenue - transfers from reserves	(526,595)	(2,905)	(529,500)	(612,524)
Increase revenue - reserve funds interest	20,982	-	20,982	13,911
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(135,006)	-	(135,006)	21,755
Eliminate revenue - transfer from nominal surplus(es)	-	(12,000)	(12,000)	-
Increase expense - amortization of tangible capital assets	(382,743)	(61,717)	(444,460)	(435,281)
Decrease revenue - loan proceeds	-	-	-	-
Decrease revenue - obligation under capital lease proceeds	-	-	-	(157,959)
Decrease revenue - trade in values	-	-	-	-
Decrease expense - principal portion of debenture debt	218,781	12,728	231,509	224,458
Decrease expense - principal portion of capital leases	79,240	-	79,240	31,710
Eliminate expense - acquisitions of tangible capital assets	1,995,623	-	1,995,623	656,896
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,872,703	\$ (45,216)	\$ 1,827,487	\$ 313,245