

MUNICIPALITY OF BIFROST-RIVERTON

**Consolidated Financial Statements
For the Year Ended December 31, 2018**

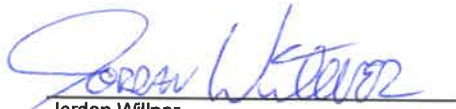
STATEMENT OF RESPONSIBILITY

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.



Jordan Willner
Chief Administrative Officer

INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
MUNICIPALITY OF BIFROST-RIVERTON

Opinion

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, 2018 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2018, and a summary of significant accounting policies and other explanatory information.

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, 2018, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2018 in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
April 13, 2020

MUNICIPALITY OF BIFROST-RIVERTON

Consolidated Financial Statements For the Year Ended December 31, 2018

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MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,054,925	\$ 80,493
Amounts receivable (Note 4)	<u>1,107,061</u>	<u>1,864,844</u>
	<u>\$ 2,161,986</u>	<u>\$ 1,945,337</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 648,193	\$ 455,841
Landfill closure and post closure liabilities (Note 7)	34,126	38,184
Long-term debt (Note 8)	593,904	854,997
Obligations under capital lease (Note 9)	<u>179,058</u>	<u>47,019</u>
	<u>1,455,281</u>	<u>1,396,041</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 706,705</u>	<u>\$ 549,296</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 12,102,226	\$ 12,392,241
Inventories (Note 5)	542,065	194,645
Prepaid expenses	<u>55,690</u>	<u>41,674</u>
	<u>12,699,981</u>	<u>12,628,560</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 14)	<u><u>\$ 13,406,686</u></u>	<u><u>\$ 13,177,856</u></u>

CONTINGENCIES (NOTE 10)

Approved on behalf of Council:

Reeve

Councillor

The accompanying notes are an integral part of this financial statement

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018

	<u>2018 Budget (Note 13)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUE			
Property taxes	\$ 3,244,430	\$ 3,333,381	\$ 3,229,342
Grants in lieu of taxation	95,858	95,858	112,220
User fees	505,497	427,598	510,968
Permits, licences and fines	150	192	259
Investment income	3,300	37,112	24,872
Other revenue	158,647	146,870	245,755
Water and sewer	22,700	22,854	22,307
Grants - Province of Manitoba	424,454	435,800	1,769,341
Grants - other	299,097	324,177	299,180
Total revenue (Schedules 2, 4 and 5)	<u>4,754,133</u>	<u>4,823,842</u>	<u>6,214,244</u>
EXPENSES			
General government services	791,255	717,296	629,437
Protective services	253,774	276,487	196,688
Transportation services	2,387,287	2,376,721	2,158,058
Environmental health services	301,744	249,108	276,852
Public health and welfare services	27,964	38,094	25,237
Regional planning and development	61,127	63,651	63,267
Resource conservation and industrial development	303,486	184,109	246,200
Recreation and cultural services	719,235	609,649	683,894
Water and sewer services	105,075	79,897	87,124
Total expenses (Schedules 3, 4 and 5)	<u>4,950,947</u>	<u>4,595,012</u>	<u>4,366,757</u>
	<u>\$ (196,814)</u>	<u>228,830</u>	<u>1,847,487</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>13,177,856</u>	<u>11,330,369</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$ 13,406,686</u></u>	<u><u>\$ 13,177,856</u></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, 2018

	2018 Budget (Note 13)	2018 Actual	2017 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (196,814)	\$ 228,830	\$ 1,847,487
Acquisition of tangible capital assets	(1,295,350)	(323,418)	(1,995,623)
Amortization of tangible capital assets	573,340	573,340	498,123
Loss (Gain) on sale of tangible capital assets	-	40,092	198
Proceeds on sale of tangible capital assets	-	-	5,442
Decrease (increase) in inventories	-	(347,420)	(20,479)
Decrease (increase) in prepaid expense	-	(14,015)	17,272
	(722,010)	(71,421)	(1,495,067)
CHANGE IN NET FINANCIAL ASSETS	\$ (918,824)	157,409	352,420
NET FINANCIAL ASSETS, BEGINNING OF YEAR		549,296	196,876
NET FINANCIAL ASSETS, END OF YEAR		\$ 706,705	\$ 549,296

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, 2018

	<u>2018</u>	<u>2017</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 228,830	\$ 1,847,487
Changes in non-cash items:		
Amounts receivable	757,783	(871,898)
Inventories	(347,420)	(20,479)
Prepays	(14,015)	17,272
Accounts payable and accrued liabilities	192,352	(371,380)
Landfill closure and post closure liabilities	(4,059)	1,561
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	40,092	198
Amortization	573,340	498,123
	<u>1,426,903</u>	<u>1,100,884</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	5,442
Cash used to acquire tangible capital assets	(323,418)	(1,995,623)
	<u>(323,418)</u>	<u>(1,990,181)</u>
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	-	-
	<u>-</u>	<u>-</u>
Cash applied to investing transactions	-	-
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	106,000
Debt repayment	(261,093)	(377,902)
Obligation under capital lease	179,059	-
Repayment of obligation under capital lease	(47,019)	(79,240)
	<u>(129,053)</u>	<u>(351,142)</u>
Cash applied to financing transactions	-	-
INCREASE IN CASH AND TEMPORARY INVESTMENTS	974,432	(1,240,439)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	80,493	1,320,932
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 1,054,925</u>	<u>\$ 80,493</u>

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, 2018

1. Status of the City/Town/Village/Rural 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%) (2017 - 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%) (2017- consolidated 50%)

Bar Waste Authority Co-op Inc. (consolidated 67%) (2017 - consolidated 67%)

Eastern Interlake Planning District (consolidated 14.5%) (2017 - consolidated 14.5%)

Evergreen Regional Library (consolidated 29%) (2017 - consolidated 29%)

Interlake Weed Control District (consolidated 25%) (2017 - consolidated 25%)

Arborg-Bifrost Parks and Recreation Commission (consolidated 40%) (2017 - 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 Note 16 to the financial statements.

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.

Unearned 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>2018</u>	<u>2017</u>
Cash	\$ (306,195)	\$ (1,436,458)
Temporary investments	<u>1,361,120</u>	<u>1,516,951</u>
	<u>\$ 1,054,925</u>	<u>\$ 80,493</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,729,230 (2017 \$1,508,117) 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, 2018, \$1,768,686 remains available for use (2017 - \$563,542).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2018</u>	<u>2017</u>
Taxes on roll (Schedule 11)	\$ 481,127	\$ 496,599
Government grants	100,107	241,805
Utility customers	-	-
Accrued interest	-	-
Organizations and individuals	525,827	1,126,440
Other governments	-	-
	<u>1,107,061</u>	<u>1,864,844</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,107,061</u>	<u>\$ 1,864,844</u>

5. Inventories

Inventories for use:

	<u>2018</u>	<u>2017</u>
Chemicals, herbicides, insecticides	\$ 2,576	\$ 2,754
Fuel	-	-
Culverts	45,980	38,456
Aggregate	468,661	153,435
Other supplies	24,848	-
	<u>\$ 542,065</u>	<u>\$ 194,645</u>

6. Accounts Payable and Accrued Liabilities

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 648,193	\$ 337,989
School levies	-	117,852
Other governments	-	-
	<u>\$ 648,193</u>	<u>\$ 455,841</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. 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, 2018, 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, 2018, a discount rate of 2.000% (2017 - 1.1252%) (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>2018</u>	<u>2017</u>
General Authority:		
Debenture, interest at 5.5%, payable at \$35,118 annually including interest, maturing December 31, 2024	\$ 175,433	\$ 199,574
Debenture, interest at 7.00%, payable at \$11,780 annually including interest, maturing October 31, 2020	21,299	30,915
Commercial fixed rate loan with interest at 2.6%, repayable in annual blended payments of \$196,382, matured November 1, 2018	-	176,836
	<u>\$ 196,732</u>	<u>\$ 407,325</u>

Utility Funds:

Debenture, interest at 4.00%, payable at \$19,595 annually including interest, maturing December 31, 2027	\$ 145,694	\$ 158,931
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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	\$ 93,905	\$ 103,100
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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.	133,084	141,958
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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.	24,489	43,683
	\$ 251,478	\$ 288,741
	\$ 593,904	\$ 854,997

The above amounts of the entity debts represents the Municipality's prorated share of the total entity debt in accordance with the partnership arrangements described in Note 2 a).

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

2019	\$ 73,566
2020	\$ 74,507
2021	\$ 60,026
2022	\$ 63,478
2023	\$ 102,288

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law # 18-2017	Water Management Project as a LIP	\$ 4,000,000

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:

	2018	2017
2019	\$ 40,344	\$ 48,938
2020	40,344	-
2021	40,344	-
2022	40,344	-
2023	32,958	-
Remainder of lease	-	-
Total minimum lease payments	\$ 194,334	\$ 48,938
Less amount representing future interest at 2.739%	15,276	1,919
Balance of obligation	\$ 179,058	\$ 47,019

Interest expense includes \$2,757 (2017 - \$5,891) with respect to this obligation.

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

	2018	2017
Cost of leased tangible capital asset(s)	\$ 291,874	\$ 157,939
Accumulated amortization of leased tangible capital asset(s)	(38,564)	(20,181)
	\$ 253,310	\$ 137,758

Amortization expense includes \$18,383 (2017 - \$15,794) 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 46,067 (2017 - \$43,608) 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, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 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, 2018.

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>2018</u>	<u>2017</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 934,948	\$ 15,526
Utility operating fund(s) - Nominal surplus	(10,275)	35,534
TCA net of related borrowings	10,081,159	10,979,418
Reserve funds	<u>1,729,230</u>	<u>1,508,117</u>
Accumulated surplus of municipality unconsolidated	12,735,062	12,538,595
Accumulated surpluses of consolidated entities	<u>671,624</u>	<u>639,261</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 13,406,686</u>	<u>\$ 13,177,856</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, 2018:

- a) Compensation paid to members of council amounted to \$113,366 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	\$ 13,263	\$ 2,439	\$ 15,702
Councillor - Frode Andersen	9,911	1,583	11,494
Councillor - Chad Johnson	11,486	1,641	13,127
Councillor - Morley Nordal	9,600	1,099	10,699
Councillor - David Shott	7,633	1,032	8,665
Councillor - Richard Chomokovski	8,564	880	9,444
Councillor - Donald Vigfusson	8,378	1,743	10,121
Councillor - Warren Ostertag	8,920	1,373	10,293
Councillor - Colin Bjarnason	12,871	2,246	15,117
Councillor - Brian Johnson	2,652	510	3,162
Councillor - David King	2,385	406	2,791
Councillor - Gordon Klym	2,309	442	2,751
	<u>\$ 97,972</u>	<u>\$ 15,394</u>	<u>\$ 113,366</u>

- c) The following employees received compensation in excess of \$50,000.

Name	Position	Amount
<i>Comeau, Jason</i>	<i>Public Works Manager/Fire Chief</i>	\$ 74,796
<i>Stansell, Cindy</i>	<i>Chief Administrative Officer</i>	\$ 69,297
<i>Hryhorchuk, Rory</i>	<i>Utility Operator</i>	\$ 60,942
<i>Karatchuk, John</i>	<i>Heavy Equipment Operator</i>	\$ 58,891
<i>Jonasson, Robert</i>	<i>Equipment Operator</i>	\$ 54,001
<i>Horvat, Timothy</i>	<i>Heavy Equipment Operator</i>	\$ 53,275
<i>Furgala, Kimberly</i>	<i>Assistant C.A.O.</i>	\$ 52,102

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>	\$ -	\$ -	\$ -
<i>Hecla/Grindstone</i>	23,590	-	23,590
	<u>\$ 23,590</u>	<u>\$ -</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:

	<u>2018</u>	<u>2017</u>
Financial Position		
Financial assets	\$ 106,938	\$ 172,194
Financial liabilities	<u>(296,629)</u>	<u>(395,218)</u>
Net financial assets (liabilities)	<u>(189,691)</u>	<u>(223,024)</u>
Non-financial assets	<u>834,493</u>	<u>854,882</u>
Accumulated surplus	<u>\$ 644,802</u>	<u>\$ 631,858</u>
Result of Operations		
Revenues	\$ 457,793	\$ 562,588
Expenses	<u>444,857</u>	<u>534,224</u>
Annual surplus	<u>\$ 12,936</u>	<u>\$ 28,364</u>

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:

<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>\$ 580,337</u>	<u>\$ -</u>	<u>\$ 10,687</u>	<u>\$ 569,650</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2018

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	2018	2017
Cost										
Opening costs	\$ 2,804,500	\$ 1,205,957	\$ 4,200,405	\$ 57,827	\$ -	\$ 25,477,816	\$ 2,849,753	\$ 31,686	\$ 36,627,944	\$ 34,664,081
Additions during the year	25,000	-	213,305	-	-	85,113	-	-	323,418	1,995,623
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	(71,738)	(712)	-	-	-	-	(72,450)	(31,760)
Closing costs	<u>2,829,500</u>	<u>1,205,957</u>	<u>4,341,972</u>	<u>57,115</u>	<u>-</u>	<u>25,562,929</u>	<u>2,849,753</u>	<u>31,686</u>	<u>36,878,912</u>	<u>36,627,944</u>
Accumulated Amortization										
Opening accum'd amortization	309,273	635,365	1,890,489	46,776	-	20,212,719	1,141,081	-	24,235,703	23,763,699
Amortization	81,519	34,311	224,855	5,571	-	165,367	61,717	-	573,340	498,123
Disposals and write downs	-	-	(32,357)	-	-	-	-	-	(32,357)	(26,119)
Closing accum'd amortization	<u>390,792</u>	<u>669,676</u>	<u>2,082,987</u>	<u>52,347</u>	<u>-</u>	<u>20,378,086</u>	<u>1,202,798</u>	<u>-</u>	<u>24,776,686</u>	<u>24,235,703</u>
Net Book Value of Tangible Capital Assets	<u>\$ 2,438,708</u>	<u>\$ 536,281</u>	<u>\$ 2,258,985</u>	<u>\$ 4,768</u>	<u>\$ -</u>	<u>\$ 5,184,843</u>	<u>\$ 1,646,955</u>	<u>\$ 31,686</u>	<u>\$ 12,102,226</u>	<u>\$ 12,392,241</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2018

SCHEDULE 2

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,180,937	\$ 3,168,975
Taxes added	152,444	60,367
	<u>3,333,381</u>	<u>3,229,342</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	95,858	112,220
Provincial government	-	-
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>95,858</u>	<u>112,220</u>
User fees		
Parking meters	-	-
Sales of service	417,557	502,246
Sales of goods	-	-
Rentals	10,041	8,722
Development charges	-	-
Facility use fees	-	-
	<u>427,598</u>	<u>510,968</u>
Permits, licences and fines		
Permits	-	25
Licences	192	234
Fees	-	-
Fines	-	-
	<u>192</u>	<u>259</u>
Investment income:		
Cash and temporary investments	37,112	24,872
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>37,112</u>	<u>24,872</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(40,092)	(198)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	65,964	61,401
Miscellaneous (specify):	120,998	184,552
	<u>146,870</u>	<u>245,755</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	22,854	22,307
Consolidated water co-operatives	-	-
	<u>22,854</u>	<u>22,307</u>
Grants - Province of Manitoba		
Municipal operating grants	183,080	183,232
Other unconditional grants	-	-
Conditional grants	252,720	1,586,109
	<u>435,800</u>	<u>1,769,341</u>
Grants - other		
Federal government - gas tax funding	198,815	192,083
Federal government - other	-	-
Other municipal governments	125,362	107,097
	<u>324,177</u>	<u>299,180</u>
Total revenue	<u>\$ 4,823,842</u>	<u>\$ 6,214,244</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 3

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
General government services:		
Legislative	\$ 120,706	\$ 122,510
General administrative	506,633	406,921
Other	89,957	100,006
	<u>717,296</u>	<u>629,437</u>
Protective services:		
Police	-	-
Fire	273,649	194,688
Emergency measures	-	-
Other	2,838	2,000
	<u>276,487</u>	<u>196,688</u>
Transportation services:		
Road transport		
Administration and engineering	-	4,346
Road and street maintenance	2,353,980	2,128,111
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	18,144	19,636
Other	4,597	5,965
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,376,721</u>	<u>2,158,058</u>
Environmental health services:		
Waste collection and disposal	174,566	234,730
Recycling	71,542	39,122
Other	3,000	3,000
	<u>249,108</u>	<u>276,852</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,643	6,516
Other	31,451	18,721
	<u>38,094</u>	<u>25,237</u>
Regional planning and development		
Planning and zoning	63,651	63,267
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>63,651</u>	<u>63,267</u>
Resource conservation and industrial development		
Rural area weed control	82,207	96,177
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	9,550	9,550
Regional development	80,852	128,973
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>184,109</u>	<u>246,200</u>
Sub-totals forward	<u>\$ 3,905,466</u>	<u>\$ 3,595,739</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 3

	<u>2018 Actual</u>	<u>2017 Actual</u>
Sub-totals forward	<u>\$ 3,905,466</u>	<u>\$ 3,595,739</u>
Recreation and cultural services:		
Administration	243,711	262,638
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	274,431	328,433
Other recreational facilities	-	-
Museums	-	-
Libraries	91,507	92,823
Other cultural facilities	-	-
	<u>609,649</u>	<u>683,894</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	79,897	87,124
Consolidated water co-operatives	-	-
	<u>79,897</u>	<u>87,124</u>
Total expenses	<u><u>\$ 4,595,012</u></u>	<u><u>\$ 4,366,757</u></u>

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ 3,313,780	\$ 3,209,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	95,858	112,220	-	-	-	-	-	-	-	-
User fees	20,931	11,270	30,093	-	73,814	105,373	53,598	82,910	-	-
Grants - other	198,815	192,082	43,669	-	-	-	-	-	-	-
Permits, licences and fines	192	259	-	-	-	-	-	-	-	-
Investment income	37,112	24,872	-	-	-	-	-	-	-	-
Other revenue	94,155	185,508	-	-	-	-	17,699	19,646	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	183,080	183,232	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	4,725	5,676	32,128	25,000	43,278	1,375,508	65,792	34,872	20,135	68,757
Total revenue	\$ 3,948,648	\$ 3,924,860	\$ 105,890	\$ 25,000	\$ 117,092	\$ 1,480,881	\$ 137,089	\$ 137,428	\$ 20,135	\$ 68,757
EXPENSES										
Personnel services	\$ 348,489	\$ 379,247	\$ 74,409	\$ 81,494	\$ 522,851	\$ 492,859	\$ 7,487	\$ 46,166	\$ -	\$ -
Contract services	234,061	172,685	109,037	56,915	711,494	563,197	125,688	138,916	-	-
Utilities	18,178	18,709	28,789	16,897	30,364	33,965	1,014	1,702	-	-
Maintenance materials and supplies	19,499	19,308	31,883	15,604	711,637	721,656	4,537	1,463	-	-
Grants and contributions	34,750	6,153	-	2,000	-	-	74,542	42,122	31,450	23,022
Amortization	12,931	12,817	29,513	23,778	395,778	336,909	35,575	36,111	6,644	2,215
Interest on long term debt	26,478	-	1,756	-	4,597	9,472	-	-	-	-
Other	22,910	20,518	1,100	-	-	-	265	10,372	-	-
Total expenses	\$ 717,296	\$ 629,437	\$ 276,487	\$ 196,688	\$ 2,376,721	\$ 2,158,058	\$ 249,108	\$ 276,852	\$ 38,094	\$ 25,237
Surplus (Deficit)	\$ 3,231,352	\$ 3,295,423	\$ (170,597)	\$ (171,688)	\$ (2,259,629)	\$ (677,177)	\$ (112,019)	\$ (139,424)	\$ (17,959)	\$ 43,520

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

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,601	\$ 19,601	\$ 3,333,381	\$ 3,229,342
Grants in lieu of taxation	-	-	-	-	-	-	-	-	95,858	112,220
User fees	91,169	40,245	-	77,700	157,993	193,470	-	-	427,598	510,968
Grants - other	11,658	24,880	-	-	70,035	82,218	-	-	324,177	299,180
Permits, licences and fines	-	-	-	-	-	-	-	-	192	259
Investment income	-	-	-	-	-	-	-	-	37,112	24,872
Other revenue	607	321	22,970	191	11,439	40,089	-	-	146,870	245,755
Water and sewer	-	-	-	-	-	-	22,854	22,307	22,854	22,307
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	183,080	183,232
Prov of MB - Conditional Grants	6,975	18,997	28,885	9,100	50,802	48,199	-	-	252,720	1,586,109
Total revenue	\$ 110,409	\$ 84,443	\$ 51,855	\$ 86,991	\$ 290,269	\$ 363,976	\$ 42,455	\$ 41,908	\$ 4,823,842	\$ 6,214,244
EXPENSES										
Personnel services	\$ 37,955	\$ 37,100	\$ 45,649	\$ 51,035	\$ 118,379	\$ 120,031	\$ 15,928	\$ 9,072	\$ 1,171,147	\$ 1,217,004
Contract services	22,406	23,212	63,727	71,971	341,142	336,406	-	12,919	1,607,555	1,376,221
Utilities	1,017	1,005	319	1,967	39,342	51,500	-	3,592	119,023	129,337
Maintenance materials and supplies	2,213	1,865	23,962	27,971	54,038	26,728	15,818	13,629	863,587	828,224
Grants and contributions	-	-	31,177	64,789	-	9,045	-	-	171,919	147,131
Amortization	42	54	2,744	824	48,320	44,369	41,794	41,046	573,341	498,123
Interest on long term debt	18	31	13,105	15,028	5,000	7,591	6,357	6,866	57,311	38,988
Other	-	-	3,426	12,615	3,428	88,224	-	-	31,129	131,729
Total expenses	\$ 63,651	\$ 63,267	\$ 184,109	\$ 246,200	\$ 609,649	\$ 683,894	\$ 79,897	\$ 87,124	\$ 4,595,012	\$ 4,366,757
Surplus (Deficit)	\$ 46,758	\$ 21,176	\$ (132,254)	\$ (159,209)	\$ (319,380)	\$ (319,918)	\$ (37,442)	\$ (45,216)	\$ 228,830	\$ 1,847,487

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2018

	Core Government		Controlled Entities		Government Partnerships		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE								
Property taxes	\$ 3,333,381	\$ 3,229,342	\$ -	\$ -	\$ -	\$ -	\$ 3,333,381	\$ 3,229,342
Grants in lieu of taxation	95,858	112,220	-	-	-	-	95,858	112,220
User fees	124,837	126,122	12,539	13,726	290,222	371,120	427,598	510,968
Grants - other	242,484	166,702	-	-	81,693	132,478	324,177	299,180
Permits, licences and fines	192	259	-	-	-	-	192	259
Investment income	37,112	24,871	-	-	-	1	37,112	24,872
Other revenue	94,155	189,536	11,439	22,423	41,276	33,796	146,870	245,755
Water and sewer	22,854	22,307	-	-	-	-	22,854	22,307
Prov of MB - Unconditional Grants	183,080	183,232	-	-	-	-	183,080	183,232
Prov of MB - Conditional Grants	199,371	1,512,811	8,746	17,237	44,603	56,061	252,720	1,586,109
Total revenue	\$ 4,333,324	\$ 5,567,402	\$ 32,724	\$ 53,386	\$ 457,794	\$ 593,456	\$ 4,823,842	\$ 6,214,244
EXPENSES								
Personnel services	\$ 961,677	\$ 938,983	\$ 5,608	\$ 39,588	\$ 203,862	\$ 238,433	\$ 1,171,147	\$ 1,217,004
Contract services	1,549,713	1,219,847	3,683	52,340	54,159	104,034	1,607,555	1,376,221
Utilities	77,609	88,356	-	-	41,414	40,981	119,023	129,337
Maintenance materials and supplies	781,163	775,142	4,026	4,461	78,398	48,621	863,587	828,224
Grants and contributions	171,919	147,131	-	-	-	-	171,919	147,131
Amortization	518,452	466,377	-	-	54,889	31,746	573,341	498,123
Interest on long term debt	52,293	35,184	-	-	5,018	3,804	57,311	38,988
Other	24,011	70,650	-	-	7,118	61,079	31,129	131,729
Total expenses	\$ 4,136,837	\$ 3,741,670	\$ 13,317	\$ 96,389	\$ 444,858	\$ 528,698	\$ 4,595,012	\$ 4,366,757
Surplus (Deficit)	\$ 196,487	\$ 1,825,732	\$ 19,407	\$ (43,003)	\$ 12,936	\$ 64,758	\$ 228,830	\$ 1,847,487

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2018

SCHEDULE 6

	2018							
	General Reserve	Equipment Reserve	Drainage Reserve	Gas Tax Reserve	Bifrost Fire Reserve	General Reserve	Capital Reserve	Riverton Fire Reserve
REVENUE								
Investment income	\$ 425	\$ 3,292	\$ 1,864	\$ 19,929	\$ 915	\$ 596	\$ 1,865	\$ 1,244
Other income	-	-	-	-	-	-	-	-
Total revenue	425	3,292	1,864	19,929	915	596	1,865	1,244
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	425	3,292	1,864	19,929	915	596	1,865	1,244
TRANSFERS								
Transfers from general operating fund	30,000	-	-	198,815	20,000	-	-	31,822
Transfers to general operating fund	-	(93,099)	-	(74,673)	-	-	(25,000)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	30,425	(89,807)	1,864	144,071	20,915	596	(23,135)	33,066
FUND SURPLUS, BEGINNING OF YEAR	54,608	161,981	164,126	731,687	67,596	30,507	90,855	65,431
FUND SURPLUS, END OF YEAR	\$ 85,033	\$ 72,174	\$ 165,990	\$ 875,758	\$ 88,511	\$ 31,103	\$ 67,720	\$ 98,497

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	2018						2017	
	Utility Reserve	Lagoon Reserve	Building Reserve	Econ Dev Reserve	Sidewalk Reserve	Arborg Bifrost Fire Capital	Total	
REVENUE								
Investment income	\$ 447	\$ 330	\$ -	\$ -	\$ 44	\$ 405	\$ 31,356	\$ 20,982
Other income	-	-	-	-	-	12,264	12,264	-
Total revenue	447	330	-	-	44	12,669	43,620	20,982
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	2,057	-	-	2,057	-
Total expenses	-	-	-	2,057	-	-	2,057	-
NET REVENUES	447	330	-	(2,057)	44	12,669	41,563	20,982
TRANSFERS								
Transfers from general operating fund	2,000	3,000	56,393	-	-	57,676	399,706	350,471
Transfers to general operating fund	-	-	-	-	-	(27,384)	(220,156)	(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	2,447	3,330	56,393	(2,057)	44	42,961	221,113	(158,047)
FUND SURPLUS, BEGINNING OF YEAR	20,033	16,891	40,000	64,338	64	-	1,508,117	1,666,164
FUND SURPLUS, END OF YEAR	\$ 22,480	\$ 20,221	\$ 96,393	\$ 62,281	\$ 108	\$ 42,961	\$ 1,729,230	\$ 1,508,117

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 7

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

For the Year Ended December 31, 2018

	2018 Budget	2018 Actual	2017 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	\$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		\$ -	\$ -

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2018

SCHEDULE 8

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	-	35,840
	<u>\$ -</u>	<u>\$ 35,840</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 306	\$ 306
Deferred revenue	-	-
Long-term debt (Note 9)	145,694	158,931
Due to other funds	9,969	-
	<u>155,969</u>	<u>159,237</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (155,969)</u>	<u>\$ (123,397)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 934,419	\$ 939,289
Inventories	-	-
Prepaid expenses	-	-
	<u>934,419</u>	<u>939,289</u>
FUND SURPLUS (DEFICIT)	<u>\$ 778,450</u>	<u>\$ 815,892</u>

CONTINGENCIES (NOTE 10)

SCHEDULE OF UTILITY OPERATIONS - Name of Utility

For the Year Ended December 31, 2018

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	22,100	22,233	21,379
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>22,100</u>	<u>22,233</u>	<u>21,379</u>
Property taxes		<u>19,601</u>	<u>19,601</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	500	521	628
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	100	100	300
sub-total- other	<u>600</u>	<u>621</u>	<u>928</u>
Total revenue	<u>\$ 22,700</u>	<u>\$ 42,455</u>	<u>\$ 41,908</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility
For the Year Ended December 31, 2018

SCHEDULE 9

EXPENSES	Budget	2018	2017
General			
Administration	\$ 14,000	\$ 15,928	\$ 13,759
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>14,000</u>	<u>15,928</u>	<u>13,759</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	9,000	10,654	8,330
Treatment and disposal cost	10,000	2,082	13,480
Lift Station costs	4,000	3,082	3,643
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>23,000</u>	<u>15,818</u>	<u>25,453</u>
Sewage Amortization & Interest			
Amortization	-	41,794	41,046
Interest on long term debt	-	6,357	6,866
sub-total- sewer amortization & interest	<u>-</u>	<u>48,151</u>	<u>47,912</u>
Total expenses	<u>37,000</u>	<u>79,897</u>	<u>87,124</u>
NET OPERATING SURPLUS	(14,300)	(37,442)	(45,216)
TRANSFERS			
Transfers from (to) operating fund	14,300	-	-
Transfers from (to) reserve funds	-	-	2,905
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>(37,442)</u>	<u>(42,311)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>815,892</u>	<u>858,203</u>
FUND SURPLUS, END OF YEAR		<u>\$ 778,450</u>	<u>\$ 815,892</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET - (Unaudited)

For the Year Ended December 31, 2018

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								765,202
Property taxes	\$ 3,244,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,244,430
Grants in lieu of taxation	95,858	-	-	-	-	-	-	95,858
User fees	111,172	-	-	-	-	-	394,325	505,497
Permits, licences and fines	150	-	-	-	-	-	-	150
Investment income	3,300	-	-	-	-	-	-	3,300
Other revenue	98,400	-	-	-	-	-	60,247	158,647
Water and sewer	-	22,700	-	-	-	-	-	22,700
Grants - Province of Manitoba	360,180	-	-	-	-	-	64,274	424,454
Grants - other	192,000	-	-	-	-	-	107,097	299,097
Transfers from accumulated surplus	-	14,300	-	-	(14,300)	-	-	-
Transfers from reserves	1,472,500	-	-	-	(1,472,500)	-	-	-
Total revenue	\$ 5,577,990	\$ 37,000	\$ -	\$ -	\$ (1,486,800)	\$ -	\$ 625,943	\$ 4,754,133
EXPENSES								
General government services	\$ 730,050	\$ -	\$ 12,931	\$ 26,478	\$ 21,796	\$ -	\$ -	\$ 791,255
Protective services	222,505	-	29,513	1,756	-	-	-	253,774
Transportation services	1,986,912	-	395,778	4,597	-	-	-	2,387,287
Environmental health services	184,620	-	15,651	-	-	-	101,473	301,744
Public health and welfare services	21,320	-	6,644	-	-	-	-	27,964
Regional planning and development	19,600	-	42	18	-	-	41,467	61,127
Resource cons and industrial dev	184,220	-	2,744	13,105	-	-	103,417	303,486
Recreation and cultural services	318,425	-	48,320	5,000	-	-	347,490	719,235
Water and sewer services	-	37,000	61,717	6,358	-	-	-	105,075
Fiscal services:								
Transfer to capital	1,258,350	-	-	-	(1,258,350)	-	-	-
Debt charges	244,757	-	-	(244,757)	-	-	-	-
Short term interest	15,000	-	-	(15,000)	-	-	-	-
Deficit recovery	58,435	-	-	(58,435)	(76,965)	-	-	-
Transfer to reserves	312,000	-	-	(312,000)	-	-	-	-
Allowance for tax assets	21,796	-	-	-	(21,796)	-	-	-
Total expenses	\$ 5,577,990	\$ 37,000	\$ 573,340	\$ (572,880)	\$ (1,335,315)	\$ -	\$ 593,847	\$ 4,950,947
Surplus (Deficit)	\$ -	\$ -	\$ (573,340)	\$ 572,880	\$ (151,485)	\$ -	\$ 32,096	\$ (196,814)

**MUNICIPALITY OF BIFROST-RIVERTON
ANALYSIS OF TAXES ON ROLL
December 31, 2018**

SCHEDULE 11

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 496,599	\$ 481,091
Add:		
Tax levy (Schedule 12)	5,312,500	5,143,452
Taxes added	152,444	60,397
Penalties or interest	65,964	61,401
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	5,530,908	5,265,250
Deduct:		
Cash collections - current	4,582,117	4,313,767
Cash collections - arrears	372,090	341,241
Write-offs	-	-
Tax discounts	-	-
E.P.T.C. - cash advance	592,173	594,734
Other credits (specify)	-	-
Sub-total	5,546,380	5,249,742
Balance, end of year	\$ 481,127	\$ 496,599

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2018

	2018		2017	
	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	\$ 12,237,080	\$ 0.84	10,230	10,152
Lagoon	\$ 15,315,500	\$ 1.15	17,613	17,559
Bifrost Sewer	\$ -	\$ -	32,777	35,118
Other (specify)	\$ -	\$ -	-	-
sub-total- Debt charges			<u>60,620</u>	<u>62,829</u>
Deferred surplus	\$ -	\$ -	<u>-</u>	<u>-</u>
Reserves:				
Name of reserve	\$ -	\$ -	-	-
Name of reserve		\$ -	-	-
Name of reserve	\$ -	\$ -	-	-
sub-total- Reserves			<u>-</u>	<u>-</u>
General municipal	\$ 182,089,320	\$ 16.30	<u>2,960,109</u>	<u>2,345,361</u>
Special levies:				
Urban Area	\$ 12,237,080	\$ 8.69	106,365	225,950
Rural Area	\$ 169,852,240	\$ 0.32	53,843	534,835
sub-total- Special levies			<u>160,208</u>	<u>760,785</u>
Business tax (rate%)	\$ -	\$ -	<u>-</u>	<u>-</u>
Total municipal taxes (Schedule 2)			<u>3,180,937</u>	<u>3,168,975</u>
Education support levy	\$ 14,772,340	\$ 9.77	<u>144,326</u>	<u>154,546</u>
Special levies:				
Evergreen	\$ 178,458,420	\$ 10.98	1,960,187	1,794,126
Lakeshore	\$ 1,822,160	\$ 14.85	27,050	25,805
sub-total- Special levies			<u>1,987,237</u>	<u>1,819,931</u>
Total education taxes	\$ 2,968,602		<u>2,131,563</u>	<u>1,974,477</u>
Total tax levy (Schedule 11)			<u><u>\$ 5,312,500</u></u>	<u><u>\$ 5,143,452</u></u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 13

	2018 Actual	2017 Actual
General government services:		
Legislative	\$ 120,706	\$ 122,510
General administrative	506,633	406,921
Other	89,957	100,006
	<u>717,296</u>	<u>629,437</u>
Protective services:		
Police	-	-
Fire	274,487	194,688
Emergency measures	-	-
Other	2,000	2,000
	<u>276,487</u>	<u>196,688</u>
Transportation services:		
Road transport		
Administration and engineering	-	4,346
Road and street maintenance	2,358,746	2,128,111
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	13,378	19,636
Other	4,597	5,965
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,376,721</u>	<u>2,158,058</u>
Environmental health services:		
Waste collection and disposal	114,997	112,586
Recycling	71,542	39,122
Other	3,000	3,000
	<u>189,539</u>	<u>154,708</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,644	6,516
Other	31,450	16,507
	<u>38,094</u>	<u>23,023</u>
Regional planning and development		
Planning and zoning	19,600	21,800
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>19,600</u>	<u>21,800</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	75,049	112,533
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>105,299</u>	<u>142,783</u>
Sub-totals forward	<u>\$ 3,723,036</u>	<u>\$ 3,326,497</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 13

	<u>2018 Actual</u>	<u>2017 Actual</u>
Sub-totals forward	<u>\$ 3,723,036</u>	<u>\$ 3,326,497</u>
Recreation and cultural services:		
Administration	243,711	281,000
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	35,644	19,380
Other recreational facilities	-	-
Museums	-	-
Libraries	34,625	36,018
Other cultural facilities	-	-
	<u>313,980</u>	<u>336,398</u>
Total expenses	<u>\$ 4,037,016</u>	<u>\$ 3,662,895</u>

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - (Unaudited)

December 31, 2018

	General	2018 Utility	Total	2017 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 85,445	\$ 3,115	\$ 88,560	\$ 100,208
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	399,706	-	399,706	350,471
Eliminate revenue - transfers from reserves	(220,156)	-	(220,156)	(529,500)
Increase revenue - reserve funds interest	43,620	-	43,620	20,982
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	32,343	-	32,343	21,755
Eliminate revenue - transfer from nominal surplus(es)	-	(12,000)	(12,000)	(12,000)
Increase expense - amortization of tangible capital assets	(476,657)	(41,794)	(518,451)	(410,802)
Decrease revenue - loan proceeds	-	-	-	(106,000)
Decrease revenue - obligation under capital lease proceeds	(188,307)		(188,307)	-
Decrease expense - principal portion of debenture debt	210,593	13,237	223,830	337,510
Decrease expense - principal portion of capital leases	56,267		56,267	79,240
Eliminate expense - acquisitions of tangible capital assets	323,418	-	323,418	1,995,623
	\$ 266,272	\$ (37,442)	\$ 228,830	\$ 1,847,487
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 266,272	\$ (37,442)	\$ 228,830	\$ 1,847,487