

MUNICIPALITY OF BIFROST-RIVERTON

**Consolidated Financial Statements
For the Year Ended December 31, 2019**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Municipality of Blfrost-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 Wilner
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, 2019 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2019, 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, 2019, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2019 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. We also:

- 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 internal control.
- 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 control.
- 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
February 10, 2021

MUNICIPALITY OF BIFROST-RIVERTON

Consolidated Financial Statements

For the Year Ended December 31, 2019


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MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019


	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,615,342	\$ 1,054,925
Amounts receivable (Note 4)	<u>1,022,399</u>	<u>1,107,061</u>
	<u>\$ 2,637,741</u>	<u>\$ 2,161,986</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 632,033	\$ 648,193
Landfill closure and post closure liabilities (Note 7)	28,232	34,126
Long-term debt (Note 8)	528,991	593,904
Obligations under capital lease (Note 9)	<u>143,170</u>	<u>179,058</u>
	<u>1,332,426</u>	<u>1,455,281</u>
NET FINANCIAL ASSETS	<u>\$ 1,305,315</u>	<u>\$ 706,705</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 12,229,488	\$ 12,102,226
Inventories (Note 5)	267,820	542,065
Prepaid expenses	<u>55,870</u>	<u>55,690</u>
	<u>12,553,178</u>	<u>12,699,981</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 13,858,493</u>	<u>\$ 13,406,686</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, 2019

	<u>2019 Budget (Note 13)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
REVENUE			
Property taxes	\$ 3,444,147	\$ 3,430,163	\$ 3,333,381
Grants in lieu of taxation	97,748	97,748	95,858
User fees	369,379	347,486	427,598
Permits, licences and fines	150	380	192
Investment income	4,000	36,384	37,719
Other revenue	171,543	332,204	146,263
Water and sewer	41,400	41,092	22,854
Grants - Province of Manitoba	342,378	478,445	435,800
Grants - other	422,924	473,666	324,177
Total revenue (Schedules 2, 4 and 5)	<u>4,893,669</u>	<u>5,237,568</u>	<u>4,823,842</u>
EXPENSES			
General government services	759,818	662,678	717,296
Protective services	297,233	167,619	276,487
Transportation services	2,736,476	2,495,123	2,376,721
Environmental health services	368,340	359,534	249,108
Public health and welfare services	29,964	37,848	38,094
Regional planning and development	70,362	70,240	63,651
Resource conservation and industrial development	264,072	190,926	184,109
Recreation and cultural services	733,209	696,918	609,649
Water and sewer services	87,180	104,875	79,897
Total expenses (Schedules 3, 4 and 5)	<u>5,346,654</u>	<u>4,785,761</u>	<u>4,595,012</u>
	<u>\$ (452,985)</u>	451,807	228,830
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>13,406,686</u>	<u>13,177,856</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 13,858,493</u>	<u>\$ 13,406,686</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, 2019

	<u>2019 Budget (Note 13)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ (196,814)	\$ 451,807	\$ 228,830
Acquisition of tangible capital assets	(845,000)	(773,360)	(323,418)
Amortization of tangible capital assets	602,766	602,766	573,340
Loss (Gain) on sale of tangible capital assets	-	43,332	40,092
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	-	274,245	(347,420)
Decrease (increase) in prepaid expense	-	(180)	(14,015)
	<u>(242,234)</u>	<u>146,803</u>	<u>(71,421)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (439,048)	598,610	157,409
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>706,705</u>	<u>549,296</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 1,305,315</u>	<u>\$ 706,705</u>

The accompanying notes are an integral part of this financial statement

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 451,807	\$ 228,830
Changes in non-cash items:		
Amounts receivable	84,662	757,783
Inventories	274,245	(347,420)
Prepays	(180)	(14,015)
Accounts payable and accrued liabilities	(16,160)	192,352
Landfill closure and post closure liabilities	(5,894)	(4,059)
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	43,332	40,092
Amortization	602,766	573,340
Cash provided by operating transactions	<u>1,434,578</u>	<u>1,426,903</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	<u>(773,360)</u>	<u>(323,418)</u>
Cash applied to capital transactions	<u>(773,360)</u>	<u>(323,418)</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	-	-
Cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(64,913)	(261,093)
Obligation under capital lease	-	179,059
Repayment of obligation under capital lease	<u>(35,888)</u>	<u>(47,019)</u>
Cash applied to financing transactions	<u>(100,801)</u>	<u>(129,053)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	560,417	974,432
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,054,925</u>	<u>80,493</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 1,615,342</u>	<u>\$ 1,054,925</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, 2019

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%) (2018 - 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:

Bar Waste Authority Co-op Inc. (consolidated 67%) (2018 - consolidated 67%)

Eastern Interlake Planning District (consolidated 14.5%) (2018 - consolidated 14.5%)

Evergreen Regional Library (consolidated 29%) (2018 - consolidated 29%)

Interlake Weed Control District (consolidated 25%) (2018 - consolidated 25%)

Arborg-Bifrost Parks and Recreation Commission (consolidated 40%) (2018 - 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>2019</u>	<u>2018</u>
Cash	\$ 486,808	\$ (306,195)
Temporary investments	<u>1,128,534</u>	<u>1,361,120</u>
	<u>\$ 1,615,342</u>	<u>\$ 1,054,925</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,953,945 (2018 \$1,729,230) 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, 2019, \$2,000,000 remains available for use (2018 - \$1,768,686).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 499,972	\$ 481,127
Government grants	137,431	100,107
Utility customers	-	-
Accrued interest	-	-
Organizations and individuals	239,573	525,827
Other governments	<u>145,423</u>	-
	<u>1,022,399</u>	<u>1,107,061</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,022,399</u>	<u>\$ 1,107,061</u>

5. Inventories

Inventories for use:

	<u>2019</u>	<u>2018</u>
Chemicals, herbicides, insecticides	\$ 6,136	\$ 2,576
Fuel	-	-
Culverts	91,980	45,980
Aggregate	169,704	468,661
Other supplies	-	24,848
	<u>\$ 267,820</u>	<u>\$ 542,065</u>

6. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 497,133	\$ 648,193
School levies	134,900	-
Other governments	-	-
	<u>\$ 632,033</u>	<u>\$ 648,193</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.

As at December 31, 2019, 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, 2021.

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. During the year, it was determined that the Municipality's responsibility needed to be extended to 25 years. The cost to close a cell is anticipated to be the same regardless of how much the cell is being used.

The liability has been reduced by costs totaling \$37,086 incurred in 2018 to acquire soil and clay for future closure and maintenance of the cells. In 2019, \$12,238 was deemed to have been used, leaving \$24,848 available for future use.

For the year ended December 31, 2019, a discount rate of 2.200% (2018 - 2.000%) 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

General Authority:	<u>2019</u>	<u>2018</u>
Debenture, interest at 5.5%, payable at \$35,118 annually including interest, maturing December 31, 2024	\$ 149,964	\$ 175,433
Debenture, interest at 7.00%, payable at \$11,780 annually including interest, maturing October 31, 2020	11,010	21,299
	<u>\$ 160,974</u>	<u>\$ 196,732</u>

Utility Funds:

Debenture, interest at 4.00%, payable at \$19,595 annually including interest, maturing December 31, 2027

\$ 131,925 \$ 145,694

Consolidated Government Partnerships

BAR Waste Authority Co-op loan bearing interest at prime plus 1% per annum, repayable in annual blended payments of \$20,750, matures November 1, 2026

\$ 84,574 \$ 93,905

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.

129,580 135,635

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. No payments were required by the lender during the current year.

21,938 21,938
\$ 236,092 \$ 251,478
\$ 528,991 \$ 593,904

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:

2020		\$ 80,193
2021		\$ 70,026
2022		\$ 62,933
2023		\$ 66,018
2024		\$ 69,238

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:

	<u>2019</u>	<u>2018</u>
2019	\$ -	\$ 40,344
2020	40,344	40,344
2021	40,344	40,344
2022	40,344	40,344
2023	32,958	32,958
Remainder of lease	-	-
Total minimum lease payments	\$ 153,990	\$ 194,334
Less amount representing future interest at 2.739%	<u>10,820</u>	<u>15,276</u>
Balance of obligation	<u>\$ 143,170</u>	<u>\$ 179,058</u>

Interest expense includes \$4,456 (2018 - \$2,757) with respect to this obligation.

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

	<u>2019</u>	<u>2018</u>
Cost of leased tangible capital asset(s)	\$ 261,507	\$ 261,507
Accumulated amortization of leased tangible capital asset(s)	<u>(64,715)</u>	<u>(38,564)</u>
	<u>\$ 196,792</u>	<u>\$ 222,943</u>

Amortization expense includes \$26,150 (2018 - \$18,383) 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 60,984 (2018 - \$46,067) 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>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 346,204	\$ 934,948
Utility operating fund(s) - Nominal surplus	(49,790)	(10,275)
TCA net of related borrowings	11,021,877	10,081,159
Reserve funds	<u>1,953,945</u>	<u>1,729,230</u>
Accumulated surplus of municipality unconsolidated	13,272,236	12,735,062
Accumulated surpluses of consolidated entities	<u>586,257</u>	<u>671,624</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 13,858,493</u>	<u>\$ 13,406,686</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, 2019:

- a) Compensation paid to members of council amounted to \$105,185 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Brian Johnson	\$ 14,901	\$ 2,626	\$ 17,527
Councillor - Frode Andersen	10,489	1,826	12,315
Councillor - Chad Johnson	11,680	1,792	13,472
Councillor - Morley Nordal	12,421	1,627	14,048
Councillor - Colin Bjarnason	15,150	3,140	18,290
Councillor - David King	13,144	2,328	15,472
Councillor - Gordon Klym	11,963	2,098	14,061
	<u>\$ 89,748</u>	<u>\$ 15,437</u>	<u>\$ 105,185</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Comeau, Jason</i>	<i>Public Works Manager/Fire Chief</i>	\$ 76,932

16. Trust Funds

The Municipality of Bifrost-Riverton administers the following trust:

	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
<i>Hecla/Grindstone</i>	<u>\$ 23,590</u>	<u>\$ 983</u>	<u>\$ 24,573</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>2019</u>	<u>2018</u>
Financial Position		
Financial assets	\$ 164,178	\$ 106,938
Financial liabilities	<u>(362,446)</u>	<u>(296,629)</u>
Net financial assets (liabilities)	<u>(198,268)</u>	<u>(189,691)</u>
Non-financial assets	<u>784,528</u>	<u>834,493</u>
Accumulated surplus	<u>\$ 586,260</u>	<u>\$ 644,802</u>
Result of Operations		
Revenues	\$ 454,095	\$ 457,793
Expenses	<u>539,462</u>	<u>444,857</u>
Annual surplus	<u>\$ (85,367)</u>	<u>\$ 12,936</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>\$ 569,650</u>	<u>\$ -</u>	<u>\$ 10,687</u>	<u>\$ 558,963</u>

20. Subsequent Event

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the organization continues to maintain operations where possible, while looking out for the needs and safety of the public and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2019

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	2019	2018
Cost										
Opening costs	\$ 2,829,500	\$ 1,205,957	\$ 4,341,972	\$ 57,115	\$ -	\$ 25,562,929	\$ 2,849,753	\$ 31,686	\$ 36,878,912	\$ 36,627,944
Additions during the year	146,252	51,183	99,370	66,890	71,033	338,632	-	-	773,360	323,418
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	(169,780)	-	-	-	-	(31,686)	(201,466)	(72,450)
Closing costs	2,975,752	1,257,140	4,271,562	124,005	71,033	25,901,561	2,849,753	-	37,450,806	36,878,912
Accumulated Amortization										
Opening accum'd amortization	390,792	669,676	2,082,987	52,347	-	20,378,086	1,202,798	-	24,776,686	24,235,703
Amortization	84,008	35,135	233,310	15,450	-	173,146	61,717	-	602,766	573,340
Disposals and write downs	-	-	(158,134)	-	-	-	-	-	(158,134)	(32,357)
Closing accum'd amortization	474,800	704,811	2,158,163	67,797	-	20,551,232	1,264,515	-	25,221,318	24,776,686
Net Book Value of Tangible Capital Assets	\$ 2,500,952	\$ 552,329	\$ 2,113,399	\$ 56,208	\$ 71,033	\$ 5,350,329	\$ 1,585,238	\$ -	\$ 12,229,488	\$ 12,102,226

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2019

SCHEDULE 2

	<u>2019 Actual</u>	<u>2018 Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,376,859	\$ 3,180,937
Taxes added	53,304	152,444
	<u>3,430,163</u>	<u>3,333,381</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	97,748	95,858
Provincial government	-	-
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>97,748</u>	<u>95,858</u>
User fees		
Parking meters	-	-
Sales of service	337,445	417,557
Sales of goods	-	-
Rentals	10,041	10,041
Development charges	-	-
Facility use fees	-	-
	<u>347,486</u>	<u>427,598</u>
Permits, licences and fines		
Permits	-	-
Licences	380	192
Fees	-	-
Fines	-	-
	<u>380</u>	<u>192</u>
Investment income:		
Cash and temporary investments	36,384	37,719
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>36,384</u>	<u>37,719</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(12,144)	(40,092)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Penalties and interest	51,783	65,357
Miscellaneous (specify):	292,565	120,998
	<u>332,204</u>	<u>146,263</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	41,092	22,854
Consolidated water co-operatives	-	-
	<u>41,092</u>	<u>22,854</u>
Grants - Province of Manitoba		
Municipal operating grants	254,033	183,080
Other unconditional grants	-	-
Conditional grants	224,412	252,720
	<u>478,445</u>	<u>435,800</u>
Grants - other		
Federal government - gas tax funding	362,350	198,815
Federal government - other	-	-
Other municipal governments	111,316	125,362
	<u>473,666</u>	<u>324,177</u>
Total revenue	<u>\$ 5,237,568</u>	<u>\$ 4,823,842</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
General government services:		
Legislative	\$ 104,922	\$ 120,706
General administrative	465,147	506,633
Other	92,609	89,957
	<u>662,678</u>	<u>717,296</u>
Protective services:		
Police	-	-
Fire	163,186	273,649
Emergency measures	-	-
Other	4,433	2,838
	<u>167,619</u>	<u>276,487</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	2,470,640	2,353,980
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	20,027	18,144
Other	4,456	4,597
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,495,123</u>	<u>2,376,721</u>
Environmental health services:		
Waste collection and disposal	289,461	174,566
Recycling	67,073	71,542
Other	3,000	3,000
	<u>359,534</u>	<u>249,108</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,643	6,643
Other	31,205	31,451
	<u>37,848</u>	<u>38,094</u>
Regional planning and development		
Planning and zoning	70,240	63,651
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>70,240</u>	<u>63,651</u>
Resource conservation and industrial development		
Rural area weed control	85,786	82,207
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	9,550	9,550
Regional development	84,090	80,852
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>190,926</u>	<u>184,109</u>
Sub-totals forward	<u>\$ 3,983,968</u>	<u>\$ 3,905,466</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 3

	<u>2019 Actual</u>	<u>2018 Actual</u>
Sub-totals forward	\$ 3,983,968	\$ 3,905,466
Recreation and cultural services:		
Administration	270,334	243,711
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	337,832	274,431
Other recreational facilities	-	-
Museums	-	-
Libraries	88,752	91,507
Other cultural facilities	-	-
	<u>696,918</u>	<u>609,649</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	104,875	79,897
Consolidated water co-operatives	-	-
	<u>104,875</u>	<u>79,897</u>
Total expenses	\$ 4,785,761	\$ 4,595,012

MUNICIPALITY OF BIFROST-RIVERTON

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ 3,410,562	\$ 3,313,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	97,748	95,858	-	-	-	-	-	-	-	-
User fees	10,041	20,931	-	30,093	67,238	73,814	38,118	53,598	-	-
Grants - other	362,350	198,815	-	43,669	-	-	-	-	-	-
Permits, licences and fines	380	192	-	-	-	-	-	-	-	-
Investment income	35,870	37,112	-	-	-	-	-	-	-	-
Other revenue	210,146	94,155	-	-	(12,144)	-	15,769	17,699	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	254,033	183,080	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	4,638	4,725	25,000	32,128	7,401	43,278	62,823	65,792	-	20,135
Total revenue	\$ 4,385,768	\$ 3,948,648	\$ 25,000	\$ 105,890	\$ 62,495	\$ 117,092	\$ 116,710	\$ 137,089	\$ -	\$ 20,135
EXPENSES										
Personnel services	\$ 321,731	\$ 348,489	\$ 64,907	\$ 74,409	\$ 583,056	\$ 522,851	\$ 31,676	\$ 7,487	\$ -	\$ -
Contract services	219,009	234,061	105,635	109,037	669,286	711,494	200,565	125,688	-	-
Utilities	17,085	18,178	21,127	28,789	33,493	30,364	1,758	1,014	-	-
Maintenance materials and supplies	21,490	19,499	27,100	31,883	804,607	711,637	14,361	4,537	-	-
Grants and contributions	5,732	34,750	(91,946)	-	-	-	67,073	74,542	31,204	31,450
Amortization	20,134	12,931	34,657	29,513	404,681	395,778	39,069	35,575	6,644	6,644
Interest on long term debt	24,939	26,478	4,456	1,756	-	4,597	2,552	-	-	-
Other	32,558	22,910	1,683	1,100	-	-	2,480	265	-	-
Total expenses	\$ 662,678	\$ 717,296	\$ 167,619	\$ 276,487	\$ 2,495,123	\$ 2,376,721	\$ 359,534	\$ 249,108	\$ 37,848	\$ 38,094
Surplus (Deficit)	\$ 3,723,090	\$ 3,231,352	\$ (142,619)	\$ (170,597)	\$ (2,432,628)	\$ (2,259,629)	\$ (242,824)	\$ (112,019)	\$ (37,848)	\$ (17,959)

* 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, 2019

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,601	\$ 19,601	\$ 3,430,163	\$ 3,333,381
Grants in lieu of taxation	-	-	-	-	-	-	-	-	97,748	95,858
User fees	98,878	91,169	-	-	133,211	157,993	-	-	347,486	427,598
Grants - other	20,233	11,658	-	-	91,083	70,035	-	-	473,666	324,177
Permits, licences and fines	-	-	-	-	-	-	-	-	380	192
Investment income	514	607	-	-	-	-	-	-	36,384	37,719
Other revenue	597	-	-	22,970	117,836	11,439	-	-	332,204	146,263
Water and sewer	-	-	-	-	-	-	41,092	22,854	41,092	22,854
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	254,033	183,080
Prov of MB - Conditional Grants	11,400	6,975	-	28,885	113,150	50,802	-	-	224,412	252,720
Total revenue	\$ 131,622	\$ 110,409	\$ -	\$ 51,855	\$ 455,280	\$ 290,269	\$ 60,693	\$ 42,455	\$ 5,237,568	\$ 4,823,842
EXPENSES										
Personnel services	\$ 39,831	\$ 37,955	\$ 50,201	\$ 45,649	\$ 135,339	\$ 118,379	\$ 15,021	\$ 15,928	\$ 1,241,762	\$ 1,171,147
Contract services	26,946	22,406	37,104	63,727	372,500	341,142	-	-	1,631,045	1,607,555
Utilities	1,056	1,017	624	319	41,679	39,342	-	-	116,822	119,023
Maintenance materials and supplies	2,292	2,213	22,988	23,962	79,509	54,038	12,389	15,818	984,736	863,587
Grants and contributions	-	-	66,704	31,177	7,150	-	-	-	85,917	171,919
Amortization	33	42	2,118	2,744	55,479	48,320	39,951	41,794	602,766	573,341
Interest on long term debt	82	18	11,140	13,105	4,368	5,000	5,828	6,357	53,365	57,311
Other	-	-	47	3,426	894	3,428	31,686	-	69,348	31,129
Total expenses	\$ 70,240	\$ 63,651	\$ 190,926	\$ 184,109	\$ 696,918	\$ 609,649	\$ 104,875	\$ 79,897	\$ 4,785,761	\$ 4,595,012
Surplus (Deficit)	\$ 61,382	\$ 46,758	\$ (190,926)	\$ (132,254)	\$ (241,638)	\$ (319,380)	\$ (44,182)	\$ (37,442)	\$ 451,807	\$ 228,830

MUNICIPALITY OF BIFROST-RIVERTON

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2019

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Property taxes	\$ 3,430,163	\$ 3,333,381	\$ -	\$ -	\$ -	\$ -	\$ 3,430,163	\$ 3,333,381
Grants in lieu of taxation	97,748	95,858	-	-	-	-	97,748	95,858
User fees	77,283	42,752	23,847	13,726	246,356	371,120	347,486	427,598
Grants - other	362,350	191,699	-	-	111,316	132,478	473,666	324,177
Permits, licences and fines	380	192	-	-	-	-	380	192
Investment income	35,870	37,718	-	-	514	1	36,384	37,719
Other revenue	308,499	90,044	-	22,423	23,705	33,796	332,204	146,263
Water and sewer	41,092	22,854	-	-	-	-	41,092	22,854
Prov of MB - Unconditional Grants	254,033	183,080	-	-	-	-	254,033	183,080
Prov of MB - Conditional Grants	176,055	179,422	14,569	17,237	33,788	56,061	224,412	252,720
Total revenue	\$ 4,783,473	\$ 4,177,000	\$ 38,416	\$ 53,386	\$ 415,679	\$ 593,456	\$ 5,237,568	\$ 4,823,842
EXPENSES								
Personnel services	\$ 984,715	\$ 893,126	\$ 14,477	\$ 39,588	\$ 242,570	\$ 238,433	\$ 1,241,762	\$ 1,171,147
Contract services	1,573,165	1,451,181	1,532	52,340	56,348	104,034	1,631,045	1,607,555
Utilities	72,701	78,042	-	-	44,121	40,981	116,822	119,023
Maintenance materials and supplies	870,839	810,505	33,790	4,461	80,107	48,621	984,736	863,587
Grants and contributions	85,917	171,919	-	-	-	-	85,917	171,919
Amortization	546,747	541,595	-	-	56,019	31,746	602,766	573,341
Interest on long term debt	46,363	53,507	-	-	7,002	3,804	53,365	57,311
Other	65,850	(29,950)	52	-	3,446	61,079	69,348	31,129
Total expenses	\$ 4,246,297	\$ 3,969,925	\$ 49,851	\$ 96,389	\$ 489,613	\$ 528,698	\$ 4,785,761	\$ 4,595,012
Surplus (Deficit)	\$ 537,176	\$ 207,075	\$ (11,435)	\$ (43,003)	\$ (73,934)	\$ 64,758	\$ 451,807	\$ 228,830

MUNICIPALITY OF BIFROST-RIVERTON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019

SCHEDULE 6

	2019							
	General Reserve	Equipment Reserve	Drainage Reserve	Gas Tax Reserve	Bifrost Fire Reserve	General Reserve	Capital Reserve	Riverton Fire Reserve
REVENUE								
Investment income	\$ 1,886	\$ 1,750	\$ 1,924	\$ 16,116	\$ 1,598	\$ -	\$ 1,780	\$ 1,748
Other income	-	-	-	-	-	-	-	-
Total revenue	<u>1,886</u>	<u>1,750</u>	<u>1,924</u>	<u>16,116</u>	<u>1,598</u>	<u>-</u>	<u>1,780</u>	<u>1,748</u>
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	1,886	1,750	1,924	16,116	1,598	-	1,780	1,748
TRANSFERS								
Transfers from general operating fund	30,000	100,000	128,911	362,350	25,000	-	-	51,264
Transfers to general operating fund	-	-	(160,000)	(450,932)	-	-	-	(8,000)
Transfer to (from) other reserve	31,103	-	-	-	-	(31,103)	108	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	62,989	101,750	(29,165)	(72,466)	26,598	(31,103)	1,888	45,012
FUND SURPLUS, BEGINNING OF YEAR	85,033	72,174	165,990	875,758	88,511	31,103	67,720	98,497
FUND SURPLUS, END OF YEAR	\$ 148,022	\$ 173,924	\$ 136,825	\$ 803,292	\$ 115,109	\$ -	\$ 69,608	\$ 143,509

MUNICIPALITY OF BIFROST-RIVERTON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2019

SCHEDULE 6

	2019						2018
	Utility Reserve	Lagoon Reserve	Building Reserve	Econ Dev Reserve	Sidewalk Reserve	Arborg Bifrost Fire Capital	Total
REVENUE							
Investment income	\$ 497	\$ 407	\$ 889	\$ 788	\$ -	\$ 984	\$ 30,367
Other income	-	-	-	-	-	7,085	7,085
Total revenue	497	407	889	788	-	8,069	37,452
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	2,057
Total expenses	-	-	-	-	-	-	2,057
NET REVENUES	497	407	889	788	-	8,069	37,452
TRANSFERS							
Transfers from general operating fund	2,000	3,000	40,000	30,260	-	66,146	838,931
Transfers to general operating fund	-	-	(16,496)	(10,000)	-	(6,240)	(651,668)
Transfer to (from) other reserve	-	-	-	-	(108)	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	2,497	3,407	24,393	21,048	(108)	67,975	224,715
FUND SURPLUS, BEGINNING OF YEAR	22,480	20,221	96,393	62,281	108	42,961	1,729,230
FUND SURPLUS, END OF YEAR	\$ 24,977	\$ 23,628	\$ 120,786	\$ 83,329	\$ -	\$ 110,936	\$ 1,953,945

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 7

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

For the Year Ended December 31, 2019

	2019 Budget	2019 Actual	2018 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, 2019

SCHEDULE 8

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 845	\$ 306
Deferred revenue	-	-
Long-term debt (Note 8)	131,925	145,694
Due to other funds	48,945	9,969
	<u>181,715</u>	<u>155,969</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (181,715)</u>	<u>\$ (155,969)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 915,981	\$ 934,419
Inventories	-	-
Prepaid expenses	-	-
	<u>915,981</u>	<u>934,419</u>
FUND SURPLUS (DEFICIT)	<u>\$ 734,266</u>	<u>\$ 778,450</u>

CONTINGENCIES (NOTE 10)

SCHEDULE OF UTILITY OPERATIONS - Name of Utility
For the Year Ended December 31, 2019

REVENUE	Budget	2019	2018
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
Sewer			
Sewer fees	40,300	40,457	22,233
Lagoon tipping fees	-	-	-
sub-total- sewer	40,300	40,457	22,233
Property taxes		19,597	19,601
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	1,000	635	521
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	100	-	100
sub-total- other	1,100	635	621
Total revenue	\$ 41,400	\$ 60,689	\$ 42,455

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility
For the Year Ended December 31, 2019

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2019</u>	<u>2018</u>
General			
Administration	\$ 16,000	\$ 15,021	\$ 15,928
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	31,686	-
sub-total- general	<u>16,000</u>	<u>46,707</u>	<u>15,928</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	19,000	8,550	10,654
Treatment and disposal cost	3,400	774	2,082
Lift Station costs	3,000	3,064	3,082
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>25,400</u>	<u>12,388</u>	<u>15,818</u>
Sewage Amortization & Interest			
Amortization	-	39,951	41,794
Interest on long term debt	-	5,827	6,357
sub-total- sewer amortization & interest	<u>-</u>	<u>45,778</u>	<u>48,151</u>
Total expenses	<u>41,400</u>	<u>104,873</u>	<u>79,897</u>
NET OPERATING SURPLUS	-	(44,184)	(37,442)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>(44,184)</u>	<u>(37,442)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>778,450</u>	<u>815,892</u>
FUND SURPLUS, END OF YEAR		<u>\$ 734,266</u>	<u>\$ 778,450</u>

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

For the Year Ended December 31, 2019

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,444,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,444,147
Grants in lieu of taxation	97,748	-	-	-	-	-	-	97,748
User fees	66,798	-	-	-	-	-	-	66,798
Permits, licences and fines	150	-	-	-	-	-	302,581	369,379
Investment income	4,000	-	-	-	-	-	-	150
Other revenue	123,200	-	-	-	-	-	-	4,000
Water and sewer	-	41,400	-	-	-	-	48,343	171,543
Grants - Province of Manitoba	294,030	-	-	-	-	-	-	41,400
Grants - other	311,594	-	-	-	-	-	48,348	342,378
Transfers from accumulated surplus	-	-	-	-	-	-	111,330	422,924
Transfers from reserves	1,163,000	-	-	-	(1,163,000)	-	-	-
Total revenue	\$ 5,504,667	\$ 41,400	\$ -	\$ -	\$ (1,163,000)	\$ -	\$ 510,602	\$ 4,893,669
EXPENSES								
General government services	\$ 703,635	\$ -	\$ 20,134	\$ 24,939	\$ 11,110	\$ -	\$ -	\$ 759,818
Protective services	258,120	-	34,657	4,456	-	-	-	297,233
Transportation services	2,331,795	-	404,681	-	-	-	-	2,736,476
Environmental health services	222,850	-	39,069	2,552	-	-	103,869	368,340
Public health and welfare services	23,320	-	6,644	-	-	-	-	29,964
Regional planning and development	23,575	-	33	82	-	-	46,672	70,362
Resource cons and industrial dev	174,229	-	2,118	11,140	-	-	76,585	264,072
Recreation and cultural services	340,405	-	55,479	4,368	-	-	332,957	733,209
Water and sewer services	-	41,400	39,951	5,829	-	-	-	87,180
Fiscal services:								
Transfer to capital	845,000	-	-	-	(845,000)	-	-	-
Debt charges	55,400	-	-	(55,400)	-	-	-	-
Short term interest	20,000	-	-	(20,000)	-	-	-	-
Deficit recovery	58,435	-	-	(58,435)	-	-	-	-
Transfer to reserves	436,793	-	-	(436,793)	-	-	-	-
Allowance for tax assets	11,110	-	-	-	(11,110)	-	-	-
Total expenses	\$ 5,504,667	\$ 41,400	\$ 602,766	\$ (517,262)	\$ (845,000)	\$ -	\$ 560,083	\$ 5,346,654
Surplus (Deficit)	\$ -	\$ -	\$ (602,766)	\$ 517,262	\$ (318,000)	\$ -	\$ (49,481)	\$ (452,985)

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

SCHEDULE 11

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 481,127	\$ 496,599
Add:		
Tax levy (Schedule 12)	5,574,905	5,312,500
Taxes added	53,304	152,444
Penalties or interest	51,783	65,964
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	<u>5,679,992</u>	<u>5,530,908</u>
Deduct:		
Cash collections - current	4,755,631	4,582,117
Cash collections - arrears	399,013	372,090
Write-offs	-	-
Tax discounts	-	-
E.P.T.C. - cash advance	506,503	592,173
Other credits (specify)	-	-
Sub-total	<u>5,661,147</u>	<u>5,546,380</u>
Balance, end of year	<u>\$ 499,972</u>	<u>\$ 481,127</u>

MUNICIPALITY OF BIFROST-RIVERTON
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2019

SCHEDULE 12

	2019			2018
	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	\$ 12,415,560	\$ 0.79	9,808	10,230
Lagoon	\$ 15,495,310	\$ 1.10	17,014	17,613
Bifrost Sewer	\$ -	\$ -	32,777	32,777
Other (specify)	\$ -	\$ -	-	-
sub-total- Debt charges			59,599	60,620
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Name of reserve	\$ -	\$ -	-	-
Name of reserve	\$ -	\$ -	-	-
Name of reserve	\$ -	\$ -	-	-
sub-total- Reserves			-	-
General municipal	\$ 185,750,020	\$ 17.73	3,286,060	2,960,109
Special levies:				
Urban Area	\$ -	\$ -	31,200	106,365
Rural Area	\$ -	\$ -	-	53,843
sub-total- Special levies			31,200	160,208
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			3,376,859	3,180,937
Education support levy	\$ 16,331,910	\$ 9.77	159,563	144,326
Special levies:				
Evergreen	\$ 182,003,020	\$ 11.05	2,011,133	1,960,187
Lakeshore	\$ 1,822,160	\$ 15.10	27,350	27,050
sub-total- Special levies			2,038,483	1,987,237
Total education taxes			2,198,046	2,131,563
Total tax levy (Schedule 11)			\$ 5,574,905	\$ 5,312,500

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 13

	2019 Actual	2018 Actual
General government services:		
Legislative	\$ 104,922	\$ 120,706
General administrative	465,147	506,633
Other	92,609	89,957
	<u>662,678</u>	<u>717,296</u>
Protective services:		
Police	-	-
Fire	163,186	274,487
Emergency measures	-	-
Other	4,433	2,000
	<u>167,619</u>	<u>276,487</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	2,470,640	2,358,746
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	20,027	13,378
Other	4,456	4,597
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,495,123</u>	<u>2,376,721</u>
Environmental health services:		
Waste collection and disposal	224,669	114,997
Recycling	67,073	71,542
Other	3,000	3,000
	<u>294,742</u>	<u>189,539</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,644	6,644
Other	31,205	31,450
	<u>37,849</u>	<u>38,094</u>
Regional planning and development		
Planning and zoning	23,568	19,600
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>23,568</u>	<u>19,600</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	84,090	75,049
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>114,340</u>	<u>105,299</u>
Sub-totals forward	<u>\$ 3,795,919</u>	<u>\$ 3,723,036</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2019

SCHEDULE 13

	<u>2019 Actual</u>	<u>2018 Actual</u>
Sub-totals forward	\$ 3,795,919	\$ 3,723,036
Recreation and cultural services:		
Administration	270,334	243,711
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	40,163	35,644
Other recreational facilities	-	-
Museums	-	-
Libraries	34,625	34,625
Other cultural facilities	-	-
	<u>345,122</u>	<u>313,980</u>
Total expenses	<u>\$ 4,141,041</u>	<u>\$ 4,037,016</u>

MUNICIPALITY OF BIFROST-RIVERTON
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - (Unaudited)
December 31, 2019

SCHEDULE 14

	<u>General</u>	<u>2019 Utility</u>	<u>Total</u>	<u>2018 Total</u>
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 74,454	\$ (18,002)	\$ 56,452	\$ 76,560
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	-	-	-	-
Eliminate revenue - transfers from reserves	838,931	-	838,931	399,706
Increase revenue - reserve funds interest	(651,668)	-	(651,668)	(220,156)
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	37,452	-	37,452	43,620
Increase expense - amortization of tangible capital assets	(85,369)	-	(85,369)	32,343
Decrease revenue - loan proceeds	(562,815)	(39,951)	(602,766)	(518,451)
Decrease revenue - obligation under capital lease proceeds	-	-	-	-
Decrease expense - principal portion of debenture debt	-	-	-	(188,307)
Decrease expense - principal portion of capital leases	35,758	13,769	49,527	223,830
Eliminate expense - acquisitions of tangible capital assets	35,888	-	35,888	56,267
	<u>773,360</u>	<u>-</u>	<u>773,360</u>	<u>323,418</u>
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 495,991	\$ (44,184)	\$ 451,807	\$ 228,830