

Signed, Final Version

MUNICIPALITY OF BIFROST-RIVERTON

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

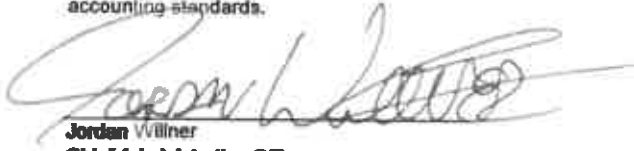
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Municipality of Birtrol-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, 2020 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2020, 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, 2020, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2020 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
October 14, 2021

MUNICIPALITY OF BIFROST-RIVERTON

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MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,837,099	\$ 1,615,342
Amounts receivable (Note 4)	<u>640,411</u>	<u>1,022,399</u>
	<u>\$ 2,477,510</u>	<u>\$ 2,637,741</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 275,335	\$ 632,033
Landfill closure and post closure liabilities (Note 7)	42,958	28,232
Long-term debt (Note 8)	1,038,795	528,991
Obligations under capital lease (Note 9)	<u>106,292</u>	<u>143,170</u>
	<u>1,463,380</u>	<u>1,332,426</u>
NET FINANCIAL ASSETS	<u>\$ 1,014,130</u>	<u>\$ 1,305,315</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 13,347,296	\$ 12,229,488
Inventories (Note 5)	231,655	267,820
Prepaid expenses	<u>90,390</u>	<u>55,870</u>
	<u>13,669,341</u>	<u>12,553,178</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 14,683,471</u>	<u>\$ 13,858,493</u>

Approved on behalf of Council:

B. N. Adam

Reeve

Coli Bjornson

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, 2020

	2020 Budget (Note 12)	2020 Actual	2019 Actual
REVENUE			
Property taxes	\$ 3,760,943	\$ 3,772,935	\$ 3,430,163
Grants in lieu of taxation	105,291	105,292	97,748
User fees	323,977	345,153	347,486
Permits, licences and fines	250	126	380
Investment income	5,000	28,199	36,384
Other revenue	125,026	254,250	332,204
Water and sewer	59,000	60,304	41,092
Grants - Province of Manitoba	461,107	857,469	478,445
Grants - other	404,739	316,300	473,666
Total revenue (Schedules 2, 4 and 5)	5,245,333	5,740,028	5,237,568
EXPENSES			
General government services	677,616	658,468	662,678
Protective services	333,904	263,188	167,619
Transportation services	2,674,398	2,503,339	2,495,123
Environmental health services	345,945	297,822	359,534
Public health and welfare services	38,853	44,835	37,848
Regional planning and development	71,564	73,186	70,240
Resource conservation and industrial development	206,004	220,092	190,926
Recreation and cultural services	812,806	763,658	696,918
Water and sewer services	104,229	90,462	104,875
Total expenses (Schedules 3, 4 and 5)	5,265,319	4,915,050	4,785,761
	\$ (19,986)	824,978	451,807
ACCUMULATED SURPLUS, BEGINNING OF YEAR		13,858,493	13,406,686
ACCUMULATED SURPLUS, END OF YEAR		\$ 14,683,471	\$ 13,858,493

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, 2020

	<u>2020 Budget (Note 12)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ (19,986)	\$ 824,978	\$ 451,807
Acquisition of tangible capital assets	(1,014,689)	(2,455,429)	(773,360)
Amortization of tangible capital assets	621,285	616,180	602,766
Loss (Gain) on sale of tangible capital assets	-	31,291	43,332
Proceeds on sale of tangible capital assets	-	689,880	-
Decrease (increase) in inventories	-	36,165	274,245
Decrease (increase) in prepaid expense	-	(34,250)	(180)
	<u>(393,404)</u>	<u>(1,116,163)</u>	<u>146,803</u>
CHANGE IN NET FINANCIAL ASSETS	\$ (413,390)	(291,185)	598,610
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,305,315</u>	<u>706,705</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 1,014,130</u>	<u>\$ 1,305,315</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, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 824,978	\$ 451,807
Changes in non-cash items:		
Amounts receivable	381,988	84,662
Inventories	36,165	274,245
Prepays	(34,250)	(180)
Accounts payable and accrued liabilities	(356,698)	(16,160)
Landfill closure and post closure liabilities	14,726	(5,894)
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	31,291	43,332
Amortization	616,180	602,766
Cash provided by operating transactions	<u>1,514,380</u>	<u>1,434,578</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	689,880	-
Cash used to acquire tangible capital assets	<u>(2,455,429)</u>	<u>(773,360)</u>
Cash applied to capital transactions	<u>(1,765,549)</u>	<u>(773,360)</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	583,410	-
Debt repayment	(73,606)	(64,913)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	<u>(36,878)</u>	<u>(35,888)</u>
Cash applied to financing transactions	<u>472,926</u>	<u>(100,801)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	221,757	560,417
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,615,342</u>	<u>1,054,925</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 1,837,099</u>	<u>\$ 1,615,342</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, 2020

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%) (2019 - 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%) (2019 - consolidated 67%)

Eastern Interlake Planning District (consolidated 14.5%) (2019 - consolidated 14.5%)

Evergreen Regional Library (consolidated 29%) (2019 - consolidated 29%)

Interlake Weed Control District (consolidated 25%) (2019 - consolidated 25%)

Arborg-Bifrost Parks and Recreation Commission (consolidated 40%) (2019 - 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>2020</u>	<u>2019</u>
Cash	\$ 214,923	\$ 486,808
Temporary Investments	<u>1,622,176</u>	<u>1,128,534</u>
	<u>\$ 1,837,099</u>	<u>\$ 1,615,342</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,602,774 (2019 - \$1,953,945) 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, 2020, \$2,000,000 remains available for use (2019 - \$2,000,000).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 402,875	\$ 499,972
Government grants	13,817	137,431
Utility customers	1,544	-
Accrued interest	-	-
Organizations and individuals	101,627	239,573
Other governments	<u>120,548</u>	<u>145,423</u>
	<u>640,411</u>	<u>1,022,399</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 640,411</u>	<u>\$ 1,022,399</u>

5. Inventories

Inventories for use:

	<u>2020</u>	<u>2019</u>
Chemicals, herbicides, Insecticides	\$ 4,220	\$ 6,136
Fuel	-	-
Culverts	106,897	91,980
Aggregate	120,538	169,704
Other supplies	-	-
	<u>\$ 231,655</u>	<u>\$ 267,820</u>

6. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 275,335	\$ 497,133
School levies	-	134,900
Other governments	-	-
	<u>\$ 275,335</u>	<u>\$ 632,033</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, 2020, 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 June 30, 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 \$12,238 incurred in 2019 to acquire soil and clay for future closure and maintenance of the cells. In 2020, \$745 was deemed to have been used, leaving \$24,102 available for future use.

For the year ended December 31, 2020, a discount rate of 0.700% (2019 - 2.200%) 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>2020</u>	<u>2019</u>
General Authority:		
Debenture, interest at 5.50%, payable at \$35,118 annually including interest, maturing December 31, 2024	\$ 123,094	\$ 149,964
Debenture, interest at 4.50%, payable at \$132,896 annually including interest, maturing October 1, 2025	\$ 583,410	
Debenture, interest at 7.00%, payable at \$11,780 annually including interest, maturing October 31, 2020	-	11,010
	<u>\$ 706,504</u>	<u>\$ 160,974</u>

Utility Funds:

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

\$ 117,607 \$ 131,925

Consolidated Government Partnerships

BAR Waste Authority Co-op loan bearing interest at prime plus 1.00% per annum, repayable in annual blended payments of \$20,750, matures November 1, 2026

\$ 74,332 \$ 84,574

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.

122,312 129,580

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.

18,040 21,938

\$ 214,684 \$ 236,092

\$ 1,038,795 \$ 528,991

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:

2021	\$ 207,153
2022	\$ 202,068
2023	\$ 200,078
2024	\$ 203,261
2025	\$ 173,435

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:

	2020	2019
2019	\$ -	\$ -
2020	-	40,344
2021	40,344	40,344
2022	40,344	40,344
2023	32,958	32,958
Remainder of lease	-	-
Total minimum lease payments	\$ 113,646	\$ 153,990
Less amount representing future interest at 2.739%	7,354	10,820
Balance of obligation	\$ 106,292	\$ 143,170

Interest expense includes \$3,461 (2019 - \$4,456) with respect to this obligation.

Assets under capital lease includes equipment.

	2020	2019
Cost of leased tangible capital asset(s)	\$ 261,507	\$ 261,507
Accumulated amortization of leased tangible capital asset(s)	(90,865)	(38,564)
	\$ 170,642	\$ 222,943

Amortization expense includes \$10,357 (2019 - \$10,356) on leased tangible capital assets.

10. 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 \$56,797 (2019 - \$60,984) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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.

11. 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.

12. 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.

13 Accumulated Surplus

	<u>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 938,687	\$ 346,204
Utility operating fund(s) - Nominal surplus	(54,315)	(49,790)
TCA net of related borrowings	11,689,298	11,021,877
Reserve funds	<u>1,602,774</u>	<u>1,953,945</u>
Accumulated surplus of municipality unconsolidated	14,176,444	13,272,236
Accumulated surpluses of consolidated entities	<u>507,027</u>	<u>586,257</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 14,683,471</u>	<u>\$ 13,858,493</u>

14. 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, 2020:

- a) Compensation paid to members of council amounted to \$96,142 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Brian Johnson	\$ 12,778	\$ 4,025	\$ 16,803
Councillor - Frode Andersen	9,505	2,056	11,561
Councillor - Chad Johnson	10,842	3,877	14,719
Councillor - Morley Nordal	9,887	2,509	12,396
Councillor - Colin Bjamason	9,570	4,661	14,231
Councillor - David King	9,861	3,278	13,139
Councillor - Gordon Klum	9,589	3,704	13,293
	<u>\$ 72,032</u>	<u>\$ 24,110</u>	<u>\$ 96,142</u>

- c) The following employees received compensation in excess of \$75,000.

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Comeau, Jason</i>	<i>Public Works Manager/Fire Chief</i>	\$ 78,500

15. 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>

16. Segmented Information

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

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

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

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

17. Government Partnerships

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

	<u>2020</u>	<u>2019</u>
Financial Position		
Financial assets	\$ 139,191	\$ 148,786
Financial liabilities	<u>(332,214)</u>	<u>(362,446)</u>
Net financial assets (liabilities)	<u>(193,023)</u>	<u>(213,660)</u>
Non-financial assets	<u>732,804</u>	<u>784,528</u>
Accumulated surplus	<u>\$ 539,781</u>	<u>\$ 570,868</u>
Result of Operations		
Revenues	\$ 419,396	\$ 415,679
Expenses	<u>450,483</u>	<u>489,613</u>
Annual surplus	<u>\$ (31,087)</u>	<u>\$ (73,934)</u>

18. Public Utilities Board

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

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

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

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>\$ 19,365</u>	<u>\$ 550,285</u>

19. 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, 2020

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	2020	2019
Cost										
Opening costs	\$ 2,975,753	\$ 1,257,140	\$ 4,272,187	\$ 123,379	\$ 71,033	\$ 25,901,561	\$ 2,849,753	\$ -	\$ 37,450,806	\$ 36,878,912
Additions during the year	39,937	142,158	1,736,686	1,393	124,151	411,104	-	-	2,455,429	773,360
Transfer during the year	-	71,033	-	-	(71,033)	-	-	-	-	-
Disposals and write downs	-	-	(1,078,227)	-	-	-	-	-	(1,078,227)	(201,466)
Closing costs	<u>3,015,690</u>	<u>1,470,331</u>	<u>4,930,646</u>	<u>124,772</u>	<u>124,151</u>	<u>26,312,665</u>	<u>2,849,753</u>	<u>-</u>	<u>38,828,008</u>	<u>37,450,806</u>
Accumulated Amortization										
Opening accum'd amortization	474,374	704,719	2,159,372	67,113	-	20,551,225	1,264,515	-	25,221,318	24,776,686
Amortization	88,769	38,282	223,361	18,179	-	185,852	61,717	-	616,180	602,766
Disposals and write downs	-	-	(356,786)	-	-	-	-	-	(356,786)	(158,134)
Closing accum'd amortization	<u>563,163</u>	<u>743,001</u>	<u>2,025,947</u>	<u>85,292</u>	<u>-</u>	<u>20,737,077</u>	<u>1,326,232</u>	<u>-</u>	<u>25,480,712</u>	<u>25,221,318</u>
Net Book Value of Tangible Capital Assets	<u>\$ 2,452,527</u>	<u>\$ 727,330</u>	<u>\$ 2,904,699</u>	<u>\$ 39,480</u>	<u>\$ 124,151</u>	<u>\$ 5,575,588</u>	<u>\$ 1,523,521</u>	<u>\$ -</u>	<u>\$ 13,347,296</u>	<u>\$ 12,229,488</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 3,697,729	\$ 3,376,859
Taxes added	75,206	53,304
	<u>3,772,935</u>	<u>3,430,163</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	105,292	97,748
Provincial government	-	-
Provincial government enterprises	-	-
Other municipal governments	-	-
Non-government organizations	-	-
	<u>105,292</u>	<u>97,748</u>
User fees		
Parking meters	-	-
Sales of service	334,788	337,445
Sales of goods	-	-
Rentals	10,365	10,041
Development charges	-	-
Facility use fees	-	-
	<u>345,153</u>	<u>347,486</u>
Permits, licences and fines		
Permits	-	-
Licences	126	380
Fees	-	-
Fines	-	-
	<u>126</u>	<u>380</u>
Investment income:		
Cash and temporary investments	28,199	36,384
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>28,199</u>	<u>36,384</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(31,291)	(12,144)
Gain on sale of real estate held for sale	-	-
Contributed assets	103,708	-
Penalties and interest	64,259	51,783
Miscellaneous (specify):	117,574	292,565
	<u>254,250</u>	<u>332,204</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	60,304	41,092
Consolidated water co-operatives	-	-
	<u>60,304</u>	<u>41,092</u>
Grants - Province of Manitoba		
Municipal operating grants	456,273	254,033
Other unconditional grants	-	-
Conditional grants	401,196	224,412
	<u>857,469</u>	<u>478,445</u>
Grants - other		
Federal government - gas tax funding	181,793	362,350
Federal government - other	-	-
Other municipal governments	134,507	111,316
	<u>316,300</u>	<u>473,666</u>
Total revenue	<u>\$ 5,740,028</u>	<u>\$ 5,237,568</u>

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 134,393	\$ 104,922
General administrative	451,144	465,147
Other	72,931	92,609
	<u>658,468</u>	<u>662,678</u>
Protective services:		
Police	-	-
Fire	258,688	163,186
Emergency measures	-	-
Other	4,500	4,433
	<u>263,188</u>	<u>167,619</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	2,477,357	2,470,640
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	19,317	20,027
Other	6,665	4,456
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,503,339</u>	<u>2,495,123</u>
Environmental health services:		
Waste collection and disposal	222,166	289,461
Recycling	72,656	67,073
Other	3,000	3,000
	<u>297,822</u>	<u>359,534</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,643	6,643
Other	38,192	31,205
	<u>44,835</u>	<u>37,848</u>
Regional planning and development		
Planning and zoning	73,186	70,240
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>73,186</u>	<u>70,240</u>
Resource conservation and industrial development		
Rural area weed control	74,994	85,786
Drainage of land	-	-
Veterinary services	11,500	11,500
Water resources and conservation	10,000	9,550
Regional development	123,598	84,090
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>220,092</u>	<u>190,926</u>
Sub-totals forward	\$ 4,060,930	\$ 3,983,968

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Sub-totals forward	\$ 4,060,930	\$ 3,983,968
Recreation and cultural services:		
Administration	365,296	270,334
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	308,859	337,832
Other recreational facilities	-	-
Museums	-	-
Libraries	89,503	88,752
Other cultural facilities	-	-
	<u>763,658</u>	<u>696,918</u>
Water and sewer services		
Municipal utility(ies) (Schedule 9)	90,462	104,875
Consolidated water co-operatives	-	-
	<u>90,462</u>	<u>104,875</u>
Total expenses	\$ 4,915,050	\$ 4,785,761

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2020

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 3,772,935	\$ 3,410,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	105,292	97,748	-	-	-	-	-	-	-	-
User fees	23,011	10,041	883	-	60,433	67,238	76,863	38,118	-	-
Grants - other	181,793	362,350	-	-	-	-	-	-	-	-
Permits, licences and fines	126	380	-	-	-	-	-	-	-	-
Investment income	28,199	35,870	-	-	-	-	-	-	-	-
Other revenue	278,492	210,146	-	-	(31,291)	(12,144)	-	15,769	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	456,273	254,033	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	13,971	4,638	151,780	25,000	3,980	7,401	55,274	62,823	23,875	-
Total revenue	\$ 4,860,092	\$ 4,385,768	\$ 152,663	\$ 25,000	\$ 33,122	\$ 62,495	\$ 132,137	\$ 116,710	\$ 23,875	\$ -
EXPENSES										
Personnel services	\$ 342,382	\$ 321,731	\$ 72,413	\$ 64,907	\$ 526,971	\$ 583,056	\$ 44,313	\$ 31,676	\$ -	\$ -
Contract services	215,039	219,009	96,221	105,635	726,257	669,286	162,529	200,565	-	-
Utilities	15,016	17,085	17,602	21,127	30,463	33,493	1,994	1,758	-	-
Maintenance materials and supplies	12,056	21,490	63,774	27,100	873,518	804,607	6,668	14,361	-	-
Grants and contributions	4,150	5,732	(83,124)	(91,946)	-	-	44,456	67,073	38,191	31,204
Amortization	22,881	20,134	96,139	34,657	346,130	404,681	33,964	39,069	6,644	6,644
Interest on long term debt	14,995	24,939	-	4,456	-	-	2,410	2,552	-	-
Other	31,949	32,558	163	1,683	-	-	1,488	2,480	-	-
Total expenses	\$ 658,468	\$ 662,678	\$ 263,188	\$ 167,619	\$ 2,503,339	\$ 2,495,123	\$ 297,822	\$ 359,534	\$ 44,835	\$ 37,848
Surplus (Deficit)	\$ 4,201,624	\$ 3,723,090	\$ (110,525)	\$ (142,619)	\$ (2,470,217)	\$ (2,432,628)	\$ (165,685)	\$ (242,824)	\$ (20,960)	\$ (37,848)

* 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, 2020

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,601	\$ 3,772,935	\$ 3,430,163
Grants in lieu of taxation	-	-	-	-	-	-	-	-	105,292	97,748
User fees	98,087	98,878	-	-	85,876	133,211	-	-	345,153	347,486
Grants - other	20,326	20,233	-	-	114,181	91,083	-	-	316,300	473,666
Permits, licences and fines	-	-	-	-	-	-	-	-	126	380
Investment income	-	514	-	-	-	-	-	-	28,199	36,384
Other revenue	1,043	597	-	-	6,006	117,836	-	-	254,250	332,204
Water and sewer	-	-	-	-	-	-	60,304	41,092	60,304	41,092
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	456,273	254,033
Prov of MB - Conditional Grants	12,862	11,400	-	-	139,454	113,150	-	-	401,196	224,412
Total revenue	\$ 132,318	\$ 131,622	\$ -	\$ -	\$ 345,517	\$ 455,280	\$ 60,304	\$ 60,693	\$ 5,740,028	\$ 5,237,568
EXPENSES										
Personnel services	\$ 43,710	\$ 39,831	\$ 45,857	\$ 50,201	\$ 101,671	\$ 135,339	\$ 14,840	\$ 15,021	\$ 1,192,157	\$ 1,241,762
Contract services	26,191	26,946	65,884	37,104	431,823	372,500	-	-	1,723,944	1,631,045
Utilities	1,064	1,056	751	624	33,443	41,679	-	-	100,333	116,822
Maintenance materials and supplies	1,976	2,292	17,434	22,988	93,993	79,509	30,394	12,389	1,099,813	984,736
Grants and contributions	-	-	79,339	66,704	-	7,150	-	-	83,012	85,917
Amortization	245	33	1,763	2,118	68,463	55,479	39,951	39,951	616,180	602,766
Interest on long term debt	-	82	9,019	11,140	4,141	4,368	5,277	5,828	35,842	53,365
Other	-	-	45	47	30,124	894	-	31,686	63,769	69,348
Total expenses	\$ 73,186	\$ 70,240	\$ 220,092	\$ 190,926	\$ 763,658	\$ 696,918	\$ 90,462	\$ 104,875	\$ 4,915,050	\$ 4,785,761
Surplus (Deficit)	\$ 59,132	\$ 61,382	\$ (220,092)	\$ (190,926)	\$ (418,141)	\$ (241,638)	\$ (30,158)	\$ (44,182)	\$ 824,978	\$ 451,807

MUNICIPALITY OF BIFROST-RIVERTON
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2020

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 3,772,935	\$ 3,430,163	\$ -	\$ -	\$ -	\$ -	\$ 3,772,935	\$ 3,430,163
Grants in lieu of taxation	105,292	97,748	-	-	-	-	105,292	97,748
User fees	84,326	77,283	5,742	23,847	255,085	246,356	345,153	347,486
Grants - other	181,793	362,350	2,000	-	132,507	111,316	316,300	473,666
Permits, licences and fines	126	380	-	-	-	-	126	380
Investment income	28,199	35,870	-	-	-	514	28,199	36,384
Other revenue	247,203	308,499	7,047	-	-	23,705	254,250	332,204
Water and sewer	60,304	41,092	-	-	-	-	60,304	41,092
Prov of MB - Unconditional Grants	456,273	254,033	-	-	-	-	456,273	254,033
Prov of MB - Conditional Grants	359,295	176,055	10,097	14,569	31,804	33,788	401,196	224,412
Total revenue	\$ 5,295,746	\$ 4,783,473	\$ 24,886	\$ 38,416	\$ 419,396	\$ 415,679	\$ 5,740,028	\$ 5,237,568
EXPENSES								
Personnel services	\$ 937,465	\$ 984,715	\$ 19,141	\$ 14,477	\$ 235,551	\$ 242,570	\$ 1,192,157	\$ 1,241,762
Contract services	1,667,356	1,573,165	2,145	1,532	54,443	56,348	1,723,944	1,631,045
Utilities	64,103	72,701	-	-	36,230	44,121	100,333	116,822
Maintenance materials and supplies	991,045	870,839	55,158	33,790	53,610	80,107	1,099,813	984,736
Grants and contributions	83,012	85,917	-	-	-	-	83,012	85,917
Amortization	574,075	546,747	-	-	42,105	56,019	616,180	602,766
Interest on long term debt	29,291	46,363	-	-	6,551	7,002	35,842	53,365
Other	41,776	65,850	-	52	21,993	3,446	63,769	69,348
Total expenses	\$ 4,388,123	\$ 4,246,297	\$ 76,444	\$ 49,851	\$ 450,483	\$ 489,613	\$ 4,915,050	\$ 4,785,761
Surplus (Deficit)	\$ 907,623	\$ 537,176	\$ (51,558)	\$ (11,435)	\$ (31,087)	\$ (73,934)	\$ 824,978	\$ 451,807

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2020

SCHEDULE 6

	2020							
	General Reserve	Equipment Reserve	Drainage Reserve	Gas Tax Reserve	Bifrost Fire Reserve	General Reserve	Capital Reserve	Riverton Fire Reserve
REVENUE								
Investment Income	\$ 2,023	\$ 1,786	\$ 894	\$ 10,370	\$ 1,765	\$ -	\$ 981	\$ 1,897
Other income	-	-	-	-	-	-	-	-
Total revenue	2,023	1,786	894	10,370	1,765	-	981	1,897
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	2,023	1,786	894	10,370	1,765	-	981	1,897
TRANSFERS								
Transfers from general operating fund	15,000	5,650	-	181,793	25,000	-	-	43,576
Transfers to general operating fund	-	-	(50,000)	-	-	-	-	-
Transfer to (from) other reserve	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(100,000)	-	(411,104)	(50,000)	-	-	(39,590)
CHANGE IN RESERVE FUND BALANCES	17,023	(92,564)	(49,106)	(218,941)	(23,235)	-	981	5,883
FUND SURPLUS, BEGINNING OF YEAR	148,022	173,924	136,825	803,292	115,109	-	69,608	143,509
FUND SURPLUS, END OF YEAR	\$ 165,045	\$ 81,360	\$ 87,719	\$ 584,351	\$ 91,874	\$ -	\$ 70,589	\$ 149,392

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2020

SCHEDULE 6

	2020						2019	
	Utility Reserve	Lagoon Reserve	Building Reserve	Econ Dev Reserve	Sidewalk Reserve	Arborg Bifrost Fire Capital	Total	
REVENUE								
Investment Income	\$ 301	\$ 298	\$ 1,712	\$ 725	\$ -	\$ 1,357	\$ 24,109	\$ 30,367
Other Income	-	-	-	-	-	2,058	2,058	7,085
Total revenue	301	298	1,712	725	-	3,415	26,167	37,452
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	301	298	1,712	725	-	3,415	26,167	37,452
TRANSFERS								
Transfers from general operating fund	-	-	-	-	-	58,200	329,219	838,931
Transfers to general operating fund	-	-	-	-	-	(23,763)	(73,763)	(651,668)
Transfer to (from) other reserve	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(32,100)	-	-	(632,794)	-
CHANGE IN RESERVE FUND BALANCES	301	298	1,712	(31,375)	-	37,852	(351,171)	224,715
FUND SURPLUS, BEGINNING OF YEAR	24,977	23,628	120,786	83,329	-	110,936	1,953,945	1,729,230
FUND SURPLUS, END OF YEAR	\$ 25,278	\$ 23,926	\$ 122,498	\$ 51,954	\$ -	\$ 148,788	\$ 1,602,774	\$ 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, 2020

	2020 Budget	2020 Actual	2019 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, 2020

SCHEDULE 8

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	1,544	-
Portfolio investments	-	-
Due from other funds	-	-
	<u>\$ 1,544</u>	<u>\$ -</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 306	\$ 845
Deferred revenue	-	-
Long-term debt (Note 8)	117,607	131,925
Due to other funds	55,553	48,945
	<u>173,466</u>	<u>181,715</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (171,922)</u>	<u>\$ (181,715)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 876,030	\$ 915,981
Inventories	-	-
Prepaid expenses	-	-
	<u>876,030</u>	<u>915,981</u>
FUND SURPLUS (DEFICIT)	<u>\$ 704,108</u>	<u>\$ 734,266</u>

SCHEDULE OF UTILITY OPERATIONS - Name of Utility

For the Year Ended December 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	58,400	58,753	40,457
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>58,400</u>	<u>58,753</u>	<u>40,457</u>
Property taxes		-	19,597
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	600	1,551	635
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	100	-	-
sub-total- other	<u>700</u>	<u>1,551</u>	<u>635</u>
Total revenue	<u>\$ 59,100</u>	<u>\$ 60,304</u>	<u>\$ 60,689</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility
For the Year Ended December 31, 2020

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2020</u>	<u>2019</u>
General			
Administration	\$ 16,000	\$ 14,840	\$ 15,021
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	31,686
sub-total- general	<u>16,000</u>	<u>14,840</u>	<u>46,707</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	21,020	8,550
Treatment and disposal cost	3,400	2,917	774
Lift Station costs	3,000	6,457	3,064
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>25,400</u>	<u>30,394</u>	<u>12,388</u>
Sewage Amortization & Interest			
Amortization	-	39,951	39,951
Interest on long term debt	-	5,277	5,827
sub-total- sewer amortization & interest	<u>-</u>	<u>45,228</u>	<u>45,778</u>
Total expenses	<u>41,400</u>	<u>90,462</u>	<u>104,873</u>
NET OPERATING SURPLUS	17,700	(30,158)	(44,184)
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ 17,700</u>	<u>(30,158)</u>	<u>(44,184)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>734,266</u>	<u>778,450</u>
FUND SURPLUS, END OF YEAR		<u>\$ 704,108</u>	<u>\$ 734,266</u>

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 10

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

For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,760,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,760,943
Grants in lieu of taxation	105,291	-	-	-	-	-	-	105,291
User fees	63,150	-	-	-	-	-	260,827	323,977
Permits, licences and fines	250	-	-	-	-	-	-	250
Investment income	5,000	-	-	-	-	-	-	5,000
Other revenue	117,979	-	-	-	-	-	7,047	125,026
Water and sewer	-	59,000	-	-	-	-	-	59,000
Grants - Province of Manitoba	415,790	-	-	-	-	-	45,317	461,107
Grants - other	270,232	-	-	-	-	-	134,507	404,739
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	518,896	-	-	-	(518,896)	-	-	-
Total revenue	\$ 5,257,531	\$ 59,000	\$ -	\$ -	\$ (518,896)	\$ -	\$ 447,698	\$ 5,245,333
EXPENSES								
General government services	\$ 639,310	\$ -	\$ 22,881	\$ 14,995	\$ 430	\$ -	\$ -	\$ 677,616
Protective services	237,765	-	96,139	-	-	-	-	333,904
Transportation services	2,328,288	-	346,130	-	-	-	-	2,674,398
Environmental health services	215,650	-	39,069	2,410	-	-	88,816	345,945
Public health and welfare services	32,209	-	6,644	-	-	-	-	38,853
Regional planning and development	24,921	-	245	-	-	-	46,398	71,564
Resource cons and industrial dev	129,429	-	1,763	9,019	-	-	65,793	206,004
Recreation and cultural services	414,282	-	68,463	4,141	-	-	325,920	812,806
Water and sewer services	-	59,000	39,951	5,278	-	-	-	104,229
Fiscal services:								
Transfer to capital	1,014,689	-	-	-	(1,014,689)	-	-	-
Debt charges	66,493	-	-	(66,493)	-	-	-	-
Short term interest	25,000	-	-	(25,000)	-	-	-	-
Deficit recovery	58,435	-	-	(58,435)	-	-	-	-
Transfer to reserves	70,650	-	-	(70,650)	-	-	-	-
Allowance for tax assets	430	-	-	-	(430)	-	-	-
Total expenses	\$ 5,257,531	\$ 59,000	\$ 621,285	\$ (184,735)	\$ (1,014,689)	\$ -	\$ 526,927	\$ 5,265,319
Surplus (Deficit)	\$ -	\$ -	\$ (621,285)	\$ 184,735	\$ 495,793	\$ -	\$ (79,229)	\$ (19,986)

**MUNICIPALITY OF BIFROST-RIVERTON
ANALYSIS OF TAXES ON ROLL
December 31, 2020**

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 499,972	\$ 481,127
Add:		
Tax levy (Schedule 12)	6,117,049	5,574,905
Taxes added	75,206	53,304
Penalties or interest	64,259	51,783
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	6,256,514	5,679,992
Deduct:		
Cash collections - current	5,517,265	4,755,631
Cash collections - arrears	318,634	399,013
Write-offs	-	-
Tax discounts	-	-
E.P.T.C. - cash advance	517,712	506,503
Other credits (specify)	-	-
Sub-total	6,353,611	5,661,147
Balance, end of year	\$ 402,875	\$ 499,972

MUNICIPALITY OF BIFROST-RIVERTON

SCHEDULE 12

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2020

	2020			2019
	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	\$ 13,563,950	0.729	9,888	9,808
Lagoon	\$ 16,614,270	1.028	17,079	17,014
Bifrost Sewer	\$ -	-	32,777	32,777
Other (specify)	\$ -	-	-	-
sub-total- Debt charges			<u>59,745</u>	<u>59,599</u>
Deficit recovery	\$ -	-	<u>56,784</u>	-
Reserves:				
Name of reserve	\$ -	-	-	-
Name of reserve	\$ -	-	-	-
Name of reserve	\$ -	-	-	-
sub-total- Reserves			<u>-</u>	<u>-</u>
General municipal	\$ 204,811,150	17.373	<u>3,550,000</u>	<u>3,286,060</u>
Special levies:				
Urban Area	\$ -	-	31,200	31,200
Rural Area	\$ -	-	-	-
sub-total- Special levies			<u>31,200</u>	<u>31,200</u>
Business tax (rate%)	\$ -	-	-	-
Total municipal taxes (Schedule 2)			<u>3,697,729</u>	<u>3,376,859</u>
Education support levy	\$ 17,489,740	8.830	<u>154,434</u>	<u>159,563</u>
Special levies:				
Evergreen	\$ 200,422,590	11.140	2,232,708	2,011,133
Lakeshore	\$ 2,169,810	14.830	32,178	27,350
sub-total- Special levies			<u>2,264,886</u>	<u>2,038,483</u>
Total education taxes			<u>2,419,320</u>	<u>2,198,046</u>
Total tax levy (Schedule 11)			<u>\$ 6,117,049</u>	<u>\$ 5,574,905</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	<u>2020 Actual</u>	<u>2019 Actual</u>
General government services:		
Legislative	\$ 134,393	\$ 104,922
General administrative	451,144	465,147
Other	72,931	92,609
	<u>658,468</u>	<u>662,678</u>
Protective services:		
Police	-	-
Fire	258,688	163,186
Emergency measures	-	-
Other	4,500	4,433
	<u>263,188</u>	<u>167,619</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	2,506,974	2,470,640
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	19,316	20,027
Other	6,665	4,456
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>2,532,955</u>	<u>2,495,123</u>
Environmental health services:		
Waste collection and disposal	142,785	224,669
Recycling	41,456	67,073
Other	3,000	3,000
	<u>187,241</u>	<u>294,742</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	6,644	6,644
Other	38,191	31,205
	<u>44,835</u>	<u>37,849</u>
Regional planning and development		
Planning and zoning	26,789	23,568
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>26,789</u>	<u>23,568</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	10,000	9,550
Regional development	123,598	84,090
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>154,298</u>	<u>114,340</u>
Sub-totals forward	<u>\$ 3,867,774</u>	<u>\$ 3,795,919</u>

MUNICIPALITY OF BIFROST-RIVERTON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	<u>2020 Actual</u>	<u>2019 Actual</u>
Sub-totals forward	\$ 3,867,774	\$ 3,795,919
Recreation and cultural services:		
Administration	365,296	270,334
Community centers and halls	-	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	37,807	40,163
Other recreational facilities	-	-
Museums	-	-
Libraries	34,625	34,625
Other cultural facilities	-	-
	<u>437,728</u>	<u>345,122</u>
Total expenses	\$ 4,305,502	\$ 4,141,041

MUNICIPALITY OF BIFROST-RIVERTON
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - (Unaudited)
December 31, 2020

SCHEDULE 14

	<u>General</u>	<u>2020 Utility</u>	<u>Total</u>	<u>2019 Total</u>
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (123,702)	\$ (4,524)	\$ (128,226)	\$ 56,452
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	329,219	-	329,219	838,931
Eliminate revenue - transfers from reserves	(706,557)	-	(706,557)	(651,668)
Increase revenue - reserve funds interest	26,167	-	26,167	37,452
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(82,645)	-	(82,645)	(85,369)
Increase expense - amortization of tangible capital assets	(534,124)	(39,951)	(574,075)	(602,766)
Decrease revenue - loan proceeds	(583,410)	-	(583,410)	-
Decrease revenue - obligation under capital lease proceeds	-	-	-	-
Decrease expense - principal portion of debenture debt	37,880	14,318	52,198	49,527
Decrease expense - principal portion of capital leases	36,878	-	36,878	35,888
Eliminate expense - acquisitions of tangible capital assets	2,455,429	-	2,455,429	773,360
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 855,135	\$ (30,157)	\$ 824,978	\$ 451,807