

TOWN OF NIVERVILLE
INDEPENDENT AUDITOR'S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

STATEMENT OF MANAGEMENT RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Niverville and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of 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 Town 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.

Fort Group Chartered Professional Accountants Inc. as the Town of Niverville's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's Report is addressed to the Mayor and members of Council and appears on the following pages. 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 Town of Niverville in accordance with Canadian public sector accounting standards.

Eric King, CPA, CGA, Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of the Council of the Town of Niverville:

Opinion

We have audited the accompanying consolidated financial statements of Town of Niverville, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net financial assets, and cash flow for the year then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Town of Niverville as at December 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 consolidated 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements representing the underlying transactions and events in a manner that achieved fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the organization to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

**Winnipeg, Manitoba
June 23, 2020**

Fort Group
**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

TOWN OF NIVERVILLE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

INDEX

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flow	8
Notes to the Consolidated Financial Statements	9 - 18
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	19
Schedule 2 - Consolidated Schedule of Revenues	20
Schedule 3 - Consolidated Schedule of Expenses	21 - 22
Schedule 4 - Consolidated Statement of Operations by Program	23 - 24
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	25
Schedule 6 - Schedule of Change in Reserve Fund Balances	26
Schedule 7 - Schedule of L.U.D. operations	27
Schedule 8 - Schedule of Financial Position for Utilities	28
Schedule 9 - Schedule of Utility Operations	29 - 30
Schedule 10 - Reconciliation of the Financial Plan to the Budget	31
Schedule 11 - Analysis of Taxes on Roll	32
Schedule 12 - Analysis of Tax Levy	33
Schedule 13 - Schedule of General Operating Fund Expenses	34
Schedule 14 - Reconciliation of Annual Surplus (Deficit)	35

**TOWN OF NIVERVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 7,695,940	6,879,506
Amounts receivable (Note 4)	6,524,028	2,278,675
Real estate properties held for sale	63,853	77,379
Other inventories for sale (Note 5)	<u>60,515</u>	<u>109,112</u>
	<u>14,344,336</u>	<u>9,344,672</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	2,471,702	1,150,759
Long-term debt (Note 8)	1,149,508	1,881,670
Line of credit (Note 9)	<u>5,537,040</u>	<u>-</u>
	<u>9,158,250</u>	<u>3,032,429</u>
NET FINANCIAL ASSETS	<u>5,186,086</u>	<u>6,312,243</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	45,302,160	34,419,901
Real estate inventories (Note 5)	543,642	555,594
Inventories (Note 5)	7,005	973
Prepaid expenses	<u>41,526</u>	<u>55,808</u>
	<u>45,894,333</u>	<u>35,032,276</u>
ACCUMULATED SURPLUS (Note 16)	<u>\$ 51,080,419</u>	<u>41,344,519</u>

APPROVED ON BEHALF OF COUNCIL:

Myron Dyck - Mayor

John Funk - Deputy Mayor

The accompanying notes are an integral part of this financial statement.

**TOWN OF NIVERVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2019**

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 14)		
REVENUE			
Property taxes	\$ 7,319,170	3,824,256	3,556,824
Grants in lieu of taxation	67,656	25,784	28,785
User fees	342,435	576,828	771,126
Permits, licenses and fines	68,700	87,767	82,528
Investment income	190,126	143,029	107,389
Other revenue	8,665,890	2,425,827	1,635,572
Water and sewer	1,034,219	3,417,545	1,618,277
Grants - Province of Manitoba	4,403,648	2,065,815	1,360,230
Grants - other	<u>8,048,095</u>	<u>3,369,571</u>	<u>293,376</u>
Total revenue (Schedule 2, 4 and 5)	<u>30,139,939</u>	<u>15,936,422</u>	<u>9,454,107</u>
EXPENSES			
General government services	1,191,432	1,157,867	1,182,523
Protective services	648,315	667,877	564,995
Transportation services	2,132,337	1,586,080	1,678,202
Environmental health services	309,160	300,189	283,137
Public health and welfare services	54,867	30,041	31,019
Regional planning and development	123,895	75,739	98,166
Resource conservation and industrial development	443,877	438,116	398,177
Recreation and cultural services	20,273,784	854,726	641,815
Water and sewer services	<u>1,368,601</u>	<u>1,089,887</u>	<u>1,043,089</u>
Total expenses (Schedule 3, 4 and 5)	<u>26,546,268</u>	<u>6,200,522</u>	<u>5,921,123</u>
ANNUAL SURPLUS	<u>\$ 3,593,671</u>	<u>9,735,900</u>	<u>3,532,984</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>41,344,519</u>	<u>37,811,535</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>51,080,419</u>	<u>41,344,519</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF NIVERVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2019**

	2019		2018
	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
ANNUAL SURPLUS	\$ <u>3,593,671</u>	<u>9,735,900</u>	<u>3,532,984</u>
Acquisition of tangible capital assets	(3,913,861)	(12,596,610)	(5,217,691)
Amortization of tangible capital assets	1,714,355	1,714,357	1,560,134
Loss on disposal of tangible capital assets	-	-	-
Decrease (increase) in inventories	-	5,914	(31,405)
Decrease (increase) in prepaid expense	<u>-</u>	<u>14,282</u>	<u>(24,749)</u>
	<u>(2,199,506)</u>	<u>(10,862,057)</u>	<u>(3,713,711)</u>
 CHANGE IN FINANCIAL ASSETS	 \$ <u>1,394,165</u>	 (1,126,157)	 (180,727)
 NET FINANCIAL ASSETS, BEGINNING OF YEAR		 <u>6,312,243</u>	 <u>6,492,970</u>
 NET FINANCIAL ASSETS, END OF YEAR		 <u>5,186,086</u>	 <u>6,312,243</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF NIVERVILLE
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED IN):		
OPERATING TRANSACTIONS		
Annual surplus	\$ 9,735,900	3,532,984
Change in non-cash items:		
Amounts receivable	(4,245,353)	(295,687)
Inventories	42,565	(103,896)
Prepays	14,282	(24,749)
Accounts payable and accrued liabilities	1,320,943	(555,471)
Amortization	<u>1,714,357</u>	<u>1,560,134</u>
Cash provided by operating transactions	<u>8,582,694</u>	<u>4,113,315</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(12,596,610)</u>	<u>(5,217,691)</u>
INVESTING TRANSACTIONS		
Disposition (acquisition) of real estate properties	<u>25,472</u>	<u>(2,863)</u>
FINANCING TRANSACTIONS		
Debt advances	5,537,040	1,200,000
Debt repayment	<u>(732,162)</u>	<u>(127,530)</u>
Cash provided by financing transactions	<u>4,804,878</u>	<u>1,072,470</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	816,434	(34,769)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>6,879,506</u>	<u>6,914,275</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 7,695,940</u>	<u>6,879,506</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

1. STATUS OF THE TOWN OF NIVERVILLE

The incorporated Town of Niverville (the "Town") is a municipal government that was incorporated as the Village of Niverville on January 1, 1969 and became a Town in 1993 pursuant to the Manitoba Municipal Act. The Town provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Town operates two utilities, has several designated special purpose reserves and provides 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 Canadian 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 Town. 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 Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Niverville Community Development Corporation

(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.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 include the amount of acquisition, legal fees and improvements to prepare the properties for sale or servicing.

It is reasonably estimated that real estate properties held for resale will be sold outside the reporting entity within one year of the date of the Statement of Financial Position.

(f) 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.

(g) 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 Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Tangible Capital Assets (continued)

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 and Crown lands that have not been purchased by the Town, such as forests, water, and other natural resources are not recognized as tangible capital assets.

(h) 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.

(i) 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.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

(k) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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.

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash and temporary investments	\$ <u>7,695,940</u>	<u>6,879,506</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Town has designated \$4,924,297 (2018 - \$5,235,795) to reserves for debt principal repayments and tangible capital assets acquisitions. See Schedule 6 - Schedule of Change in Reserve Fund Balances.

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 1,324,676	1,110,889
Government grants	3,290,687	67,750
Utility customers	262,623	232,137
Organizations and individuals	1,463,049	937,467
Other governments	<u>306,297</u>	<u>50,716</u>
	6,647,332	2,398,959
Less allowances for doubtful amounts	<u>(123,304)</u>	<u>(120,284)</u>
	<u>\$ 6,524,028</u>	<u>2,278,675</u>

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

5. INVENTORIES

	<u>2019</u>	<u>2018</u>
Inventories for sale:		
Water meters	\$ 18,791	65,367
Recycle bins	33,948	43,745
Anniversary clothing	<u>7,776</u>	<u>-</u>
\$ <u>60,515</u>	<u>109,112</u>	
Real estate inventory for sale (long term - note 2)	<u>\$ 543,642</u>	<u>555,594</u>
Inventories for use:		
Materials & supplies for use	<u>\$ 7,005</u>	<u>973</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 2,285,544	964,112
Accrued liabilities	135,965	136,550
Other governments	<u>50,193</u>	<u>50,097</u>
\$ <u>2,471,702</u>	<u>2,471,702</u>	<u>1,150,759</u>

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

The Town of Niverville does not have a landfill. The Rural Municipality of Richot owns the landfill and it is managed by Mid-Canada Waste Services. The Town of Niverville pays a fee based on the tonnage disposed. It is assumed that the fee includes portioned closure and post closure costs.

8. LONG TERM DEBT

	<u>2019</u>	<u>2018</u>
General Authority		
Non-interest bearing mortgage from 5783411 Manitoba Ltd., payable in two annual instalments of \$600,000, secured by the property, maturing January 2020	\$ 600,000	1,200,000
RBC Mortgage, interest at 5.309%, payable at \$49,762 annually including interest, maturing December 2022	155,749	202,521
Debenture (BL 647-07 LID#14), interest at 5.283% payable at \$53,254 annually including interest, maturing December 2021	122,406	179,042
Debenture (BL 647-07 LID#15), interest at 5.875% payable at \$4,276 annually including interest, maturing December 2022	<u>10,876</u>	<u>14,107</u>
	889,031	1,595,670
Utility Funds		
Debenture (BL 659-08 LID#12), interest at 5.391%, payable at \$34,286 annually including interest, maturing December 2027	<u>260,477</u>	<u>286,000</u>
\$ <u>1,149,508</u>	<u>1,149,508</u>	<u>1,881,670</u>

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

8. LONG TERM DEBT (Continued)

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

2020	\$	739,202
2021		146,618
2022		88,335
2023		31,488
2024		33,185
Thereafter		<u>110,680</u>
	\$	<u>1,149,508</u>

9. LINE OF CREDIT

The Town has a line of credit through Niverville Credit Union. This agreement has a maximum limit of \$9,000,000 (2018 - nil). At December 31, 2019 the Town had a balance of \$5,537,040 (2018 - nil). The amount outstanding is charged interest 3.95%. The amounts are due on demand.

10. SCHEDULE OF DEBENTURE PENDING

Authority	Purpose	Amount Authorized
BL 762-16	Community Resource Recreation Centre general borrowing	\$ 4,500,000
BL 776-17	Water Pipeline and new well field	600,000

11. COMMITMENTS

The Town has entered into a contract with WSP Canada for \$90,000 for design and tendering of the 3rd Avenue South Lift Station and Forcemain upgrades. The Town has also entered into cost-sharing agreements with developers for their portions of the total cost of the project.

The Town has entered into a contract with Von Ast Construction and Hildebrand Architecture Inc. for the construction of the Town of Niverville Community Recreation Centre. The total contract price is \$15,534,115. At December 31, 2019, the project is 23% complete.

12. RETIREMENT BENEFITS

The majority of the employees of the Town 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 Canadian Public Sector Accounting Standards Handbook section PS 3250.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

12. RETIREMENT BENEFITS (Continued)

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 Town on behalf of its employees amounted to \$69,386 (2018 - \$62,460) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2015.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

13. FINANCIAL INSTRUMENTS

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town 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.

14. SUBSEQUENT EVENTS

In 2019, Council declared the property at 86 Main Street as a surplus asset and allowed for the sale of the property through the Request for Proposal process (RES 67-19). Subsequently, council accepted an offer on the property with possession to take place January 15, 2020.

Subsequent to December 31, 2019, the Town acquired a medical clinic operating as Open Health Niverville. The acquisition of the clinic was completed on March 2, 2020 and the clinic began operating as Niverville Health Care Services Inc.

Subsequent to December 31, 2019, COVID-19 or the coronavirus has become a global pandemic resulting in governments in Canada and around world enacting emergency measures to combat the spread of the virus. These measures which include social distancing, self-imposed isolation periods, travel bans and declarations of state of emergency have caused an economic downturn and material disruption to business. Governments including Manitoba and Canada have reacted with interventions intended to stabilize economy. At this time, it is not possible to determine the length and severity of this pandemic including the impact this would have on the Town's financial position and performance.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

15. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Town 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.

16. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal Surplus	\$ 5,294,496	1,493,613
Utility operating fund(s) - Nominal Surplus	1,339,929	1,110,520
Tangible capital assets net of related borrowings	38,560,788	32,483,202
Reserve funds	<u>4,924,297</u>	<u>5,325,795</u>
Accumulated surplus of Town	<u>\$ 50,119,510</u>	<u>40,413,130</u>
Accumulated surpluses of controlled entities	<u>960,909</u>	<u>931,389</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 51,080,419</u>	<u>41,344,519</u>

17. 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 \$75,000 annually to any member of Council, officer or employee of the Town. For the year ended December 31, 2019:

- a) Compensation paid to members of Council amounted to \$96,004 in aggregate.
- b) There were no members of Council receiving compensation in excess of \$75,000 individually.

<u>Council Member</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Myron Dyck	\$ 25,111	662	25,773
Councillor - John Funk	18,378	432	18,810
Councillor - Cris Wiebe	17,388	553	17,941
Councillor - Nathan Dueck	16,437	506	16,943
Councillor - Kevin Stott	<u>16,150</u>	<u>387</u>	<u>16,537</u>
	<u>\$ 93,464</u>	<u>2,540</u>	<u>96,004</u>

- c) The following officers received compensation in excess of \$75,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jim Buys	Executive Advisor	\$ 111,315
Eric King	CAO	121,996
Ryan Dyck	Operations Manager	91,550

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

18. TRUST FUNDS

The Town of Niverville administers the following trusts:

	<u>Balance, beginning of year</u>	<u>Excess (receipts) over Disbursements</u>	<u>Balance, end of year</u>
General Trust	\$ 3,692	74	3,766
Memorial Trust	2,019	41	2,060
W. Church Endowment Fund	15,146	(1)	15,145
Building Permit Trust	<u>223,536</u>	<u>64,960</u>	<u>288,496</u>
	<u>\$ 244,393</u>	<u>65,074</u>	<u>309,467</u>

19. SEGMENTED INFORMATION

The Town of Niverville 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 consolidated financial statements as described in the summary of significant accounting policies.

20. PUBLIC UTILITIES BOARD - Unaudited

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 Public Sector Accounting Board.

For information purposes, the Town 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.

**TOWN OF NIVERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

19. PUBLIC UTILITIES BOARD - Unaudited (Continued)

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Spruce Drive	\$ <u>6,571,353</u>	<u>374,438</u>	<u>262,537</u>	<u>6,683,254</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Town sewer utilities	\$ <u>3,802,901</u>	<u>1,874,257</u>	<u>106,945</u>	<u>5,570,213</u>

21. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to better conform with current year presentation.

**TOWN OF NIVERVILLE
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 YEAR ENDED DECEMBER 31, 2019**

	<u>General Capital Assets</u>				<u>Infrastructure</u>			<u>Totals</u>	
	<u>Land and Land Improvements</u>	<u>Buildings and Leasehold Improvements</u>	<u>Vehicles and Equipment</u>	<u>Computer Hardware and Software</u>	<u>General Asset Under Construction</u>	<u>Roads, Streets, and Bridges</u>	<u>Water and Sewer</u>	<u>2019</u>	<u>2018</u>
Cost									
Opening costs	\$ 3,993,840	3,944,149	3,424,477	49,925	273,432	15,274,971	21,367,986	48,328,780	43,117,529
Additions during the year	2,054,339	220,455	489,025	85,631	5,806,597	1,307,925	2,963,213	12,927,185	8,361,986
Disposals, write downs, and transfers	-	-	(250)	-	(330,325)	-	-	(330,575)	(3,144,295)
Closing costs	<u>6,048,179</u>	<u>4,164,604</u>	<u>3,913,252</u>	<u>135,556</u>	<u>5,749,704</u>	<u>16,582,896</u>	<u>24,331,199</u>	<u>60,925,390</u>	<u>48,335,220</u>
Accumulated amortization									
Opening accumulated amortization	463,980	1,351,342	1,517,287	48,872	-	5,170,918	5,356,474	13,908,873	12,355,185
Amortization	105,301	168,005	288,361	7,614	-	439,678	705,398	1,714,357	1,560,134
Disposals, write downs, and transfers	-	-	-	-	-	-	-	-	-
Closing accumulated amortization	<u>569,281</u>	<u>1,519,347</u>	<u>1,805,648</u>	<u>56,486</u>	<u>-</u>	<u>5,610,596</u>	<u>6,061,872</u>	<u>15,623,230</u>	<u>13,915,319</u>
NET BOOK VALUE	<u>\$ 5,478,898</u>	<u>2,645,257</u>	<u>2,107,604</u>	<u>79,070</u>	<u>5,749,704</u>	<u>10,972,300</u>	<u>18,269,327</u>	<u>45,302,160</u>	<u>34,419,901</u>

SCHEDULE 2

**TOWN OF NIVERVILLE
CONSOLIDATED SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Property taxes:		
Municipal taxes levied	\$ 3,505,226	3,296,242
Taxes added	<u>319,030</u>	<u>260,582</u>
	<u>3,824,256</u>	<u>3,556,824</u>
Grants in lieu of taxation:		
Federal government	-	2,240
Provincial Government	<u>25,784</u>	<u>26,545</u>
	<u>25,784</u>	<u>28,785</u>
User fees:		
Sales of service	297,788	341,707
Sale of goods	3,951	1,060
Rentals	14,785	14,785
Development charges	<u>260,304</u>	<u>413,574</u>
	<u>576,828</u>	<u>771,126</u>
Permits, licenses and fines:		
Permits	70,435	55,780
Licenses	5,250	7,501
Fines	<u>12,082</u>	<u>19,247</u>
	<u>87,767</u>	<u>82,528</u>
Investment income:		
Cash and temporary investments	<u>143,029</u>	<u>107,389</u>
Other revenue:		
Sale of real estate held for sale	296,890	250,324
Contributed assets	1,350,823	21,000
Penalties and interest	146,512	134,649
Miscellaneous: Donations	299,352	1,020,357
Miscellaneous: Town Sundry	<u>332,250</u>	<u>209,242</u>
	<u>2,425,827</u>	<u>1,635,572</u>
Water and sewer:		
Municipal utilities	<u>3,417,545</u>	<u>1,618,277</u>
Grants - Province of Manitoba:		
Municipal operating grants	309,496	241,204
Urban policing grant	518,296	518,296
Conditional grants	<u>1,238,023</u>	<u>600,730</u>
	<u>2,065,815</u>	<u>1,360,230</u>
Grants - other:		
Federal government - gas tax funding	494,503	200,286
Federal Government - other	2,386,821	2,456
Other local governments	<u>488,247</u>	<u>90,634</u>
	<u>3,369,571</u>	<u>293,376</u>
TOTAL REVENUE	<u>\$ 15,936,422</u>	<u>9,454,107</u>

SCHEDULE 3

**TOWN OF NIVERVILLE
CONSOLIDATED SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
General government services:		
Legislative	\$ 106,461	80,608
General administrative	1,011,472	1,015,169
Other	<u>39,934</u>	<u>86,746</u>
	<u>1,157,867</u>	<u>1,182,523</u>
Protective services:		
Police	249,382	221,976
Fire and emergency medical response	335,699	263,949
Emergency measures	9,265	14,152
Other Protection	<u>73,531</u>	<u>64,918</u>
	<u>667,877</u>	<u>564,995</u>
Transportation services:		
Road transport		
Administration and engineering	737,844	700,803
Road and street maintenance	669,120	766,219
Bridge maintenance	15,908	18,136
Sidewalk and boulevard maintenance	63,227	105,636
Street lighting	76,565	71,954
Other	<u>23,416</u>	<u>15,454</u>
	<u>1,586,080</u>	<u>1,678,202</u>
Environmental health services:		
Waste collection and disposal	176,851	160,394
Recycling	116,225	112,405
Other	<u>7,113</u>	<u>10,338</u>
	<u>300,189</u>	<u>283,137</u>
Public health and welfare services:		
Social assistance	658	658
Other	<u>29,383</u>	<u>30,361</u>
	<u>30,041</u>	<u>31,019</u>
Regional planning and development:		
Planning and zoning	6,839	39,410
Urban renewal	26,525	19,636
Beautification and land rehabilitation	36,302	34,451
Urban Weed Control	<u>6,073</u>	<u>4,669</u>
	<u>75,739</u>	<u>98,166</u>
Resource conservation and industrial development:		
Water resources and conservation	67,374	117,501
Industrial development	<u>370,742</u>	<u>280,676</u>
	<u>438,116</u>	<u>398,177</u>
SUB-TOTAL	\$ <u>4,255,909</u>	<u>4,236,219</u>

SCHEDULE 3**TOWN OF NIVERVILLE
CONSOLIDATED SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
SUB-TOTALS FORWARD	\$ <u>4,255,909</u>	\$ <u>4,236,219</u>
Recreation and cultural services:		
Administration	140,983	105,741
Community centers and halls	178,096	73,867
Swimming pools and beaches	53,718	46,540
Arenas, Skating and curling rinks	302,155	234,722
Parks and playgrounds	<u>179,774</u>	<u>180,945</u>
	<u>854,726</u>	<u>641,815</u>
Water and sewer services (Schedule 9):	<u>1,089,887</u>	<u>1,043,089</u>
TOTAL EXPENSES	\$ <u>6,200,522</u>	\$ <u>5,921,123</u>

TOWN OF NIVERVILLE
CONSOLIDATED STATEMENTS OF OPERATIONS BY PROGRAM
YEAR ENDED DECEMBER 31, 2019

	<u>General Government</u>		<u>Protective Services</u>		<u>Transportation Services</u>		<u>Environmental Health Services</u>		<u>Public Health and Welfare Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
REVENUE										
Property taxes	\$ 3,783,316	3,515,884	-	-	-	-	-	-	-	-
Grants in lieu of taxation	25,784	28,785	-	-	-	-	-	-	-	-
User fees	313,019	353,239	-	-	-	-	-	-	52,960	76,180
Grants - other	3,369,571	293,376	-	-	-	-	-	-	-	-
Permits, licenses and fines	17,332	26,748	-	-	-	-	-	-	-	-
Investment income	133,020	98,798	1,522	524	1,466	1,974	-	-	-	-
Other revenue	2,128,937	1,385,248	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Province of Manitoba - Unconditional Grants	827,792	759,500	-	-	-	-	-	-	-	-
Province of Manitoba - conditional grants	<u>1,109,803</u>	<u>467,027</u>	<u>-</u>	<u>-</u>	<u>8,649</u>	<u>4,897</u>	<u>119,571</u>	<u>128,806</u>	<u>-</u>	<u>-</u>
	<u>11,708,574</u>	<u>6,928,605</u>	<u>1,522</u>	<u>524</u>	<u>10,115</u>	<u>6,871</u>	<u>119,571</u>	<u>128,806</u>	<u>52,960</u>	<u>76,180</u>
EXPENSES										
Personnel services	521,252	456,565	129,559	111,608	389,205	413,758	-	-	-	-
Contract services	44,914	43,112	265,085	260,651	39,820	17,161	203,648	194,358	9,050	5,100
Utilities	38,416	20,354	9,516	10,016	12,288	15,245	-	-	259	271
Maintenance, materials and supplies	6,882	34,744	37,632	29,612	465,002	609,774	15,329	17,200	20,074	24,953
Grants and contributions	39,934	84,614	-	-	-	-	-	-	-	-
Amortization	136,221	125,549	99,341	69,514	595,951	548,076	1,577	51	-	-
Interest on long term debt	-	-	-	-	21,039	26,549	-	-	-	-
Other	<u>370,248</u>	<u>417,585</u>	<u>126,744</u>	<u>83,594</u>	<u>62,775</u>	<u>47,639</u>	<u>79,635</u>	<u>71,528</u>	<u>658</u>	<u>695</u>
	<u>1,157,867</u>	<u>1,182,523</u>	<u>667,877</u>	<u>564,995</u>	<u>1,586,080</u>	<u>1,678,202</u>	<u>300,189</u>	<u>283,137</u>	<u>30,041</u>	<u>31,019</u>
SURPLUS (DEFICIT)	<u>\$ 10,550,707</u>	<u>5,746,082</u>	<u>(666,355)</u>	<u>(564,471)</u>	<u>(1,575,965)</u>	<u>(1,671,331)</u>	<u>(180,618)</u>	<u>(154,331)</u>	<u>22,919</u>	<u>45,161</u>

**TOWN OF NIVERVILLE
CONSOLIDATED STATEMENTS OF OPERATIONS BY PROGRAM
YEAR ENDED DECEMBER 31, 2019**

	<u>Regional Planning and Development</u>		<u>Resource Conservation and Industrial Development</u>		<u>Recreation and Cultural Services</u>		<u>Water and Sewer Services</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
REVENUE										
Property taxes \$	-	-	-	-	-	-	40,940	40,940	3,824,256	3,556,824
Grants in lieu of taxation	-	-	-	-	-	-	-	-	25,784	28,785
User fees	-	-	-	-	210,849	341,707	-	-	576,828	771,126
Grants - other	-	-	-	-	-	-	-	-	3,369,571	293,376
Permits, licenses and fines	70,435	55,780	-	-	-	-	-	-	87,767	82,528
Investment income	-	-	753	1,607	6,268	4,486	-	-	143,029	107,389
Other revenue	-	-	296,890	250,324	-	-	-	-	2,425,827	1,635,572
Water and sewer	-	-	-	-	-	-	3,417,545	1,618,277	3,417,545	1,618,277
Province of Manitoba - Unconditional Grants	-	-	-	-	-	-	-	-	827,792	759,500
Province of Manitoba - conditional grants	-	-	-	-	-	-	-	-	1,238,023	600,730
	<u>70,435</u>	<u>55,780</u>	<u>297,643</u>	<u>251,931</u>	<u>217,117</u>	<u>346,193</u>	<u>3,458,485</u>	<u>1,659,217</u>	<u>15,936,422</u>	<u>9,454,107</u>
EXPENSES										
Personnel services	-	-	-	-	231,487	180,036	39,272	24,740	1,310,775	1,186,707
Contract services	-	-	-	8,143	37,217	38,267	69,109	80,293	668,843	647,085
Utilities	-	-	-	-	62,661	57,222	51,666	44,561	174,806	147,669
Maintenance, materials and supplies	42,375	39,120	246,245	214,733	89,580	67,262	176,101	184,259	1,099,220	1,221,657
Grants and contributions	-	-	-	-	-	-	-	-	39,934	84,614
Amortization	-	-	805	805	175,063	157,378	705,397	658,085	1,714,355	1,559,458
Interest on long term debt	-	-	-	-	-	-	15,418	16,723	36,457	43,272
Other	33,364	59,046	191,066	174,496	258,718	141,650	32,924	34,428	1,156,132	1,030,661
	<u>75,739</u>	<u>98,166</u>	<u>438,116</u>	<u>398,177</u>	<u>854,726</u>	<u>641,815</u>	<u>1,089,887</u>	<u>1,043,089</u>	<u>6,200,522</u>	<u>5,921,123</u>
SURPLUS (DEFICIT)	<u>\$ (5,304)</u>	<u>(42,386)</u>	<u>(140,473)</u>	<u>(146,246)</u>	<u>(637,609)</u>	<u>(295,622)</u>	<u>2,368,598</u>	<u>616,128</u>	<u>9,735,900</u>	<u>3,532,984</u>

SCHEDULE 5

**TOWN OF NIVERVILLE
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
YEAR ENDED DECEMBER 31, 2019**

	<u>Core Government</u>		<u>Controlled Entities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
REVENUE						
Property taxes	\$ 3,824,256	3,556,824	-	-	3,824,256	3,556,824
Grants in lieu of taxation	25,784	28,785	-	-	25,784	28,785
User fees	562,043	756,337	14,785	14,789	576,828	771,126
Grants - other	3,369,571	293,376	-	-	3,369,571	293,376
Permits, licenses and fines	87,767	82,528	-	-	87,767	82,528
Investment income	142,903	106,296	126	1,093	143,029	107,389
Other revenue	2,128,937	1,385,248	296,890	250,324	2,425,827	1,635,572
Water and sewer	3,417,545	1,618,277	-	-	3,417,545	1,618,277
Province of Manitoba - Unconditional Grants	827,792	759,500	-	-	827,792	759,500
Province of Manitoba - conditional grants	1,238,023	600,730	-	-	1,238,023	600,730
	<u>15,624,621</u>	<u>9,187,901</u>	<u>311,801</u>	<u>266,206</u>	<u>15,936,422</u>	<u>9,454,107</u>
EXPENSES						
Personnel services	1,310,775	1,186,707	-	-	1,310,775	1,186,707
Contract services	668,843	638,902	-	8,183	668,843	647,085
Utilities	174,806	147,669	-	-	174,806	147,669
Maintenance, materials and supplies	852,975	1,006,924	246,245	214,733	1,099,220	1,221,657
Grants and contributions	25,044	84,614	14,890	-	39,934	84,614
Amortization	1,713,550	1,558,653	805	805	1,714,355	1,559,458
Interest on long term debt	36,457	43,272	-	-	36,457	43,272
Other	1,131,044	1,020,146	25,088	10,515	1,156,132	1,030,661
	<u>5,913,494</u>	<u>5,686,887</u>	<u>287,028</u>	<u>234,236</u>	<u>6,200,522</u>	<u>5,921,123</u>
SURPLUS (DEFICIT)	\$ <u>9,711,127</u>	<u>3,501,014</u>	<u>24,773</u>	<u>31,970</u>	<u>9,735,900</u>	<u>3,532,984</u>

**TOWN OF NIVERVILLE
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
YEAR ENDED DECEMBER 31, 2019**

	2019															2018	
	General Reserve Fund 38	Equipment Replacement Reserve Fund 30	Protective Reserve Fund 31	Capital Development Reserve Fund 32	Recreation Reserve Fund 33	Admin. Building Reserve Fund 34	Road Construction Reserve Fund 36	Recreation Facility Reserve Fund 40	Highlands Water LID#12 Reserve Fund 41	Fair Insurance Reserve Fund 53	Development fees Reserve Fund 35	Gas Tax Reserve Fund 55	Sewer Utility Replacement Reserve Fund 70	Water Utility Replacement Reserve Fund 72	Utility Reserve Fund 56	Total	Total
REVENUE																	
Investment income	\$ 44,203	\$ 128	\$ 1,522	\$ 5,084	\$ 2,501	\$ 6,287	\$ 1,466	\$ 3,767	\$ 454	\$ -	\$ 627	\$ 10,968	\$ 5,388	\$ -	\$ 15	\$ 82,410	\$ 77,481
Other income	-	-	22,500	91,375	-	-	-	-	-	-	10,000	-	117,307	41,622	-	282,804	428,514
Total revenue	44,203	128	24,022	96,459	2,501	6,287	1,466	3,767	454	-	10,627	10,968	122,695	41,622	15	365,214	505,995
EXPENSES																	
Other expenses	8,424	-	12,423	-	-	1,860	-	-	-	-	-	-	-	-	-	22,707	53,431
NET REVENUES	35,779	128	11,599	96,459	2,501	4,427	1,466	3,767	454	-	10,627	10,968	122,695	41,622	15	342,507	452,564
TRANSFERS																	
Transfers from general operating fund	(555,254)	154,000	172,180	-	242,558	98,000	325,000	110,000	6,153	-	-	494,504	200,000	-	-	1,247,141	3,739,262
Acquisition of tangible capital assets	(221,359)	(60,550)	(202,192)	-	(254,475)	(460,689)	(65,581)	-	-	-	(30,230)	(351,925)	(344,147)	-	-	(1,991,148)	(4,037,144)
CHANGE IN RESERVE FUND BALANCES	(740,834)	93,578	(18,413)	96,459	(9,416)	(358,262)	260,885	113,767	6,607	-	(19,603)	153,547	(21,452)	41,622	15	(401,500)	154,682
FUND SURPLUS, BEGINNING OF YEAR	2,201,794	7,539	108,328	236,634	132,385	433,327	278,895	512,414	25,173	10	31,216	499,569	215,726	642,747	40	5,325,797	5,171,113
FUND SURPLUS, END OF YEAR	\$ 1,460,960	\$ 101,117	\$ 89,915	\$ 333,093	\$ 122,969	\$ 75,065	\$ 539,780	\$ 626,181	\$ 31,780	\$ 10	\$ 11,613	\$ 653,116	\$ 194,274	\$ 684,369	\$ 55	\$ 4,924,297	\$ 5,325,795

**THE TOWN OF NIVERVILLE
SCHEDULE OF L.U.D OPERATIONS
YEAR ENDED DECEMBER 31, 2019**

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Revenue			
Taxation	\$ -	-	-
Other Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
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	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	-	-	-
NET REVENUES (EXPENSES)	<hr/>	<hr/>	<hr/>
	-	-	-
	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Change in L.U.D. balances	\$ -	-	-
UNEXPENDED, BEGINNING OF YEAR		<hr/>	<hr/>
UNEXPENDED, END OF YEAR		<hr/>	<hr/>

TOWN OF NIVERVILLE
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
YEAR ENDED DECEMBER 31, 2019

	Sewer Utility	2019 Water Utility	Total	2018 Total
FINANCIAL ASSETS				
Amounts receivable	\$ -	262,623	262,623	232,136
Due from other funds	<u>1,856,589</u>	<u>1,278,460</u>	<u>3,135,049</u>	<u>2,231,461</u>
	<u>1,856,589</u>	<u>1,541,083</u>	<u>3,397,672</u>	<u>2,463,597</u>
LIABILITIES				
Accounts payable and accrued liabilities	-	142,323	142,323	85,534
Long-term debt (Note 9)	-	260,477	260,477	286,000
Due to other funds	<u>723,215</u>	<u>1,211,092</u>	<u>1,934,307</u>	<u>1,332,910</u>
	<u>723,215</u>	<u>1,613,892</u>	<u>2,337,107</u>	<u>1,704,444</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>1,133,374</u>	<u>(72,809)</u>	<u>1,060,565</u>	<u>759,153</u>
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	9,187,586	9,081,741	18,269,327	16,011,507
Inventories	<u>-</u>	<u>18,791</u>	<u>18,791</u>	<u>65,367</u>
	<u>9,187,586</u>	<u>9,100,532</u>	<u>18,288,118</u>	<u>16,076,874</u>
FUND SURPLUS	<u>\$ 10,320,960</u>	<u>9,027,723</u>	<u>19,348,683</u>	<u>16,836,027</u>

SCHEDULE 9 - S

**TOWN OF NIVERVILLE
SCHEDULE OF UTILITY OPERATIONS - SEWER
DECEMBER 31, 2019**

	2019	2018	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Sewer			
Sewer fees	\$ 534,385	593,016	519,045
Other			
Penalties	6,000	7,291	6,243
Other income	-	1,874,257	75,000
Sub-total - other	<u>6,000</u>	<u>1,881,548</u>	<u>81,243</u>
Total revenue	<u>540,385</u>	<u>2,474,564</u>	<u>600,288</u>
EXPENSES			
General			
Administration	26,750	23,576	27,477
Training costs	1,500	1,308	677
Billing and collection	14,000	10,710	7,590
Utilities (telephone, electricity, etc.)	14,200	14,749	12,362
Sub-total-general	<u>56,450</u>	<u>50,343</u>	<u>48,106</u>
Sewer General			
Collection system costs	127,000	30,110	67,180
Lift Station costs	41,500	49,975	78,848
Sub-total-sewer-general	<u>168,500</u>	<u>80,085</u>	<u>146,028</u>
Sewer amortization & interest			
Amortization	-	262,191	254,308
Total expenses	<u>224,950</u>	<u>392,619</u>	<u>448,442</u>
NET OPERATING SURPLUS	<u>315,435</u>	<u>2,081,945</u>	<u>151,846</u>
TRANSFERS			
Transfers from (to) operating fund	-	344,147	269,359
Transfers from (to) reserve funds	-	(200,000)	-
	<u>-</u>	<u>144,147</u>	<u>269,359</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 315,435</u>	<u>2,226,092</u>	<u>421,205</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>8,094,868</u>	<u>7,673,663</u>
FUND SURPLUS, END OF YEAR		<u>10,320,960</u>	<u>8,094,868</u>

**TOWN OF NVERVILLE
SCHEDULE OF UTILITY OPERATIONS - SPRUCE DRIVE WATER
DECEMBER 31, 2019**

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUE			
Water			
Water fees	\$ 465,724	515,557	455,622
Bulk Water fees	-	-	90
	<u>465,724</u>	<u>515,557</u>	<u>455,712</u>
Sub-total - water	465,724	515,557	455,712
Property taxes	-	40,940	40,940
Government transfers			
Capital	-	7,274	497,701
Other			
Hydrant rentals		14,375	13,837
Penalties	4,500	5,532	4,342
Contributed tangible capital assets		367,164	-
Other income	16,110	33,079	46,397
	<u>16,110</u>	<u>33,079</u>	<u>46,397</u>
Total revenue	<u>486,334</u>	<u>983,921</u>	<u>1,058,929</u>
EXPENSES			
General			
Administration	21,200	32,779	20,175
Training costs	2,000	2,171	2,725
Billing and collection	29,000	30,038	35,883
Utilities (telephone, electricity, etc.)	34,000	37,067	32,272
	<u>86,200</u>	<u>102,055</u>	<u>91,055</u>
Sub-total-general	86,200	102,055	91,055
Water General			
Purification and treatment	211,761	136,589	83,092
Water amortization & interest			
Amortization	-	443,206	403,777
Interest on long term debt	-	15,418	16,723
	<u>-</u>	<u>458,624</u>	<u>420,500</u>
Sub-total-water amortization & interest	-	458,624	420,500
Total expenses	<u>297,961</u>	<u>697,268</u>	<u>594,647</u>
NET OPERATING SURPLUS	<u>\$ 188,373</u>	<u>286,653</u>	<u>464,282</u>
TRANSFERS			
Transfers from (to) reserve funds	26,857	-	504,476
CHANGE IN UTILITY FUND BALANCE	<u>\$ 215,230</u>	<u>286,653</u>	<u>968,758</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>8,741,160</u>	<u>7,772,402</u>
FUND SURPLUS, END OF YEAR		<u>9,027,813</u>	<u>8,741,160</u>

TOWN OF NIVERVILLE
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
YEAR ENDED DECEMBER 31, 2019

	<u>Financial Plan General</u>	<u>Financial Plan Utilities</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Long Term Accruals</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
REVENUE								
Property taxes	\$ 7,319,170	-	-	-	-	-	-	7,319,170
Grants in lieu of taxation	67,656	-	-	-	-	-	-	67,656
User fees	327,650	-	-	-	-	-	14,785	342,435
Grants - Province of Manitoba	4,403,648	-	-	-	-	-	-	4,403,648
Grants - other	8,048,095	-	-	-	-	-	-	8,048,095
Permits, licences and fines	68,700	-	-	-	-	-	-	68,700
Investment income	190,000	-	-	-	-	-	126	190,126
Other revenue	8,369,000	-	-	-	-	-	296,890	8,665,890
Water and sewer	-	1,034,219	-	-	-	-	-	1,034,219
Transfers from accumulated surplus	3,913,861	-	-	-	(3,913,861)	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	<u>32,707,780</u>	<u>1,034,219</u>	<u>-</u>	<u>-</u>	<u>(3,913,861)</u>	<u>-</u>	<u>311,801</u>	<u>\$ 30,139,939</u>
	(24,224,104)							
EXPENSES								
General government services	\$ 1,055,211	-	136,221	-	-	-	-	1,191,432
Protective services	548,974	-	99,341	-	-	-	-	648,315
Transportation services	1,515,347	-	595,951	21,039	-	-	-	2,132,337
Environmental health services	309,160	-	-	-	-	-	-	309,160
Public health and welfare services	53,290	-	1,577	-	-	-	-	54,867
Regional planning and development	123,895	-	-	-	-	-	-	123,895
Economic Development Services	156,850	-	805	-	-	-	286,222	443,877
Recreation and cultural services	20,098,721	-	175,063	-	-	-	-	20,273,784
Water and sewer services	-	647,786	705,397	15,418	-	-	-	1,368,601
Fiscal services:	-	-	-	-	-	-	-	-
Transfer to capital	899,095	-	-	-	(899,095)	-	-	-
Debt charges	174,771	-	-	(174,771)	-	-	-	-
Other fiscal services	3,855,586	-	-	-	(3,855,586)	-	-	-
Transfer to reserves	3,913,861	-	-	-	(3,913,861)	-	-	-
Allowance for tax assets	3,020	-	-	-	(3,020)	-	-	-
Total expenses	<u>32,707,780</u>	<u>647,786</u>	<u>1,714,355</u>	<u>(138,314)</u>	<u>(8,671,562)</u>	<u>-</u>	<u>286,222</u>	<u>26,546,268</u>
SURPLUS (DEFICIT)	<u>\$ -</u>	<u>386,432</u>	<u>(1,714,355)</u>	<u>138,314</u>	<u>4,757,701</u>	<u>-</u>	<u>25,579</u>	<u>3,593,671</u>

SCHEDULE 11

**TOWN OF NIVERVILLE
ANALYSIS OF TAXES ON ROLL
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ <u>1,110,889</u>	<u>1,061,533</u>
Add:		
Tax levy (Schedule 12)	7,319,170	6,948,219
Taxes added	319,030	260,582
Penalties or interest	146,512	134,649
Other accounts added - utilities and services	278,446	195,538
Tax adjustments (specify): Grants-in Lieu	<u>67,656</u>	<u>77,869</u>
Sub-total	<u>8,130,814</u>	<u>7,616,857</u>
Deduct:		
Cash collections	6,235,169	6,033,430
Cash collections - arrears	787,959	661,520
Education Property Tax Credit Advance - cash advance	<u>893,900</u>	<u>872,550</u>
Sub-total	<u>7,917,027</u>	<u>7,567,500</u>
Balance, end of year	\$ <u>1,324,676</u>	\$ <u>1,110,889</u>

SCHEDULE 12

**TOWN OF NIVERVILLE
ANALYSIS OF TAX LEVY
YEAR ENDED DECEMBER 31, 2019**

	2019		2018	
	Assessment	Mill Rate	Levy	Levy
Minister of Intergovernmental Affairs	238,739,370	0.302%	\$ 71,476	<u>69,626</u>
Reserves:				
Various	238,739,370	2.735%	<u>647,307</u>	<u>613,704</u>
General municipal	238,739,370	7.453%	<u>1,763,941</u>	<u>1,575,763</u>
Special levies:				
Special Services Levy	271,616,230	2.507%	677,990	696,591
Waste Management			169,742	163,603
LID Charges	415,988		<u>174,771</u>	<u>176,955</u>
Sub-total - Special levies			<u>1,022,502</u>	<u>1,037,149</u>
Total municipal taxes (Schedule 2)			<u>3,505,226</u>	<u>3,296,242</u>
Education support levy	27,666,760	9.770%	259,739	253,031
Special levy:				
Special Division No. 15	236,402,140	15.167%	<u>3,554,204</u>	<u>3,398,946</u>
Total education taxes			<u>3,813,943</u>	<u>3,651,977</u>
Total tax levy (Schedule 11)			<u>\$ 7,319,169</u>	<u>6,948,219</u>

TOWN OF NIVERVILLE
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
General government services:		
Legislative	\$ 106,461	\$ 80,608
General administrative	1,011,472	1,015,169
Other	<u>39,934</u>	<u>84,614</u>
	<u>1,157,867</u>	<u>1,180,391</u>
Protective services:		
Police	249,382	221,976
Fire and emergency medical response	335,699	263,949
Emergency measures	9,265	14,152
Other	<u>73,531</u>	<u>64,918</u>
	<u>667,877</u>	<u>564,995</u>
Transportation services:		
Road transport		
Administration and engineering	737,844	700,545
Road and street maintenance	602,397	725,198
Bridges and culverts maintenance	15,908	18,136
Sidewalk and boulevard maintenance	63,227	105,636
Street lighting	76,565	71,954
Other	23,416	15,712
Other	<u>66,723</u>	<u>41,021</u>
	<u>1,586,080</u>	<u>1,678,202</u>
Environmental health services:		
Waste collection and disposal	176,851	160,394
Recycling	116,225	112,405
Other	<u>7,113</u>	<u>10,338</u>
	<u>300,189</u>	<u>283,137</u>
Public health and welfare services:		
Social assistance	658	658
Other	<u>29,383</u>	<u>30,361</u>
	<u>30,041</u>	<u>31,019</u>
Regional planning and development		
Planning and zoning	6,839	39,410
Urban renewal	26,525	19,636
Beautification and land rehabilitation	36,302	34,451
Urban area weed control	3,989	2,795
Other	<u>2,084</u>	<u>1,874</u>
	<u>75,739</u>	<u>98,166</u>
Resource conservation and industrial development		
Industrial development	67,374	117,501
Other	<u>83,714</u>	<u>46,480</u>
	<u>151,088</u>	<u>163,981</u>
Recreation and cultural services:		
Administration	140,983	105,741
Community centers and halls	178,096	73,867
Swimming pools and beaches	53,718	46,540
Skating and curling rinks	302,155	234,682
Parks and playgrounds	<u>179,774</u>	<u>180,945</u>
	<u>854,726</u>	<u>641,775</u>
TOTAL EXPENSES	<u>\$ 4,823,607</u>	<u>\$ 4,641,666</u>

**TOWN OF NIVERVILLE
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
YEAR ENDED DECEMBER 31, 2019
UNAUDITED**

	2019			2018
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (1,902,349)	64,985	(1,837,364)	(442,791)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,047,141	200,000	1,247,141	3,739,262
Eliminate revenue - transfers from reserves	(1,647,001)	(344,147)	(1,991,148)	(4,037,144)
Increase revenue - reserve funds revenues	178,175	164,332	342,507	452,564
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	29,774	-	29,774	36,006
Increase expense - amortization of tangible capital assets	(1,008,959)	(705,398)	(1,714,357)	(1,560,134)
Decrease expense - principal portion of debenture debt	706,639	25,523	732,162	127,530
Eliminate expense - acquisitions of tangible capital assets	<u>9,963,972</u>	<u>2,963,213</u>	<u>12,927,185</u>	<u>5,217,691</u>
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 7,367,392</u>	<u>2,368,508</u>	<u>9,735,900</u>	<u>3,532,984</u>