

Rural Municipality of Armstrong

Consolidated Financial Statements
Year ended December 31, 2018

STATEMENT OF RESPONSIBILITY

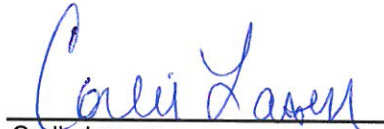
The accompanying Financial Statements are the responsibility of the management of the Rural Municipality of Armstrong and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian 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.

Chambers Fraser as the Municipality's appointed external auditors, have audited the Financial Statements. The Independent Auditor's 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.

Inwood, Manitoba

Date March 10, 2020



Corlie Larsen
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Reeve and members of Council of the
Rural Municipality of Armstrong

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Armstrong, which comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2018, and its results of operations and its 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 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 Financial Statements
Management is responsible for the preparation and fair presentation of these 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 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 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 Financial Statements

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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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, Canada
March 10, 2020

Chambers Fraser
Chartered Professional Accountants

Rural Municipality of Armstrong

Consolidated Financial Statements

Year ended December 31, 2018

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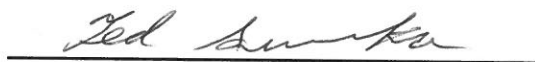
**Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018**

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 5,150,548	\$ 4,397,614
Amounts receivable (Note 4)	623,806	922,238
	<u>\$ 5,774,354</u>	<u>\$ 5,319,852</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 817,367	\$ 428,563
Deferred revenue (Note 7)	415,284	305,590
Landfill closure and post closure liabilities (Note 8)	75,000	75,000
	<u>1,307,651</u>	<u>809,154</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 4,466,703</u>	<u>\$ 4,510,699</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	2,366,888	1,727,278
Inventories (Note 5)	20,824	21,149
Prepaid expenses	19,565	18,736
	<u>2,407,276</u>	<u>1,767,164</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 6,873,980</u>	<u>\$ 6,277,863</u>

Approved on behalf of Council:



Susan Smerchanski- Reeve



Ted Sumka - Deputy Reeve

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2018

	2018 Budget (Note 11)	2018 Actual	2017 Actual
REVENUE			
Property taxes	\$ 1,466,128	\$ 1,495,176	\$ 1,395,906
Grants in lieu of taxation	78,104	78,104	71,058
User fees	167,036	256,291	179,904
Permits, licences and fines	4,700	5,159	6,536
Investment income	19,230	82,007	50,764
Other revenue	126,272	162,538	204,441
Grants - Province of Manitoba	396,550	440,071	461,563
Grants - other	104,035	215	37,848
Total revenue (Schedules 2, 4 and 5)	<u>2,362,055</u>	<u>2,519,562</u>	<u>2,408,020</u>
EXPENSES			
General government services	455,616	428,949	433,929
Protective services	157,620	231,709	160,462
Transportation services	1,225,101	938,969	1,104,173
Environmental health services	153,000	136,006	173,623
Public health and welfare services	10,720	11,320	10,720
Regional planning and development	25,400	34,846	26,047
Resource conservation and industrial development	137,301	140,116	150,018
Recreation and cultural services	1,530	1,530	1,501
Total expenses (Schedules 3, 4 and 5)	<u>2,166,287</u>	<u>1,923,445</u>	<u>2,060,473</u>
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ 195,768</u></u>	596,117	347,547
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 12)		<u>6,277,863</u>	<u>5,930,315</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR		<u><u>\$ 6,873,980</u></u>	<u><u>\$ 6,277,863</u></u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2018

	<u>2018 Budget (Note 11)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 195,768	\$ 596,117	\$ 347,547
Acquisition of tangible capital assets	(1,210,000)	(713,913)	(147,768)
Amortization of tangible capital assets	74,243	74,243	70,853
Loss (Gain) on sale of tangible capital assets	-	(103,639)	(165,373)
Proceeds on sale of tangible capital assets	-	103,700	181,564
Decrease (increase) in inventories	-	326	38,886
Decrease (increase) in prepaid expense	-	(830)	(459)
	<u>(1,135,757)</u>	<u>(640,113)</u>	<u>(22,297)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>(939,989)</u>	(43,996)	325,251
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>4,510,699</u>	<u>4,185,448</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ 4,466,703</u>	<u>\$ 4,510,699</u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 596,117	\$ 347,547
Changes in non-cash items:		
Amounts receivable	298,431	(194,254)
Inventories	326	38,886
Prepays	(829)	(458)
Accounts payable and accrued liabilities	388,804	(7,857)
Severance and vested sick leave payable	-	-
Deferred revenue	109,693	66,995
Landfill closure and post closure liabilities	-	-
Loss (Gain) on sale of tangible capital asset	(103,639)	(165,373)
Amortization	74,243	70,853
	<u>1,363,147</u>	<u>156,339</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	103,700	181,564
Cash used to acquire tangible capital assets	(713,913)	(147,768)
	<u>(610,213)</u>	<u>33,796</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	752,934	190,135
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>4,397,614</u>	<u>4,207,479</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 5,150,548</u></u>	<u><u>\$ 4,397,614</u></u>

The accompanying notes are an integral part of this financial statement

Rural Municipality of Armstrong
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

1. Status of the Rural Municipality of Armstrong

The Local Government District of Armstrong (LGD) was created in 1944 through an amalgamation of the Rural Municipalities of Chatfield, Armstrong and Kreuzburg. In 1996 the LGD attained Rural Municipality status pursuant to changes in The Municipal Act. The Municipality provides or funds municipal services such as fire, public works, planning, and other general government operations. The Municipality has a number of designated special purpose reserves and provides funding support for other financial entities involved in providing municipal services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) Reporting Entity

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:

Interlake Weed Control District (15%) (2017 – 15%)
South Interlake Emergency Measures Board (20%) (2017 – 20%)
Fisher Armstrong Planning Board (50%) (2017 – 50%)

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 14 - Schedule of Trust Funds.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) 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.

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.

Rural Municipality of Armstrong
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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 Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over its useful life. Assets under construction are not amortized until put into use.

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Buildings and leasehold improvements	
Buildings - Wood Frame	25 years
Buildings - Brick	40 years
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

Land	Indefinite
Road surface	20 years
Road grade	40 years
Drains	40 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 of 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 consumption are recorded at the lower of cost and replacement value.

Rural Municipality of Armstrong
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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 amounts 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.

These financial statements include the existence of measurement uncertainty in the accrual of the landfill closure, post closure and environmental liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2018</u>	<u>2017</u>
Cash	<u>\$ 5,150,548</u>	<u>\$ 4,397,614</u>
	<u><u>\$ 5,150,548</u></u>	<u><u>\$ 4,397,614</u></u>

The Municipality has designated the following cash to reserves for commitments and tangible capital asset acquisitions.

Designated Reserve Funds	<u><u>\$ 1,895,903</u></u>	<u><u>\$ 2,132,808</u></u>
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4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2018</u>	<u>2017</u>
Taxes on roll (Schedule 10)	<u>\$ 290,548</u>	<u>\$ 284,991</u>
Government grants	<u>51,910</u>	<u>200,866</u>
Organizations and individuals	<u>225,697</u>	<u>198,937</u>
Other governments	<u>60,651</u>	<u>240,678</u>
	<u>\$ 628,806</u>	<u>\$ 925,471</u>
Less allowances for doubtful amounts	<u>(5,000)</u>	<u>(3,233)</u>
	<u><u>\$ 623,806</u></u>	<u><u>\$ 922,238</u></u>

5. Inventories

Inventories for use:

	<u>2018</u>	<u>2017</u>
Culverts	<u>\$ 20,824</u>	<u>\$ 21,149</u>
	<u><u>\$ 20,824</u></u>	<u><u>\$ 21,149</u></u>

Rural Municipality of Armstrong
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

6. Accounts Payable and Accrued Liabilities

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 538,544	\$ 180,812
Accrued expenses	96,400	84,400
School levies	182,423	163,351
	<u>\$ 817,367</u>	<u>\$ 428,563</u>

7. Deferred Revenue:

	<u>2018</u>	<u>2017</u>
Federal Gas Tax Funding	<u>\$ 415,284</u>	<u>\$ 305,590</u>

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 3 landfill site. 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.

	<u>2018</u>	<u>2017</u>
Estimated closure and post closure costs over the next 15 years	<u>\$ 75,000</u>	<u>\$ 75,000</u>
Discount rate	<u>5.00%</u>	<u>5.00%</u>
Discounted costs	<u>\$ 75,000</u>	<u>\$ 75,000</u>
Expected year capacity will be reached	2016	2016
Capacity (years):		
Used to date	15	15
Remaining	-	-
Total	15	15
Percent utilized	<u>100.00%</u>	<u>100.00%</u>
Liability based on percentage	<u>\$ 75,000</u>	<u>\$ 75,000</u>

b) Closed Landfill Site(s)

Estimated closure and post closure costs over the next 15 years	<u>\$ -</u>	<u>\$ -</u>
Total landfill closure and post closure liabilities	<u>\$ 75,000</u>	<u>\$ 75,000</u>

9. 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.

Rural Municipality of Armstrong
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

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 are expected to be **\$10,319** (2017 - \$15,688) 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, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2017.

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.

10. 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.

11. 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 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.

Rural Municipality of Armstrong
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

12. Accumulated Surplus

	<u>2018</u>	<u>2017</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,986,138	\$ 2,430,413
General capital fund - Capital surplus	2,359,406	1,719,963
Reserve funds	<u>1,895,904</u>	<u>2,388,299</u>
	<u>7,241,448</u>	<u>6,538,675</u>
Deferred revenue - Reserves	<u>(415,284)</u>	<u>(305,590)</u>
Accumulated surplus of municipality unconsolidated	<u>6,826,164</u>	6,233,085
Accumulated surpluses of consolidated entities	<u>47,816</u>	<u>44,778</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 6,873,980</u>	<u>\$ 6,277,863</u>

13. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2018:

- a) Compensation paid to members of council amounted to \$59,418 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve (outgoing) - Jack Cruise	\$ 8,912	\$ 2,496	\$ 11,408
Reeve - Susan Smerchanski	11,220	2,932	14,152
Councillor - Ted Sumka	9,724	3,068	12,792
Councillor - Adam Krochenski	9,172	2,070	11,242
Councillor - Allen Pfrimmer	7,036	955	7,991
Councillor - Carol Lavallee	8,080	1,710	9,790
Councillor - Paul Humeny	2,339	642	2,981
Councillor - Ralph Hazelton	1,597	381	1,978
Councillor - Allen Evanchyshin	1,338	150	1,488
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 59,418</u>	<u>\$ 14,404</u>	<u>\$ 73,822</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Corlie Larsen	Chief Administrative Officer	\$ 65,096

14. Trust Funds

The Rural Municipality of Armstrong administers the following trust:

	<u>Balance, beg.</u>	<u>Excess of</u>	<u>Balance, end</u>
	<u>of the year</u>	<u>Receipts over</u>	<u>of the year</u>
		<u>Disbursements</u>	
Fraserwood Sidewalks	\$ 1,448	\$ 27	\$ 1,475
Chatfield Cemetery	6,343	119	6,462
Fraserwood Sports Club	375	7	382
Fraserwood Heritage park	1,720	32	1,752
Narcisse Snake Pits	240	6	246
Community Clubs	3,873	73	3,946
Age Friendly	1,177	22	1,199
	<u>\$ 15,176</u>	<u>\$ 286</u>	<u>\$ 15,462</u>

15. Segmented Information

The Rural Municipality of Armstrong 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

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.

Rural Municipality of Armstrong
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2018

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2018	2017
Cost										
Opening costs	53,971	349,816	766,023	56,248	-	18,214,133	948,455	-	20,388,645	20,274,221
Additions during the year	-	8,505	705,408	-	-	-	-	-	713,913	147,768
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	(61)	-	-	-	-	-	-	-	(61)	(33,344)
Closing costs	<u>53,910</u>	<u>358,321</u>	<u>1,471,431</u>	<u>56,248</u>	<u>-</u>	<u>18,214,133</u>	<u>948,455</u>	<u>-</u>	<u>21,102,498</u>	<u>20,388,644</u>
Accumulated Amortization										
Opening accum'd amortization	-	252,086	554,594	36,728	-	17,545,464	272,496	-	18,661,366	18,607,667
Amortization	-	6,011	26,073	2,546	-	15,902	23,711	-	74,243	70,853
Disposals and write downs	-	-	-	-	-	-	-	-	-	(17,154)
Closing accum'd amortization	<u>-</u>	<u>258,096</u>	<u>580,666</u>	<u>39,273</u>	<u>-</u>	<u>17,561,366</u>	<u>296,207</u>	<u>-</u>	<u>18,735,609</u>	<u>18,661,366</u>
Net Book Value of Tangible Capital Assets	<u>53,910</u>	<u>100,225</u>	<u>890,765</u>	<u>16,975</u>	<u>-</u>	<u>652,767</u>	<u>652,248</u>	<u>-</u>	<u>2,366,888</u>	<u>1,727,278</u>

Rural Municipality of Armstrong
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2018

SCHEDULE 2

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,446,075	\$ 1,359,406
Taxes added	49,101	36,500
	<u>1,495,176</u>	<u>1,395,906</u>
Grants in lieu of taxation:		
Federal government enterprises	-	899
Provincial government	64,651	57,980
Provincial government enterprises	13,453	12,179
	<u>78,104</u>	<u>71,058</u>
User fees		
Sales of service	39,396	48,414
Rentals	216,896	131,490
	<u>256,291</u>	<u>179,904</u>
Permits, licences and fines		
Permits	2,063	3,027
Licences	3,097	3,508
	<u>5,159</u>	<u>6,536</u>
Investment income:		
Cash and temporary investments	82,007	50,764
	<u>82,007</u>	<u>50,764</u>
Other revenue:		
Gain on sale of tangible capital assets	103,639	165,373
Miscellaneous (specify):		
Penalties and interest	31,817	30,179
Other revenue	27,082	8,890
	<u>162,538</u>	<u>204,441</u>
Grants - Province of Manitoba		
General support grant	96,817	96,899
Conditional grants	343,254	364,665
	<u>440,071</u>	<u>461,563</u>
Grants - other		
Federal government - gas tax funding	-	37,633
Other local governments	215	215
	<u>215</u>	<u>37,848</u>
Total revenue	<u><u>2,519,562</u></u>	<u><u>2,408,020</u></u>

Rural Municipality of Armstrong
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2018

SCHEDULE 3

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
General government services:		
Legislative	\$ 73,636	\$ 81,606
General administrative	225,154	245,111
Other	130,159	107,211
	<u>428,949</u>	<u>433,929</u>
Protective services:		
Fire	207,141	108,456
Emergency measures	13,997	41,671
Other protection	10,571	10,335
	<u>231,709</u>	<u>160,462</u>
Transportation services:		
Road transport		
Road and street maintenance	857,947	1,028,241
Street lighting	15,445	14,688
Other	65,577	61,244
	<u>938,969</u>	<u>1,104,173</u>
Environmental health services:		
Waste collection and disposal	112,178	150,809
Other	23,829	22,813
	<u>136,006</u>	<u>173,623</u>
Public health and welfare services:		
Public health	600	-
Social assistance	10,720	10,720
	<u>11,320</u>	<u>10,720</u>
Regional planning and development		
Planning and zoning	5,376	5,376
Other	29,470	20,671
	<u>34,846</u>	<u>26,047</u>
Resource conservation and industrial development		
Rural area weed control	128,979	138,927
Veterinary services	6,000	6,000
Water resources and conservation	5,137	5,091
	<u>140,116</u>	<u>150,018</u>
Recreation and cultural services:		
Other cultural facilities	1,530	1,501
	<u>1,530</u>	<u>1,501</u>
Total expenses	<u><u>1,923,445</u></u>	<u><u>2,060,473</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$1,495,176	\$1,395,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	78,104	71,058	-	-	-	-	-	-	-	-
User fees	218,800	133,062	-	-	343	2,591	-	-	-	-
Prov of MB - Unconditional Grants	96,817	96,899	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	246,009	264,616	87,971	94,087	-	-
Grants - other	-	37,633	-	-	-	-	-	-	-	-
Permits, licences and fines	5,159	6,536	-	-	-	-	-	-	-	-
Investment income	50,530	29,362	11,049	7,174	9,781	6,533	10,416	7,337	-	-
Other revenue - schedule 2	162,538	202,476	-	-	-	-	-	-	-	-
Water and sewer										
Total revenue	<u>\$ 2,107,126</u>	<u>\$ 1,972,932</u>	<u>\$ 11,049</u>	<u>\$ 7,174</u>	<u>\$ 256,133</u>	<u>\$ 273,740</u>	<u>\$ 98,386</u>	<u>\$ 101,423</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES										
Personnel services	\$ 200,301	\$ 220,874	\$ 92,544	\$ 32,947	\$ 68,101	\$ 69,735	\$ 44,574	\$ 40,170	\$ -	\$ -
Contract services	90,596	91,866	36,297	31,945	745,113	841,126	78,612	123,538	-	-
Utilities	13,744	13,043	17,068	14,635	2,520	1,529	4,117	2,861	-	-
Maintenance materials and supplies	17,074	22,980	71,428	39,007	62,634	134,771	-	-	600	-
Grants and contributions	84,935	82,386	6,452	34,009	-	-	-	-	10,720	10,720
Amortization	2,546	2,546	7,920	7,920	60,601	57,012	-	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	19,754	233	-	-	-	-	8,704	7,053	-	-
Total expenses	<u>\$ 428,949</u>	<u>\$ 433,929</u>	<u>\$ 231,709</u>	<u>\$ 160,462</u>	<u>\$ 938,969</u>	<u>\$ 1,104,173</u>	<u>\$ 136,006</u>	<u>\$ 173,623</u>	<u>\$ 11,320</u>	<u>\$ 10,720</u>
Surplus (Deficit)	<u>\$ 1,678,177</u>	<u>\$ 1,539,003</u>	<u>\$ (220,659)</u>	<u>\$ (153,288)</u>	<u>\$ (682,836)</u>	<u>\$ (830,433)</u>	<u>\$ (37,620)</u>	<u>\$ (72,199)</u>	<u>\$ (11,320)</u>	<u>\$ (10,720)</u>

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2018

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,495,176	\$ 1,395,906
Grants in lieu of taxation	-	-	-	-	-	-	-	-	78,104	71,058
User fees	-	-	37,148	44,246	-	-	-	-	256,291	179,899
Permits, licences and fines	-	-	-	-	-	-	-	-	5,159	6,536
Investment income	230	127	-	231	-	-	-	-	82,007	50,764
Water and sewer	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	1,970	-	-	-	-	162,538	204,446
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	96,817	96,899
Prov of MB - Conditional Grants	5,717	5,962	-	-	3,557	-	-	-	343,254	364,665
Grants - other	-	-	215	215	-	-	-	-	215	37,848
Total revenue	\$ 5,947	\$ 6,090	\$ 37,363	\$ 46,662	\$ 3,557	\$ -	\$ -	\$ -	\$ 2,519,562	\$ 2,408,020
EXPENSES										
Personnel services	\$ -	\$ -	\$ 26,939	\$ 26,888	\$ -	\$ -	\$ -	\$ -	\$ 432,458	\$ 390,615
Contract services	34,846	26,047	90,055	88,844	-	-	-	-	1,075,518	1,203,368
Utilities	-	-	-	-	-	-	-	-	37,449	32,068
Maintenance materials and supplies	-	-	10,311	21,293	-	-	-	-	162,048	218,050
Grants and contributions	-	-	11,138	11,091	-	-	-	-	113,245	138,206
Amortization	-	-	1,646	1,874	1,530	1,501	-	-	74,242	70,853
Interest on long term debt	-	-	27	28	-	-	-	-	27	28
Other	-	-	-	-	-	-	-	-	28,458	7,286
Total expenses	\$ 34,846	\$ 26,047	\$ 140,116	\$ 150,018	\$ 1,530	\$ 1,501	\$ -	\$ -	\$ 1,923,445	\$ 2,060,473
Surplus (Deficit)	\$ (28,899)	\$ (19,957)	\$ (102,753)	\$ (103,356)	\$ 2,027	\$ (1,501)	\$ -	\$ -	\$ 596,117	\$ 347,547

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2018

	Core Government		Government Partnerships		Total	
	2018	2017	2018	2017	2018	2017
REVENUE						
Property taxes	\$ 1,495,176	\$ 1,395,906	\$ -	\$ -	\$ 1,495,176	\$ 1,395,906
Grants in lieu of taxation	77,936	70,905	168	153	78,104	71,058
User fees	219,311	135,801	36,980	44,098	256,291	179,899
Permits, licences and fines	5,159	6,536	-	-	5,159	6,536
Investment income	81,776	50,406	230	358	82,007	50,764
Water and sewer	-	-	-	-	-	-
Other revenue	162,538	202,481	-	1,965	162,538	204,446
Prov of MB - Unconditional Grants	96,817	96,899	-	-	96,817	96,899
Prov of MB - Conditional Grants	343,254	364,665	-	-	343,254	364,665
Grants - other	-	37,633	215	215	215	37,848
Total revenue	<u>\$ 2,481,968</u>	<u>\$ 2,361,231</u>	<u>\$ 37,593</u>	<u>\$ 46,789</u>	<u>\$ 2,519,562</u>	<u>\$ 2,408,020</u>
EXPENSES						
Personnel services	\$ 405,519	\$ 363,623	\$ 26,939	\$ 26,992	\$ 432,458	\$ 390,615
Contract services	1,074,537	1,202,143	981	1,225	1,075,518	1,203,368
Utilities	37,449	31,958	-	110	37,449	32,068
Maintenance materials and supplies	151,737	169,466	10,311	48,584	162,048	218,050
Grants and contributions	113,245	138,206	-	-	113,245	138,206
Amortization	72,596	68,979	1,646	1,874	74,242	70,853
Interest on long term debt	-	-	27	28	27	28
Other	28,458	7,286	-	-	28,458	7,286
Total expenses	<u>\$ 1,883,541</u>	<u>\$ 1,981,660</u>	<u>\$ 39,904</u>	<u>\$ 78,813</u>	<u>\$ 1,923,445</u>	<u>\$ 2,060,473</u>
Surplus (Deficit)	<u>\$ 598,428</u>	<u>\$ 379,571</u>	<u>\$ (2,311)</u>	<u>\$ (32,024)</u>	<u>\$ 596,117</u>	<u>\$ 347,547</u>

Rural Municipality of Armstrong
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2018

SCHEDULE 6

	2018					
	<u>General</u>	<u>Equipment Replacement</u>	<u>Fire Equipment</u>	<u>Snow Removal</u>	<u>Waste Management</u>	<u>Gas Tax</u>
REVENUE						
Investment income	\$ 10,460	\$ 7,499	\$ 11,049	\$ 2,281	\$ 2,570	\$ 5,874
Other income	-	-	-	-	-	-
Total revenue	<u>10,460</u>	<u>7,499</u>	<u>11,049</u>	<u>2,281</u>	<u>2,570</u>	<u>5,874</u>
TRANSFERS						
Transfers from general operating	-	27,000	40,500	-	13,500	103,820
Transfers to general operating	-	-	(23,200)	-	-	-
Transfers between reserves	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(32,244)	(671,350)	-	-	-
CHANGE IN RESERVE FUND BALANCES	10,460	2,255	(643,001)	2,281	16,070	109,694
FUND SURPLUS, BEGINNING OF YEAR	<u>482,645</u>	<u>288,507</u>	<u>646,498</u>	<u>114,552</u>	<u>196,323</u>	<u>305,590</u>
FUND SURPLUS, END OF YEAR	<u><u>\$ 493,105</u></u>	<u><u>\$ 290,762</u></u>	<u><u>\$ 3,497</u></u>	<u><u>\$ 116,833</u></u>	<u><u>\$ 212,393</u></u>	<u><u>\$ 415,284</u></u>

Rural Municipality of Armstrong
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2018

SCHEDULE 6

	2018				2017
	Capital & Flood	Chic Canal Equipment	Elections	Total	Total
REVENUE					
Investment income	\$ 7,838	\$ 8	\$ -	\$ -	\$ 31,404
Other income	-	-	-	-	-
Total revenue	<u>7,838</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>31,404</u>
TRANSFERS					
Transfers from general operating	-	-	2,000	-	182,101
Transfers to general operating	-	-	-	-	(35,225)
Transfers between reserves	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	(48,159)
CHANGE IN RESERVE FUND BALANCES	<u>7,838</u>	<u>8</u>	<u>2,000</u>	<u>-</u>	<u>130,121</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>346,798</u>	<u>435</u>	<u>6,950</u>	<u>2,388,298</u>	<u>2,002,687</u>
FUND SURPLUS, END OF YEAR	<u>\$ 354,636</u>	<u>\$ 443</u>	<u>\$ 8,950</u>	<u>\$ -</u>	<u>\$ 2,132,808</u>

Rural Municipality of Armstrong
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
Year Ended December 31, 2018

SCHEDULE 7

	<u>2018</u>	<u>2017</u>
	Total	Total
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	-	-
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	-	-
Long-term debt	-	-
Due to other funds	-	-
	<u>-</u>	<u>-</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ -</u>	<u>\$ -</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ -	\$ -
Inventories	-	-
Prepaid expenses	-	-
	<u>-</u>	<u>-</u>
FUND SURPLUS (DEFICIT)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Rural Municipality of Armstrong
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2018

SCHEDULE 8

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes	-	-	-
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service			
Penalties	-	-	-
Contributed tangible capital assets			
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets			
Other income	-	-	-
sub-total- other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>

NAME OF MUNICIPALITY
 SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility
 For the Year Ended December 31, 2010

SCHEDULE 8

EXPENSES	<u>Budget</u>	<u>2010</u>	<u>2009</u>
General			
Administration	-	-	-
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>-</u>	<u>-</u>	<u>-</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	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Water purchases	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>-</u>	<u>-</u>	<u>-</u>
Sewage Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
NET OPERATING SURPLUS	-	-	-
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	-	-
FUND SURPLUS, BEGINNING OF YEAR		<u>-</u>	<u>-</u>
FUND SURPLUS, END OF YEAR		<u>\$ -</u>	<u>\$ -</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2018

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,466,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,466,128
Grants in lieu of taxation	78,104	-	-	-	-	-	-	78,104
User fees	129,888	-	-	-	-	-	37,148	167,036
Permits, licences and fines	4,700	-	-	-	-	-	-	4,700
Investment income	19,000	-	-	-	-	-	230	19,230
Other revenue	126,272	-	-	-	-	-	-	126,272
Water and sewer	-	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	1,288,000	-	-	-	(1,288,000)	-	-	-
Transfers from General	-	-	-	-	-	-	-	-
Grants - Province of Manitoba	396,550	-	-	-	-	-	-	396,550
Grants - other	103,820	-	-	-	-	-	215	104,035
Total revenue	<u>\$ 3,612,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,288,000)</u>	<u>\$ -</u>	<u>\$ 37,593</u>	<u>\$ 2,362,055</u>
EXPENSES								
General government services	\$ 452,850	\$ -	\$ 2,546	\$ -	\$ 220	\$ -	\$ -	\$ 455,616
Protective services	149,700	-	7,920	-	-	-	-	157,620
Transportation services	1,164,500	-	60,601	-	-	-	-	1,225,101
Environmental health services	153,000	-	-	-	-	-	-	153,000
Public health and welfare services	10,720	-	-	-	-	-	-	10,720
Regional planning and development	25,400	-	-	-	-	-	-	25,400
Resource cons and industrial dev	101,100	-	1,646	-	-	-	34,555	137,301
Recreation and cultural services	-	-	1,530	-	-	-	-	1,530
Water and sewer services	-	-	-	-	-	-	-	-
Fiscal services:								
Transfer to capital	1,210,000	-	(1,210,000)	-	-	-	-	-
Transfer to reserves	344,972	-	-	-	(344,972)	-	-	-
Transfer to accumulated surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	220	-	-	-	(220)	-	-	-
Total expenses	<u>\$ 3,612,462</u>	<u>\$ -</u>	<u>\$ (1,135,758)</u>	<u>\$ -</u>	<u>\$ (344,972)</u>	<u>\$ -</u>	<u>\$ 34,555</u>	<u>\$ 2,166,287</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,135,758</u>	<u>\$ -</u>	<u>\$ (943,028)</u>	<u>\$ -</u>	<u>\$ 3,038</u>	<u>\$ 195,768</u>

Rural Municipality of Armstrong
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2018

SCHEDULE 10

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 284,991	\$ 301,164
Add:		
Tax levy (Schedule 12)	2,379,462	2,268,173
Taxes added	49,101	39,956
Penalties or interest	31,817	30,179
Sub-total	<u>2,460,380</u>	<u>2,338,308</u>
Deduct:		
Cash collections	2,063,086	1,991,415
Write-offs	17,988	3,456
E.P.T.C. - cash advance	373,749	359,610
Sub-total	<u>2,454,823</u>	<u>2,354,481</u>
Balance, end of year	<u><u>\$ 290,548</u></u>	<u><u>\$ 284,991</u></u>

Rural Municipality of Armstrong
 ANALYSIS OF TAX LEVY
 Year Ended December 31, 2018

SCHEDULE 11

	2018			2017
	Assessment	Mill Rate	Levy	Levy
General municipal	73,267,210	18.661	1,367,239	1,280,404
Reserves:				
Equipment Replacement	73,267,210	0.350	25,644	25,691
Fire Equipment	73,267,210	0.525	38,465	38,502
Waste Management	73,267,210	0.175	12,822	12,880
Elections	73,267,210	0.026	1,905	1,929
Total municipal taxes (Schedule 2)			1,446,075	1,359,406
Education support levy	1,857,530	9.770	18,148	19,678
Special levy:				
Interlake - SD#21	8,751,010	13.588	118,909	113,557
Evergreen - SD#22	41,822,670	10.985	459,422	429,503
Lakeshore - SD#23	22,693,530	14.846	336,908	346,029
sub-total- Special levies			915,239	889,089
Total education taxes			933,387	908,767
			\$ 2,379,462	\$ 2,268,173

Rural Municipality of Armstrong
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2018

SCHEDULE 12

	<u>2018 Actual</u>	<u>2017 Actual</u>
General government services:		
Legislative	\$ 73,636	\$ 81,606
General administrative	225,154	245,111
Other	130,159	107,211
	<u>428,949</u>	<u>433,929</u>
Protective services:		
Fire	207,141	108,456
Emergency measures	13,997	13,904
Other protection	10,571	10,335
	<u>231,709</u>	<u>132,695</u>
Transportation services:		
Road transport		
Road and street maintenance	857,947	1,028,241
Street lighting	15,445	14,688
Other	65,577	61,244
	<u>938,969</u>	<u>1,104,173</u>
Environmental health services:		
Waste collection and disposal	112,178	150,809
Other	23,829	22,813
	<u>136,006</u>	<u>173,623</u>
Public health and welfare services:		
Public health	600	-
Social assistance	10,720	10,720
	<u>11,320</u>	<u>10,720</u>
Regional planning and development		
Planning and zoning	5,376	5,376
	<u>34,846</u>	<u>26,047</u>
Resource conservation and industrial development		
Rural area weed control	94,424	93,231
Veterinary services	6,000	6,000
Water resources and conservation	5,137	5,091
	<u>105,561</u>	<u>104,322</u>
Recreation and cultural services:		
Other cultural facilities	1,530	1,501
	<u>1,530</u>	<u>1,501</u>
Total expenses	<u><u>1,888,890</u></u>	<u><u>1,987,010</u></u>

Rural Municipality of Armstrong
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 December 31, 2018

SCHEDULE 13

	General	2018 Utility	Total	2017 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 555,724	\$ -	\$ 555,724	\$ 115,552
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - net book value of assets disposed of	(61)	-	(61)	(6,002)
Increase expense - amortization of tangible capital assets	(72,595)	-	(72,595)	(68,979)
Eliminate expense - acquisitions of tangible capital assets	712,099	-	712,099	145,154
Reserve:				
Increase revenue - reserve funds interest	47,579	-	47,579	33,065
Eliminate expense - transfers to reserves	186,821	-	186,821	383,305
Eliminate revenue - transfers from reserves to operating funds	(726,794)	-	(726,794)	(160,879)
Deferred Revenue:				
Eliminate revenue - increase in deferred revenue - Gas Tax	(109,694)	-	(109,694)	(66,995)
	593,079	-	593,079	374,221
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	3,038	-	3,038	(26,674)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 596,117	\$ -	\$ 596,117	\$ 347,547