

# Rural Municipality of Armstrong

**Consolidated Financial Statements**  
**Year ended December 31, 2019**

## 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

Sep. 8, 2020

  
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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, 2019 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2019, 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, 2019, 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Winnipeg, Canada  
September 8, 2020

Chambers Fraser  
Chartered Professional Accountants

# **Rural Municipality of Armstrong**

## **Consolidated Financial Statements**

**Year ended December 31, 2019**

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**Rural Municipality of Armstrong**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 5,239,654	\$ 5,150,548
Amounts receivable (Note 4)	663,990	623,806
	<u>\$ 5,903,643</u>	<u>\$ 5,774,354</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 291,346	\$ 817,367
Deferred revenue (Note 7)	614,310	415,284
Landfill closure and post closure liabilities (Note 8)	75,000	75,000
	<u>980,655</u>	<u>1,307,651</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 4,922,988</u>	<u>\$ 4,466,703</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	2,316,374	2,366,888
Inventories (Note 5)	52,103	20,824
Prepaid expenses	26,292	19,565
	<u>2,394,768</u>	<u>2,407,276</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 7,317,756</u>	<u>\$ 6,873,980</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, 2019**

	<b>2019 Budget (Note 11)</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>REVENUE</b>			
Property taxes	\$ 1,451,948	\$ 1,467,865	\$ 1,495,176
Grants in lieu of taxation	74,899	74,899	78,104
User fees	182,814	186,894	256,291
Permits, licences and fines	4,070	4,003	5,159
Investment income	25,286	98,878	82,007
Other revenue	41,950	231,649	162,538
Grants - Province of Manitoba	475,150	473,782	440,071
Grants - other	96,654	215	215
	<u>2,352,771</u>	<u>2,538,186</u>	<u>2,519,562</u>
Total revenue (Schedules 2, 4 and 5)			
<b>EXPENSES</b>			
General government services	494,710	446,343	428,949
Protective services	232,621	299,324	231,709
Transportation services	1,202,348	1,028,927	938,969
Environmental health services	181,600	139,660	136,006
Public health and welfare services	10,720	10,720	11,320
Regional planning and development	42,200	31,848	34,846
Resource conservation and industrial development	140,035	136,087	140,116
Recreation and cultural services	1,501	1,501	1,530
	<u>2,305,735</u>	<u>2,094,409</u>	<u>1,923,445</u>
Total expenses (Schedules 3, 4 and 5)			
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u><u>\$ 47,036</u></u>	443,776	596,117
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 12)</b>		<u>6,873,980</u>	<u>6,277,863</u>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>		<u><u>\$ 7,317,756</u></u>	<u><u>\$ 6,873,980</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, 2019**

	<u>2019 Budget (Note 11)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 47,036</b>	<b>\$ 443,776</b>	<b>\$ 596,117</b>
Acquisition of tangible capital assets	(380,546)	(84,745)	(713,913)
Amortization of tangible capital assets	133,792	133,792	74,243
Loss (Gain) on sale of tangible capital assets	-	(173,141)	(103,639)
Proceeds on sale of tangible capital assets	-	174,607	103,700
Decrease (increase) in inventories	-	(31,279)	326
Decrease (increase) in prepaid expense	-	(6,727)	(829)
	<u>(246,754)</u>	<u>12,508</u>	<u>(640,113)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>(199,718)</u></b>	<b>456,284</b>	<b>(43,995)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>		<u>4,466,703</u>	<u>4,510,699</u>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>		<b><u>\$ 4,922,988</u></b>	<b><u>\$ 4,466,703</u></b>

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



**Rural Municipality of Armstrong**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 443,776	\$ 596,117
Changes in non-cash items:		
Amounts receivable	(40,183)	298,431
Inventories	(31,279)	326
Prepays	(6,727)	(829)
Accounts payable and accrued liabilities	(526,022)	388,804
Deferred revenue	199,026	109,693
Loss (Gain) on sale of tangible capital asset	(173,141)	(103,639)
Amortization	133,792	74,243
	<u>(757)</u>	<u>1,363,147</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	174,607	103,700
Cash used to acquire tangible capital assets	(84,745)	(713,913)
	<u>89,862</u>	<u>(610,213)</u>
Cash provided by (applied to) capital transactions		
	<u>89,862</u>	<u>(610,213)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>89,106</b>	<b>752,934</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>5,150,548</u></b>	<b><u>4,397,614</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 5,239,654</u></b>	<b><u>\$ 5,150,548</u></b>

*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, 2019**

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**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%) (2018 – 15%)
- South Interlake Emergency Measures Board (20%) (2018 – 20%)
- Fisher Armstrong Planning Board (50%) (2018 – 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, 2019**

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**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, 2019**

**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>2019</u>	<u>2018</u>
Cash	<u>\$ 5,239,654</u>	<u>\$ 5,150,548</u>
	<u><u>\$ 5,239,654</u></u>	<u><u>\$ 5,150,548</u></u>

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

Designated Reserve Funds	<u><u>\$ 2,665,298</u></u>	<u><u>\$ 2,387,904</u></u>
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**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 10)	\$ 349,261	\$ 290,548
Government grants	48,220	51,910
Organizations and individuals	239,315	225,697
Other governments	<u>29,069</u>	<u>60,651</u>
	<u>\$ 665,865</u>	<u>\$ 628,806</u>
Less allowances for doubtful amounts	<u>(1,875)</u>	<u>(5,000)</u>
	<u><u>\$ 663,990</u></u>	<u><u>\$ 623,806</u></u>

**5. Inventories**

**Inventories for use:**

	<u>2019</u>	<u>2018</u>
Culverts	<u>\$ 52,103</u>	<u>\$ 20,824</u>
	<u><u>\$ 52,103</u></u>	<u><u>\$ 20,824</u></u>

**Rural Municipality of Armstrong**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**6. Accounts Payable and Accrued Liabilities**

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 74,458	\$ 522,206
Accrued expenses	43,422	96,400
School levies	<u>173,466</u>	<u>182,423</u>
	<u>\$ 291,346</u>	<u>\$ 817,367</u>

**7. Deferred Revenue:**

	<u>2019</u>	<u>2018</u>
Federal Gas Tax Funding	<u>\$ 614,310</u>	<u>\$ 415,284</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>2019</u>	<u>2018</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>
<b>Discounted costs</b>	<u>\$ 75,000</u>	<u>\$ 75,000</u>
Expected year capacity will be reached	<b>2016</b>	2016
Capacity (years):		
Used to date	15	15
Remaining	-	-
Total	15	15
Percent utilized	<u>100.00%</u>	<u>100.00%</u>
<b>Liability based on percentage</b>	<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, 2019**

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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 **\$10,328** (2018 - \$10,319) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2018.

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

**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, 2019**

**12. Accumulated Surplus**

	<u>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,909,183	\$ 2,494,138
General capital fund - Capital surplus	2,308,719	2,359,406
Reserve funds	<u>2,665,298</u>	<u>2,387,904</u>
	<u>7,883,200</u>	<u>7,241,448</u>
Deferred revenue - Reserves	<u>(614,310)</u>	<u>(415,284)</u>
Accumulated surplus of municipality unconsolidated	<u>7,268,890</u>	6,826,164
Accumulated surpluses of consolidated entities	<u>48,866</u>	<u>47,816</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 7,317,756</u>	<u>\$ 6,873,980</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, 2019:

- a) Compensation paid to members of council amounted to \$83,957 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 - Susan Smerchanski	\$ 22,969	\$ 6,157	\$ 29,126
Councillor - Ted Sumka	12,992	3,177	16,169
Councillor - Adam Krochenski	10,762	1,727	12,489
Councillor - Paul Humeny	13,131	3,848	16,979
Councillor - Ralph Hazelton	11,320	1,503	12,823
Councillor - Allen Evanchyshin	12,783	2,901	15,684
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 83,957</u>	<u>\$ 19,313</u>	<u>\$ 103,270</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	\$ 66,398

**14. Trust Funds**

The Rural Municipality of Armstrong administers the following trust:

	<u>Balance, beg. of the year</u>	<u>Net Receipts (Disbursements)</u>	<u>Balance, end of the year</u>
Fraserwood Sidewalks	\$ 1,476	\$ 32	\$ 1,508
Chatfield Cemetery	6,462	(848)	5,614
Fraserwood Sports Club	382	8	390
Fraserwood Heritage park	1,752	38	1,790
Narcisse Snake Pits	246	4	250
Community Clubs	3,946	(3,860)	86
Age Friendly	1,199	26	1,225
	<u>\$ 15,463</u>	<u>\$ (4,600)</u>	<u>\$ 10,863</u>

**Rural Municipality of Armstrong**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**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.

**16. Government Partnerships**

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

	<u>2019</u>	<u>2018</u>
Financial Position		
Financial assets	\$ 42,037	\$ 41,631
Financial liabilities	<u>4,508</u>	<u>2,841</u>
Net financial assets (liabilities)	<u>37,529</u>	38,790
Non financial assets	<u>11,336</u>	<u>9,027</u>
Accumulated surplus	<u>\$ 48,865</u>	<u>\$ 47,817</u>
Results of operations		
Revenues	\$ 38,413	\$ 37,593
Expenses	<u>37,364</u>	<u>34,555</u>
Consolidated annual surplus	<u>\$ 1,049</u>	<u>\$ 3,038</u>



**Rural Municipality of Armstrong**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2019**

**SCHEDULE 1**

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2019	2018
<b>Cost</b>										
Opening costs	53,910	358,321	1,471,431	56,248	-	18,214,133	948,455	-	21,102,498	20,388,645
Additions during the year	16,201	17,912	50,632	-	-	-	-	-	84,745	713,913
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	(1,467)	-	-	-	-	-	-	-	(1,467)	(61)
Closing costs	<u>68,644</u>	<u>376,232</u>	<u>1,522,063</u>	<u>56,248</u>	<u>-</u>	<u>18,214,133</u>	<u>948,455</u>	<u>-</u>	<u>21,185,775</u>	<u>21,102,498</u>
<b>Accumulated Amortization</b>										
Opening accum'd amortization	-	258,096	580,666	39,273	-	17,561,366	296,207	-	18,735,609	18,661,366
Amortization	405	5,616	78,305	9,852	-	15,902	23,711	-	133,792	74,243
Disposals and write downs	-	-	-	-	-	-	-	-	-	-
Closing accum'd amortization	<u>405</u>	<u>263,713</u>	<u>658,971</u>	<u>49,125</u>	<u>-</u>	<u>17,577,268</u>	<u>319,919</u>	<u>-</u>	<u>18,869,401</u>	<u>18,735,609</u>
Net Book Value of Tangible Capital Assets	<u>68,239</u>	<u>112,520</u>	<u>863,092</u>	<u>7,123</u>	<u>-</u>	<u>636,864</u>	<u>628,536</u>	<u>-</u>	<u>2,316,374</u>	<u>2,366,888</u>

Rural Municipality of Armstrong  
**CONSOLIDATED SCHEDULE OF REVENUES**  
Year Ended December 31, 2019

**SCHEDULE 2**

	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 1,421,948	\$ 1,446,075
Taxes added	<u>45,918</u>	<u>49,101</u>
	<u>1,467,865</u>	<u>1,495,176</u>
<b>Grants in lieu of taxation:</b>		
Federal government enterprises	-	-
Provincial government	<u>61,927</u>	<u>64,651</u>
Provincial government enterprises	<u>12,972</u>	<u>13,453</u>
	<u>74,899</u>	<u>78,104</u>
<b>User fees</b>		
Sales of service	<u>40,584</u>	<u>39,396</u>
Rentals	<u>146,310</u>	<u>216,896</u>
	<u>186,894</u>	<u>256,291</u>
<b>Permits, licences and fines</b>		
Permits	<u>1,845</u>	<u>2,063</u>
Licences	<u>2,158</u>	<u>3,097</u>
	<u>4,003</u>	<u>5,159</u>
<b>Investment income:</b>		
Cash and temporary investments	<u>98,878</u>	<u>82,007</u>
	<u>98,878</u>	<u>82,007</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	<u>173,141</u>	<u>103,639</u>
Miscellaneous (specify):		
Penalties and interest	<u>32,922</u>	<u>31,817</u>
Other revenue	<u>21,640</u>	<u>27,082</u>
	<u>231,649</u>	<u>162,538</u>
<b>Grants - Province of Manitoba</b>		
General support grant	<u>364,437</u>	<u>96,817</u>
Conditional grants	<u>108,095</u>	<u>343,254</u>
	<u>473,782</u>	<u>440,071</u>
<b>Grants - other</b>		
Federal government - gas tax funding	-	-
Other local governments	<u>215</u>	<u>215</u>
	<u>215</u>	<u>215</u>
<b>Total revenue</b>	<u><u>2,538,186</u></u>	<u><u>2,519,562</u></u>

Rural Municipality of Armstrong  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
Year Ended December 31, 2019

**SCHEDULE 3**

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>General government services:</b>		
Legislative	\$ 84,557	\$ 73,636
General administrative	241,038	225,154
Other	120,747	130,159
	<u>446,343</u>	<u>428,949</u>
<b>Protective services:</b>		
Fire	216,419	207,141
Emergency measures	19,090	13,997
Other protection	63,815	10,571
	<u>299,324</u>	<u>231,709</u>
<b>Transportation services:</b>		
Road transport		
Road and street maintenance	953,923	857,947
Street lighting	14,301	15,445
Other	60,702	65,577
	<u>1,028,927</u>	<u>938,969</u>
<b>Environmental health services:</b>		
Waste collection and disposal	115,522	112,178
Other	24,138	23,829
	<u>139,660</u>	<u>136,006</u>
<b>Public health and welfare services:</b>		
Public health	-	600
Social assistance	10,720	10,720
	<u>10,720</u>	<u>11,320</u>
<b>Regional planning and development</b>		
Planning and zoning	7,168	5,376
Other	24,680	29,470
	<u>31,848</u>	<u>34,846</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	125,147	128,979
Veterinary services	6,000	6,000
Water resources and conservation	4,939	5,137
	<u>136,087</u>	<u>140,116</u>
<b>Recreation and cultural services:</b>		
Other cultural facilities	1,501	1,530
	<u>1,501</u>	<u>1,530</u>
<b>Total expenses</b>	<u><u>2,094,409</u></u>	<u><u>1,923,445</u></u>

Rural Municipality of Armstrong  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
Year Ended December 31, 2019

**SCHEDULE 4**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>										
Property taxes	\$1,467,865	\$1,495,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	74,899	78,104	-	-	-	-	-	-	-	-
User fees	148,146	218,800	-	-	836	343	-	-	-	-
Prov of MB - Unconditional Grants	365,687	96,817	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	24,801	246,009	76,163	87,971	-	-
Grants - other	-	-	-	-	-	-	-	-	-	-
Permits, licences and fines	4,003	5,159	-	-	-	-	-	-	-	-
Investment income	61,827	50,530	13,244	11,049	11,640	9,781	11,881	10,416	-	-
Other revenue - schedule 2	231,649	162,538	-	-	-	-	-	-	-	-
Water and sewer										
Total revenue	<u>\$ 2,354,077</u>	<u>\$ 2,107,126</u>	<u>\$ 13,244</u>	<u>\$ 11,049</u>	<u>\$ 37,277</u>	<u>\$ 256,133</u>	<u>\$ 88,044</u>	<u>\$ 98,386</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENSES</b>										
Personnel services	\$ 222,497	\$ 205,233	\$ 79,233	\$ 92,544	\$ 69,639	\$ 67,993	\$ 41,545	\$ 44,574	\$ -	\$ -
Contract services	80,812	85,663	45,549	36,297	894,040	745,113	89,520	78,612	-	-
Utilities	12,997	13,744	16,376	17,068	202	2,520	4,328	4,117	-	-
Maintenance materials and supplies	21,717	17,074	86,995	71,428	7,199	62,742	-	-	-	600
Grants and contributions	97,861	84,935	8,550	6,452	-	-	-	-	10,720	10,720
Amortization	10,211	2,546	62,621	7,920	57,848	60,601	-	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	249	19,754	-	-	-	-	4,266	8,704	-	-
Total expenses	<u>\$ 446,343</u>	<u>\$ 428,949</u>	<u>\$ 299,324</u>	<u>\$ 231,709</u>	<u>\$ 1,028,927</u>	<u>\$ 938,969</u>	<u>\$ 139,660</u>	<u>\$ 136,006</u>	<u>\$ 10,720</u>	<u>\$ 11,320</u>
<b>Surplus (Deficit)</b>	<u>\$ 1,907,734</u>	<u>\$ 1,678,177</u>	<u>\$ (286,080)</u>	<u>\$ (220,659)</u>	<u>\$ (991,650)</u>	<u>\$ (682,836)</u>	<u>\$ (51,616)</u>	<u>\$ (37,620)</u>	<u>\$ (10,720)</u>	<u>\$ (11,320)</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, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,467,865	\$ 1,495,176
Grants in lieu of taxation	-	-	-	-	-	-	-	-	74,899	78,104
User fees	-	-	37,912	37,148	-	-	-	-	186,894	256,291
Permits, licences and fines	-	-	-	-	-	-	-	-	4,003	5,159
Investment income	286	230	-	-	-	-	-	-	98,878	82,007
Water and sewer	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	231,649	162,538
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	365,687	96,817
Prov of MB - Conditional Grants	6,131	5,717	-	-	1,000	3,557	-	-	108,095	343,254
Grants - other	-	-	215	215	-	-	-	-	215	215
Total revenue	\$ 6,416	\$ 5,947	\$ 38,127	\$ 37,363	\$ 1,000	\$ 3,557	\$ -	\$ -	\$ 2,538,186	\$ 2,519,562
<b>EXPENSES</b>										
Personnel services	\$ -	\$ -	\$ 29,670	\$ 26,939	\$ -	\$ -	\$ -	\$ -	\$ 442,584	\$ 437,283
Contract services	31,848	34,846	83,622	90,055	-	-	-	-	1,225,390	1,070,586
Utilities	-	-	-	-	-	-	-	-	33,903	37,449
Maintenance materials and supplies	-	-	10,556	10,311	-	-	-	-	126,467	162,156
Grants and contributions	-	-	10,938	11,138	-	-	-	-	128,069	113,245
Amortization	-	-	1,271	1,646	1,501	1,530	-	-	133,452	74,242
Interest on long term debt	-	-	29	27	-	-	-	-	29	27
Other	-	-	-	-	-	-	-	-	4,515	28,458
Total expenses	\$ 31,848	\$ 34,846	\$ 136,087	\$ 140,116	\$ 1,501	\$ 1,530	\$ -	\$ -	\$ 2,094,409	\$ 1,923,445
<b>Surplus (Deficit)</b>	\$ (25,431)	\$ (28,899)	\$ (97,960)	\$ (102,753)	\$ (501)	\$ 2,027	\$ -	\$ -	\$ 443,776	\$ 596,117

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2019

	Core Government		Government Partnerships		Total	
	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>						
Property taxes	\$ 1,467,865	\$ 1,495,176	\$ -	\$ -	\$ 1,467,865	\$ 1,495,176
Grants in lieu of taxation	74,709	77,936	190	168	74,899	78,104
User fees	149,172	219,311	37,722	36,980	186,894	256,291
Permits, licences and fines	4,003	5,159	-	-	4,003	5,159
Investment income	98,592	81,776	286	230	98,878	82,007
Water and sewer	-	-	-	-	-	-
Other revenue	231,649	162,538	-	-	231,649	162,538
Prov of MB - Unconditional Grants	365,687	96,817	-	-	365,687	96,817
Prov of MB - Conditional Grants	108,095	343,254	-	-	108,095	343,254
Grants - other	-	-	215	215	215	215
Total revenue	<u>\$ 2,499,773</u>	<u>\$ 2,481,968</u>	<u>\$ 38,413</u>	<u>\$ 37,593</u>	<u>\$ 2,538,186</u>	<u>\$ 2,519,562</u>
<b>EXPENSES</b>						
Personnel services	\$ 412,914	\$ 410,344	\$ 29,670	\$ 26,939	\$ 442,584	\$ 437,283
Contract services	1,224,201	1,069,605	1,189	981	1,225,390	1,070,586
Utilities	33,903	37,449	-	-	33,903	37,449
Maintenance materials and supplies	115,911	151,845	10,556	10,311	126,467	162,156
Grants and contributions	128,069	113,245	-	-	128,069	113,245
Amortization	132,181	72,596	1,271	1,646	133,452	74,242
Interest on long term debt	-	-	29	27	29	27
Other	4,515	28,458	-	-	4,515	28,458
Total expenses	<u>\$ 2,051,694</u>	<u>\$ 1,883,541</u>	<u>\$ 42,715</u>	<u>\$ 39,904</u>	<u>\$ 2,094,409</u>	<u>\$ 1,923,445</u>
<b>Surplus (Deficit)</b>	<u>\$ 448,079</u>	<u>\$ 598,428</u>	<u>\$ (4,303)</u>	<u>\$ (2,311)</u>	<u>\$ 443,776</u>	<u>\$ 596,117</u>

Rural Municipality of Armstrong  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2019

**SCHEDULE 6**

	2019					
	<u>General</u>	<u>Equipment Replacement</u>	<u>Fire Equipment</u>	<u>Snow Removal</u>	<u>Waste Management</u>	<u>Gas Tax</u>
<b>REVENUE</b>						
Investment income	\$ 12,117	\$ 8,984	\$ 13,244	\$ 2,656	\$ 3,133	\$ 6,803
Other income	-	-	-	-	-	-
Total revenue	<u>12,117</u>	<u>8,984</u>	<u>13,244</u>	<u>2,656</u>	<u>3,133</u>	<u>6,803</u>
<b>TRANSFERS</b>						
Transfers from general operating	-	27,000	40,500	-	13,500	192,223
Transfers to general operating	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-
Acquisition of tangible capital assets	(18,855)	-	(35,000)	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	<u>(6,738)</u>	<u>35,984</u>	<u>18,744</u>	<u>2,656</u>	<u>16,633</u>	<u>199,026</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>493,105</u>	<u>290,762</u>	<u>253,498</u>	<u>116,833</u>	<u>462,392</u>	<u>415,284</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 486,367</u>	<u>\$ 326,746</u>	<u>\$ 272,242</u>	<u>\$ 119,489</u>	<u>\$ 479,025</u>	<u>\$ 614,310</u>

Rural Municipality of Armstrong  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2019

**SCHEDULE 6**

	2019				2018
	Capital & Flood	Chic Canal Equipment	Elections	Total	Total
<b>REVENUE</b>					
Investment income	\$ 9,079	\$ 10	\$ -	\$ -	\$ 47,579
Other income	-	-	-	-	-
Total revenue	9,079	10	-	-	47,579
<b>TRANSFERS</b>					
Transfers from general operating	-	-	2,000	-	686,820
Transfers to general operating	-	-	-	-	(31,200)
Transfers between reserves	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(53,855)	(703,594)
<b>CHANGE IN RESERVE FUND BALANCES</b>	9,079	10	2,000	-	(395)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	354,636	444	950	2,387,904	2,388,299
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 363,715</u>	<u>\$ 454</u>	<u>\$ 2,950</u>	<u>\$ -</u>	<u>\$ 2,387,904</u>



Rural Municipality of Armstrong  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**Year Ended December 31, 2019**

**SCHEDULE 7**

	<u>2019</u>	<u>2018</u>
	Total	Total
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	-	-
	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	-	-
Long-term debt	-	-
Due to other funds	-	-
	<u>-</u>	<u>-</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ -</u>	<u>\$ -</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ -	\$ -
Inventories	-	-
Prepaid expenses	-	-
	<u>-</u>	<u>-</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Rural Municipality of Armstrong  
**SCHEDULE OF UTILITY OPERATIONS**  
 Year Ended December 31, 2019

**SCHEDULE 8**

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer</b>			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
<b>Property taxes</b>	-	-	-
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other</b>			
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>
<b>Total revenue</b>	<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>
<b>General</b>			
Administration	-	-	-
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>-</u>	<u>-</u>	<u>-</u>
<b>Water General</b>			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer General</b>			
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>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET OPERATING SURPLUS</b>	-	-	-
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ -</u>	-	-
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>-</u>	<u>-</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ -</u>	<u>\$ -</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2019

	<u>Financial Plan General</u>	<u>Financial Plan Utility(ies)</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>
<b>REVENUE</b>								
Property taxes	\$ 1,451,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,451,948
Grants in lieu of taxation	74,899	-	-	-	-	-	-	74,899
User fees	144,902	-	-	-	-	-	37,912	182,814
Permits, licences and fines	4,070	-	-	-	-	-	-	4,070
Investment income	25,000	-	-	-	-	-	286	25,286
Other revenue	41,950	-	-	-	-	-	-	41,950
Water and sewer	-	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	524,546	-	-	-	(524,546)	-	-	-
Transfers from General	-	-	-	-	-	-	-	-
Grants - Province of Manitoba	475,150	-	-	-	-	-	-	475,150
Grants - other	96,439	-	-	-	-	-	215	96,654
Total revenue	<u>\$ 2,838,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (524,546)</u>	<u>\$ -</u>	<u>\$ 38,413</u>	<u>\$ 2,352,771</u>
<b>EXPENSES</b>								
General government services	\$ 484,250	\$ -	\$ 10,211	\$ -	\$ 249	\$ -	\$ -	\$ 494,710
Protective services	170,000	-	62,621	-	-	-	-	232,621
Transportation services	1,144,500	-	57,848	-	-	-	-	1,202,348
Environmental health services	181,600	-	-	-	-	-	-	181,600
Public health and welfare services	10,720	-	-	-	-	-	-	10,720
Regional planning and development	42,200	-	-	-	-	-	-	42,200
Resource cons and industrial dev	101,400	-	1,271	-	-	-	37,364	140,035
Recreation and cultural services	-	-	1,501	-	-	-	-	1,501
Water and sewer services	-	-	-	-	-	-	-	-
Fiscal services:								
Transfer to capital	524,546	-	(524,546)	-	-	-	-	-
Transfer to reserves	179,439	-	-	-	(179,439)	-	-	-
Transfer to accumulated surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	249	-	-	-	(249)	-	-	-
Total expenses	<u>\$ 2,838,904</u>	<u>\$ -</u>	<u>\$ (391,094)</u>	<u>\$ -</u>	<u>\$ (179,439)</u>	<u>\$ -</u>	<u>\$ 37,364</u>	<u>\$ 2,305,735</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,094</u>	<u>\$ -</u>	<u>\$ (345,107)</u>	<u>\$ -</u>	<u>\$ 1,049</u>	<u>\$ 47,036</u>

Rural Municipality of Armstrong  
**ANALYSIS OF TAXES ON ROLL**  
**Year Ended December 31, 2019**

**SCHEDULE 10**

	<u>2019</u>	<u>2018</u>
<b>Balance, beginning of year</b>	<b>\$ 290,548</b>	<b>\$ 284,991</b>
<b>Add:</b>		
Tax levy (Schedule 12)	2,379,954	2,379,462
Taxes added	48,132	49,101
Penalties or interest	32,923	31,817
<b>Sub-total</b>	<b><u>2,461,009</u></b>	<b><u>2,460,380</u></b>
<b>Deduct:</b>		
Cash collections	2,071,048	2,063,086
Write-offs	3,373	17,988
E.P.T.C. - cash advance	327,875	373,749
<b>Sub-total</b>	<b><u>2,402,296</u></b>	<b><u>2,454,823</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 349,261</u></u></b>	<b><u><u>\$ 290,548</u></u></b>

Rural Municipality of Armstrong  
 ANALYSIS OF TAX LEVY  
 Year Ended December 31, 2019

**SCHEDULE 11**

	2019			2018
	Assessment	Mill Rate	Levy	Levy
General municipal	74,713,530	17.975	1,342,976	1,367,239
Reserves:				
Equipment Replacement	74,713,530	0.344	25,701	25,644
Fire Equipment	74,713,530	0.515	38,477	38,465
Waste Management	74,713,530	0.172	12,851	12,822
Elections	74,713,530	0.026	1,943	1,905
<b>Total municipal taxes (Schedule 2)</b>			<b>1,421,948</b>	<b>1,446,075</b>
Education support levy	1,856,680	9.771	<b>18,142</b>	18,148
Special levy:				
Interlake - SD#21	8,899,820	13.606	121,091	118,909
Evergreen - SD#22	42,785,100	11.059	473,160	459,422
Lakeshore - SD#23	23,028,610	15.008	345,613	336,908
sub-total- Special levies			<b>939,864</b>	915,239
<b>Total education taxes</b>			<b>958,006</b>	933,387
			<b>\$ 2,379,954</b>	<b>\$ 2,379,462</b>

Rural Municipality of Armstrong  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
Year Ended December 31, 2019

**SCHEDULE 12**

	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>General government services:</b>		
Legislative	\$ 84,557	\$ 73,636
General administrative	241,038	225,154
Other	<u>120,747</u>	<u>130,159</u>
	<u>446,343</u>	<u>428,949</u>
<b>Protective services:</b>		
Fire	216,419	207,141
Emergency measures	19,090	13,997
Other protection	<u>63,815</u>	<u>10,571</u>
	<u>299,324</u>	<u>231,709</u>
<b>Transportation services:</b>		
Road transport		
Road and street maintenance	953,923	857,947
Street lighting	14,301	15,445
Other	<u>60,702</u>	<u>65,577</u>
	<u>1,028,927</u>	<u>938,969</u>
<b>Environmental health services:</b>		
Waste collection and disposal	115,522	112,178
Other	<u>24,138</u>	<u>23,829</u>
	<u>139,660</u>	<u>136,006</u>
<b>Public health and welfare services:</b>		
Public health	-	600
Social assistance	<u>10,720</u>	<u>10,720</u>
	<u>10,720</u>	<u>11,320</u>
<b>Regional planning and development</b>		
Planning and zoning	<u>7,168</u>	<u>5,376</u>
	<u>31,848</u>	<u>34,846</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	87,783	94,424
Veterinary services	6,000	6,000
Water resources and conservation	<u>4,939</u>	<u>5,137</u>
	<u>98,723</u>	<u>105,561</u>
<b>Recreation and cultural services:</b>		
Other cultural facilities	<u>1,501</u>	<u>1,530</u>
	<u>1,501</u>	<u>1,530</u>
<b>Total expenses</b>	<u><u>2,057,045</u></u>	<u><u>1,888,890</u></u>

Rural Municipality of Armstrong  
**RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)**  
**December 31, 2019**

**SCHEDULE 13**

	<b>General</b>	<b>2019 Utility</b>	<b>Total</b>	<b>2018 Total</b>
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 415,048	\$ -	\$ 415,048	\$ 63,724
<b>Adjustments for reporting under public sector accounting standards</b>				
Capital :				
Increase expense - net book value of assets disposed of	(1,467)	-	(1,467)	(61)
Increase expense - amortization of tangible capital assets	(132,521)	-	(132,521)	(72,595)
Eliminate expense - acquisitions of tangible capital assets	83,302	-	83,302	712,099
Reserve:				
Increase revenue - reserve funds interest	56,024	-	56,024	47,580
Eliminate expense - transfers to reserves	275,223	-	275,223	686,820
Eliminate revenue - transfers from reserves to operating funds	(53,855)	-	(53,855)	(734,794)
Deferred Revenue:				
Eliminate revenue - increase in deferred revenue - Gas Tax	(199,026)	-	(199,026)	(109,694)
	442,728	-	442,728	593,079
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	1,048	-	1,048	3,038
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 443,776</b>	<b>\$ -</b>	<b>\$ 443,776</b>	<b>\$ 596,117</b>