

Independent Auditor's Report

To the Council of the RM of Arm River

Opinion

I have audited the accompanying financial statements of the RM of Arm River, which comprise the statement of financial position as at December 31, 2018, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the RM of Arm River as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the RM of Arm River in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the RM of Arm River'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 RM of Arm River or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the RM of Arm River's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 RM of Arm River'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 RM of Arm River's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the RM of Arm River 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Officerback
February 13, 2019

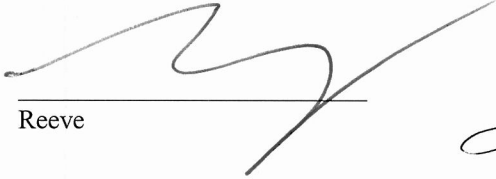
Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

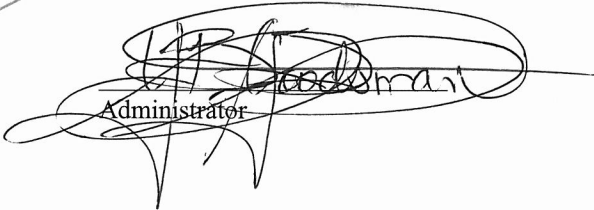
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Leah Herback CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.



Reeve



Administrator

Municipality of Arm River, No. 252
Consolidated Statement of Financial Position
As at December 31, 2018

Statement 1

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	627,956	702,540
Taxes Receivable - Municipal (Note 3)	36,279	19,520
Other Accounts Receivable (Note 4)	24,361	56,639
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	1,381,342	1,277,091
Debt Charges Recoverable (Note 7)	-	-
Other (Specify)		
Total Financial Assets	2,069,938	2,055,790
LIABILITIES		
Bank Indebtedness (Note 8)	-	-
Accounts Payable	16,884	16,812
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue (Note 9)	-	114
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 12)	-	-
Lease Obligations (Note 13)	-	-
Total Liabilities	16,884	16,926
NET FINANCIAL ASSETS (DEBT)	2,053,054	2,038,864
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	3,045,455	2,919,367
Prepayments and Deferred Charges	8,947	59,359
Stock and Supplies	286,611	197,071
Other (Note 14)	-	-
Total Non-Financial Assets	3,341,013	3,175,797
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	5,394,067	5,214,661

Municipality of Arm River, No. 252
 Consolidated Statement of Operations
 As at December 31, 2018

Statement 2

	2018 Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	1,393,462	1,375,685	1,393,945
Fees and Charges (Schedule 4, 5)	48,250	41,856	46,980
Conditional Grants (Schedule 4, 5)	26,300	26,534	27,351
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	(23,032)	(29,729)	6,565
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	22,000	20,614	20,354
Other Revenues (Schedule 4, 5)	-	-	634
Total Revenues	1,466,980	1,434,960	1,495,829
EXPENSES			
General Government Services (Schedule 3)	220,137	221,230	212,433
Protective Services (Schedule 3)	21,825	16,168	20,196
Transportation Services (Schedule 3)	1,190,575	992,244	1,088,676
Environmental and Public Health Services (Schedule 3)	16,975	14,631	19,733
Planning and Development Services (Schedule 3)	7,700	6,700	6,700
Recreation and Cultural Services (Schedule 3)	16,300	15,760	15,792
Utility Services (Schedule 3)	4,041	4,035	3,469
Total Expenses	1,477,553	1,270,768	1,366,999
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(10,573)	164,192	128,830
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	303,012	15,214	15,139
Surplus (Deficit) of Revenues over Expenses	292,439	179,406	143,969
Accumulated Surplus (Deficit), Beginning of Year	5,214,661	5,214,661	5,070,692
Accumulated Surplus (Deficit), End of Year	5,507,100	5,394,067	5,214,661

Municipality of Arm River, No. 252
 Consolidated Statement of Change in Net Financial Assets
 As at December 31, 2018

Statement 3

	2018 Budget	2018	2017
Surplus (Deficit)	292,439	179,406	143,969
(Acquisition) of tangible capital assets	(979,466)	(408,364)	(130,204)
Amortization of tangible capital assets	149,811	168,254	156,026
Proceeds on disposal of tangible capital assets	80,000	84,293	6,565
Loss (gain) on the disposal of tangible capital assets	23,032	29,729	(6,565)
Surplus (Deficit) of capital expenses over expenditures	(726,623)	(126,088)	25,822
(Acquisition) of supplies inventories	-	(251,087)	(301,021)
(Acquisition) of prepaid expense	-	-	-
Consumption of supplies inventory	150,000	161,547	162,219
Use of prepaid expense	-	50,412	45,890
Surplus (Deficit) of expenses of other non-financial over expenditures	150,000	(39,128)	(92,912)
Increase/Decrease in Net Financial Assets	(284,184)	14,190	76,879
Net Financial Assets (Debt) - Beginning of Year	2,038,864	2,038,864	1,961,985
Net Financial Assets (Debt) - End of Year	1,754,680	2,053,054	2,038,864

Municipality of Arm River, No. 252
 Consolidated Statement of Cash Flow
 As at December 31, 2018

Statement 4

	2018	2017
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	179,406	143,969
Amortization	168,254	156,026
Loss (gain) on disposal of tangible capital assets	29,729	(6,565)
	377,389	293,430
Change in assets/liabilities		
Taxes Receivable - Municipal	(16,759)	23,326
Other Receivables	32,278	3,119
Land for Resale	-	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	72	(33,091)
Deposits	-	-
Deferred Revenue	(114)	(218)
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	(89,540)	(138,803)
Prepayments and Deferred Charges	50,412	45,891
Other (Specify)	-	-
Cash provided by operating transactions	353,738	193,654
Capital:		
Acquisition of capital assets	(408,364)	(130,204)
Proceeds from the disposal of capital assets	84,293	6,565
Other capital	-	-
Cash applied to capital transactions	(324,071)	(123,639)
Investing:		
Long-term investments	(104,251)	(101,080)
Other investments	-	-
Cash provided by (applied to) investing transactions	(104,251)	(101,080)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
Cash provided by (applied to) financing transactions	-	-
Change in Cash and Temporary Investments during the year	(74,584)	(31,065)
Cash and Temporary Investments - Beginning of Year	702,540	733,605
Cash and Temporary Investments - End of Year	627,956	702,540

1. Significant Accounting Policies

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity
[Local arena board]
[Local swimming pool]

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
- a) the transfers are authorized
 - b) any eligibility criteria have been met; and
 - c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

- d) **Deferred Revenue - Fees and charges:** Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis.

1. Significant Accounting Policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
<i>Vehicles & Equipment</i>	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	40 Yrs
Road Network Assets	15 to 50 Yrs

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art and Other Unrecognized Assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of Interest: The municipality does *not* capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a *straight line amortization* basis, over their estimated useful lives [*lease term*]. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- m) **Landfill Liability:**
 The municipality does not maintain a waste disposal site.
- n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.
- o) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
 - d) it is expected that future economic benefits will be given up; and
 - e) a reasonable estimate of the amount can be made.

1. Significant Accounting Policies - continued

- q) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

- r) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on March 13, 2018.

- t) **New Accounting Standards:** Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

PS 2200 Related Party Disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

The adoption of this standard has not resulted in any disclosure change.

PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed. The adoption of this standard has no impact on the consolidated financial statements.

PS 3320 Contingent Assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely.

The municipality does not have any reportable contingent assets.

PS 3380 Contractual Rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

The municipality does not have any reportable contractual rights.

PS 3420 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

This standard has no impact on the consolidated financial statements.

Municipality of Arm River, No. 252
Notes to the Consolidated Financial Statements
As at December 31, 2018

2. Cash and Temporary Investments

	2018	2017
Cash	627,956	702,540
Temporary Investments	-	-
Restricted Cash	-	-
Total Cash and Temporary Investments	627,956	702,540

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Taxes Receivable - Municipal

	2018	2017
Municipal - Current	27,355	9,905
- Arrears	8,924	9,615
	36,279	19,520
- Less Allowance for Uncollectible		-
Total municipal taxes receivable	36,279	19,520
School - Current	4,457	2,224
- Arrears	1,918	1,450
Total school taxes receivable	6,375	3,674
Other	543	100
Total taxes and grants in lieu receivable	43,197	23,294
Deduct taxes receivable to be collected on behalf of other organizations	(6,918)	(3,774)
Total Taxes Receivable - Municipal	36,279	19,520

4. Other Accounts Receivable

	2018	2017
Federal Government	16,744	25,800
Provincial Government		-
Local Government		-
Utility		-
Trade	5,090	29,493
Other- Accrued Interest	2,527	1,346
Total Other Accounts Receivable	24,361	56,639
Less: Allowance for Uncollectible		
Net Other Accounts Receivable	24,361	56,639

5. Land for Resale

	2018	2017
Tax Title Property	31,162	31,162
Allowance for market value adjustment	(31,162)	(31,162)
Net Tax Title Property	-	-
Other Land	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
Total Land for Resale	-	-

6. Long-Term Investments

	2018	2017
Sask Assoc. of Rural Municipalities - Self Insurance Fund	42,492	43,241
Other - Riverbend Co op	500	500
Term Deposits		
250,000 Matures 20-Dec-19 0.60%	250,000	250,000
44,000 Matures 22-Nov-19 1.00%	44,000	44,000
96,350 Matures 19-Oct-19 1.00%	96,350	96,350
62,000 Matures 25-Oct-19 1.00%	62,000	62,000
100,000 Matures 4-Jun-19 1.45%	100,000	100,000
150,000 Matures 18-Oct-19 1.25%	150,000	150,000
231,000 Matures 29-Aug-19 0.75%	231,000	231,000
200,000 Matures 16-Nov-19 1.00%	200,000	200,000
100,000 Matures 28-Dec-19 1.00%	100,000	100,000
105,000 Matures 17-Dec-19 1.00%	105,000	-
Total Long-Term Investments	1,381,342	1,277,091

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

Marketable securities are valued at the lower of cost and market value.

Marketable securities/Portfolio investments represent investments in common shares [of public companies] and are stated at the lower of cost or market value. At year-end, cost was substantially the same as the quoted market value.

7. Debt Charges Recoverable

	2018	2017
Current debt charges recoverable	-	-
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	-	-

The municipality has undertaken a project with [describe nature of project and identify partners]. The municipality assumed the long-term financing of [\$ - amount]; however, [\$ - amount] plus interest at [#] % is recoverable from [name of municipality] with respect to this financing. Amounts are recoverable in annual principal instalments of [\$] plus interest, and mature [date].

Future debt charges recoverable are as follows:

Year	Principal	Interest	Total
2019			-
2020			-
2021			-
2022			-
2023			-
Thereafter			-
Balance	-	-	-

Notes to the Consolidated Financial Statements

As at December 31, 2018

8. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to [\\$] ([prior year] - [\\$]) and bearing interest at prime plus [# %]. Assets pledged as collateral are [describe assets].

Credit Arrangements

At December 31, 2018, the Municipality had lines of credit totaling \$500,000, none of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement

9. Deferred Revenue

	2018	2017
Prepayment of Road Haul Agreement	-	114
Total Deferred Revenue	-	114

10. Accrued Landfill Costs **NOT APPLICABLE**

	2018	2017
Environmental Liabilities	-	-

In [year] the municipality has accrued an overall liability for environmental matters in the amount of [\\$] (prior year - \\$) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is [\\$] (prior year - \\$) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, [year] based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of [%] (prior year - %).

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a [# of years] -year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is [%] - [#] cubic metres (prior year - % - [#] cubic metres) of its total estimated capacity of [#] cubic metres and its estimated remaining life is [#] years (prior year - [#] years). The period for post-closure care is estimated to be [#] years (prior year - [#]).

The unfunded liability for the landfill will be paid for [explain how will be financed].

11. Liability for Contaminated Sites **NOT APPLICABLE**

The municipality recognizes and estimates a liability of [\\$] ([prior year] - [\\$]) for remediation of [name of the contaminated sites] using [name of the valuation method]. The nature of the liability is [description of the nature of the liability including the event of transaction creating the liability]. The assumptions used in estimating the liability include [descriptions of assumptions and measurement basis used]. The amount of estimated recoveries is [\\$] ([prior year] - [\\$]).

[Note: additional disclosure is required of the estimated total undiscounted expenditures and discount rate (when a net present value technique is used), as well as the reason for not recognizing a liability, if appropriate.]

Municipality of Arm River, No. 252
Notes to the Consolidated Financial Statements
As at December 31, 2018

12. Long-Term Debt

a) The debt limit of the municipality is \$1,180,765.00. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

or

b) The debt limit of the municipality is \$ _____. The debt limit for the municipality has been established by the Saskatchewan Municipal Board (the *Municipalities Act* section 161(2)).

Debenture debt is repayable at [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2019			-	
2020			-	
2021			-	
2022			-	
2023			-	
Thereafter			-	
Balance	-	-	-	-

Bank loans are repayable [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2019			-	
2020			-	
2021			-	
2022			-	
2023			-	
Thereafter			-	
Balance	-	-	-	-

13. Lease Obligations

[Description of capital leases including interest rates, expiry dates and significant conditions of the lease agreements]

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

Year	Payment Amount
2019	-
2020	-
2021	-
2022	-
2023	-
Thereafter	-
Total future minimum lease payments	-
Amounts representing interest at a weighted average rate of _____ %	-
Capital Lease Liability	-

Municipality of Arm River, No. 252
Notes to the Consolidated Financial Statements
As at December 31, 2018

14. Other Non-financial Assets

2018	2017
<i>[List if any]</i>	-

15. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

The municipality is also contingently liable for the following:

[List if any]

16. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2018 was \$20,326.12. The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. MEPP as a whole showed a surplus of \$454,177,000 in their 2017 Annual Report (the 2018 numbers not yet available).

17. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

18. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

[Description of Trust i.e. Cemetery]

	Current Year Total	Prior Year Total
Balance - Beginning of Year		
Revenue (<i>Specify</i>)		
Interest revenue		
Expenditure (<i>Specify</i>)		
Balance - End of Year	-	-

19. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to [list related parties] under the common control of the Council.

[Select one of the following as applicable:]

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

or

[If there are non-arm's length transactions recognized by the municipality at an amount other than normal trade terms during the year use the disclosure below.]

Certain transactions with the following related parties were settled at an amount other than normal trade terms.

[For each related party transaction describe:

- Adequate information about the nature of the relationship with the related parties involved in related party transactions;
 - The type and amount of related party transaction that have been recognized by financial statement category;
 - The basis of measurement used;
 - The amount of outstanding balances and the terms and conditions attached to them;
 - Contractual obligations and/or contingent liabilities with related parties separate from other contractual obligations and contingent liabilities;
 - The types of related party transactions that have occurred for which no amount has been recognized.
- Items of a similar nature should be disclosed in aggregate.]

20. Contingent Assets

The municipality has the following contingent asset(s) for which the probability of [future event that would result in the asset(s)] occurring is likely, resulting in [describe the nature of the contingent asset] where the estimated or known assets are, or exceed [\$] at December 31 [current year] ([prior year: \$]). The future receipt of these assets is dependent on [describe nature of future event that will confirm existence of asset]. [When the disclosed amount is based on an estimate, explain basis of estimation].

Contingent assets are not recorded in the financial statements.

(or, in cases where the extent cannot be measured or when disclosure of the extent would have an adverse effect on the outcome, consider the following)

The municipality has the following contingent asset(s) for which the probability of [future event that would result in the asset(s)] occurring is likely, resulting in [describe the nature of the contingent asset]. The future receipt of these assets is dependent on [describe nature of future event that will confirm existence of asset]. [Describe the reason for non-disclosure of the extent of the contingent asset].

Contingent assets are not recorded in the financial statements.

21. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows:

Contractual Rights Type	Describe Nature Time and Extent	2018	2019	2020	2021	2022	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
[i.e. future lease Revenue]		[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	-	[\$]
Contractual Rights 1									-	
Contractual Rights 2									-	
Contractual Rights 3									-	
[Other Specify]									-	
Total		-	-	-	-	-	-	-	-	-

22. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets [identify those that apply]. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type ¹	Describe Nature Time and Extent	2018	2019	2020	2021	2022	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
[i.e. future lease Revenue]		[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	-	[\$]
Contractual Rights 1									-	
Contractual Rights 2									-	
Contractual Rights 3									-	
[Other Specify]									-	
Total		-	-	-	-	-	-	-	-	-

¹ See Note 13 for Capital Lease obligations.

Municipality of Arm River, No. 252
 Schedule of Taxes and Other Unconditional Revenue
 As at December 31, 2018

Schedule 1

	2018 Budget	2018	2017
TAXES			
General municipal tax levy	1,185,271	1,183,711	1,185,258
Abatements and adjustments	-	-	(592)
Discount on current year taxes	(45,000)	(48,049)	(47,586)
Net Municipal Taxes	1,140,271	1,135,662	1,137,080
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	2,500	2,112	3,208
Special tax levy	-	-	-
Other - Tax Enforcement	2,000	2,746	4,967
Total Taxes	1,144,771	1,140,520	1,145,255
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	248,631 -	235,106 -	248,631 -
Total Unconditional Grants	248,631	235,106	248,631
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial	-	-	-
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	60	59	59
Other (Specify)	-	-	-
Local/Other	-	-	-
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other (Specify)	-	-	-
Other Government Transfers	-	-	-
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other (Specify)	-	-	-
Total Grants in Lieu of Taxes	60	59	59
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,393,462	1,375,685	1,393,945

Municipality of Arm River, No. 252
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	300	683	254
- Other- Licenses & Permits	300	394	290
- Other - Rental Rural Service Center	18,000	17,651	17,636
Total Fees and Charges	18,600	18,728	18,180
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	-	-
- Investment income and commissions	22,000	20,614	20,354
- Other - Rebates and Insurance Payments	-	-	634
Total Other Segmented Revenue	40,600	39,342	39,168
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	300	-	1,125
Total Conditional Grants	300	-	1,125
Total Operating	40,900	39,342	40,293
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total General Government Services	40,900	39,342	40,293

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-

Capital

Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Protective Services	-	-	-

Municipality of Arm River, No. 252
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 2

	2018 Budget	2018	2017
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	5,000	75	4,690
- Sales of supplies	10,000	14,650	8,504
- Road Maintenance and Restoration Agreements	10,000	4,112	10,649
- Frontage	-	-	-
- Other - Disability Benefits Proceeds	-	-	-
- Other - Fees & Permits	1,000	199	999
Total Fees and Charges	26,000	19,036	24,842
- Tangible capital asset sales - gain (loss)	(23,032)	(29,729)	6,565
- Other (Specify)	-	-	-
Total Other Segmented Revenue	2,968	(10,693)	31,407
Conditional Grants			
- MREP (CTP)	23,000	23,000	23,000
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	23,000	23,000	23,000
Total Operating	25,968	12,307	54,407
Capital			
Conditional Grants			
- Federal Gas Tax	15,000	15,214	15,139
- MREP (Heavy Haul, CTP, Municipal Bridges)	288,012	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	303,012	15,214	15,139
Total Transportation Services	328,980	27,521	69,546

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	-	-	-
- Other - Oil Recovery Center	3,500	4,092	3,583
Total Fees and Charges	3,500	4,092	3,583
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	3,500	4,092	3,583
Conditional Grants			
- Student Employment	-	-	-
- TAPD	-	-	-
- Local government	-	-	-
- Other - PREP	3,000	3,534	3,226
Total Conditional Grants	3,000	3,534	3,226
Total Operating	6,500	7,626	6,809

Capital

Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Environmental and Public Health Services	6,500	7,626	6,809

Municipality of Arm River, No. 252
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 3

	2018 Budget	2018	2017
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	150		375
- Other (Specify)	-		-
Total Fees and Charges	150	-	375
- Tangible capital asset sales - gain (loss)	-		-
- Other (Specify)	-		-
Total Other Segmented Revenue	150	-	375
Conditional Grants			
- Student Employment	-		-
- Other (Specify)	-		-
Total Conditional Grants	-	-	-
Total Operating	150	-	375
Capital			
Conditional Grants			
- Federal Gas Tax	-		-
- Provincial Disaster Assistance	-		-
- Other (Specify)	-		-
Total Capital	-	-	-
Total Planning and Development Services	150	-	375

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	-		-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-		-
- Other (Specify)	-		-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-		-
- Local government	-		-
- Other (Specify)	-		-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax	-		-
- Local government	-		-
- Provincial Disaster Assistance	-		-
- Other (Specify)	-		-
Total Capital	-	-	-
Total Recreation and Cultural Services	-	-	-

Municipality of Arm River, No. 252
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 4

	2018 Budget	2018	2017
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	-	-	-
- Sewer	-	-	-
- Other (Specify)	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	376,530	74,489	117,023

SUMMARY

Total Other Segmented Revenue	47,218	32,741	74,533
Total Conditional Grants	26,300	26,534	27,351
Total Capital Grants and Contributions	303,012	15,214	15,139
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	376,530	74,489	117,023

Municipality of Arm River, No. 252
Total Expenses by Function
As at December 31, 2018

Schedule 3 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	59,000	66,609	66,120
Wages and benefits	98,934	98,289	95,910
Professional/Contractual services	32,350	27,539	25,832
Utilities	3,200	4,105	3,689
Maintenance, materials and supplies	11,000	12,603	7,746
Grants and contributions - operating	-	740	2,285
- capital	-	-	-
Amortization	1,653	3,024	1,583
Interest	-	-	-
Allowance for uncollectible	5,000	-	194
Other - Rural Service Center	9,000	8,321	9,074
Total Government Services	220,137	221,230	212,433

PROTECTIVE SERVICES

Police protection

Wages and benefits	-	-	-
Professional/Contractual services	11,000	11,410	10,990
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other (Specify)	-	-	-

Fire protection

Wages and benefits	-	-	-
Professional/Contractual services	325	312	311
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	10,500	4,446	8,895
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Specify)	-	-	-

Total Protective Services	21,825	16,168	20,196
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TRANSPORTATION SERVICES

Wages and benefits	294,000	228,525	252,708
Professional/Contractual Services	365,300	234,536	315,203
Utilities	12,500	11,562	11,422
Maintenance, materials, and supplies	218,000	203,835	208,751
Gravel	150,000	151,867	138,700
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	150,775	161,919	151,130
Interest	-	-	-
Other (Specify)	-	-	10,762

Total Transportation Services	1,190,575	992,244	1,088,676
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Municipality of Arm River, No. 252

Total Expenses by Function

As at December 31, 2018

Schedule 3 - 2

	2018 Budget	2018	2017
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	300	240	-
Professional/Contractual services	10,200	9,293	9,325
Utilities	-	-	-
Maintenance, materials and supplies	3,500	2,376	4,136
Grants and contributions - operating			
o Waste disposal	-	-	-
o Public Health	500	250	3,800
- capital			
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	2,475	2,472	2,472
Interest			-
Other (Specify)			-
Total Environmental and Public Health Services	16,975	14,631	19,733
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual Services	7,700	6,700	6,700
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Specify)	-	-	-
Total Planning and Development Services	7,700	6,700	6,700
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions - operating	12,300	11,979	12,337
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectible	-	-	-
Other (Specify)	4,000	3,781	3,455
Total Recreation and Cultural Services	16,300	15,760	15,792

Municipality of Arm River, No. 252

Total Expenses by Function

As at December 31, 2018

Schedule 3 - 3

	2018 Budget	2018	2017
UTILITY SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	675	-
Utilities	3,000	2,492	2,442
Maintenance, materials and supplies	200	29	186
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	841	839	841
Interest	-	-	-
Allowance for Uncollectible	-	-	-
Other (Specify)	-	-	-
Total Utility Services	4,041	4,035	3,469
 TOTAL EXPENSES BY FUNCTION	 1,477,553	 1,270,768	 1,366,999

Municipality of Arm River, No. 252
 Consolidated Schedule of Segment Disclosure by Function
 As at December 31, 2018

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	18,728	-	19,036	4,092	-	-	-	41,856
Tangible Capital Asset Sales - Gain	-	-	(29,729)	-	-	-	-	(29,729)
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	20,614	-	-	-	-	-	-	20,614
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	23,000	3,534	-	-	-	26,534
- Capital	-	-	15,214	-	-	-	-	15,214
Total Revenues	39,342	-	27,521	7,626	-	-	-	74,489
Expenses (Schedule 3)								
Wages & Benefits	164,898	-	228,525	240	-	-	-	393,663
Professional/ Contractual Services	27,539	11,722	234,536	9,293	6,700	-	675	290,465
Utilities	4,105	-	11,562	-	-	-	2,492	18,159
Maintenance Materials and Supplies	12,603	-	355,702	2,376	-	-	29	370,710
Grants and Contributions	740	4,446	-	250	-	11,979	-	17,415
Amortization	3,024	-	161,919	2,472	-	-	839	168,254
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Other	8,321	-	-	-	-	3,781	-	12,102
Total Expenses	221,230	16,168	992,244	14,631	6,700	15,760	4,035	1,270,768
Surplus (Deficit) by Function	(181,888)	(16,168)	(964,723)	(7,005)	(6,700)	(15,760)	(4,035)	(1,196,279)
Taxes and other unconditional revenue (Schedule 1)								1,375,685
Net Surplus (Deficit)								179,406

Municipality of
Arm River, No. 252
 Consolidated Schedule of Segment Disclosure by Function
 As at December 31, 2017

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	18,180	-	24,842	3,583	375	-	-	46,980
Tangible Capital Asset Sales - Gain	-	-	6,565	-	-	-	-	6,565
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	20,354	-	-	-	-	-	-	20,354
Other Revenues	634	-	-	-	-	-	-	634
Grants - Conditional	1,125	-	23,000	3,226	-	-	-	27,351
- Capital	-	-	15,139	-	-	-	-	15,139
Total Revenues	40,293	-	69,546	6,809	375	-	-	117,023
Expenses (Schedule 3)								
Wages & Benefits	162,030	-	252,708	-	-	-	-	414,738
Professional/ Contractual Services	25,832	11,301	315,203	9,325	6,700	-	-	368,361
Utilities	3,689	-	11,422	-	-	-	2,442	17,553
Maintenance Materials and Supplies	7,746	-	347,451	4,136	-	-	186	359,519
Grants and Contributions	2,285	8,895	-	3,800	-	12,337	-	27,317
Amortization	1,583	-	151,130	2,472	-	-	841	156,026
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectible	194	-	-	-	-	-	-	194
Other	9,074	-	10,762	-	-	3,455	-	23,291
Total Expenses	212,433	20,196	1,088,676	19,733	6,700	15,792	3,469	1,366,999
Surplus (Deficit) by Function	(172,140)	(20,196)	(1,019,130)	(12,924)	(6,325)	(15,792)	(3,469)	(1,249,976)
Taxes and other unconditional revenue (Schedule 1)								1,393,945
Net Surplus (Deficit)								143,969

Municipality of
 Arm River, No. 252
 Consolidated Schedule of Tangible Capital Assets by Object
 As at December 31, 2018

Schedule 6

	2018						2017	
	General Assets			Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total	Total
	Land	Office Technology	Buildings	Vehicles				
Asset cost								
Opening Asset costs	6,747	4,390	243,375	71,919	894,158	4,917,861	6,138,450	6,028,331
Additions during the year	-	7,197	-	-	401,167	-	408,364	130,204
Disposals and write-downs during the year	-	-	-	-	(228,044)	-	(228,044)	(20,085)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Closing Asset Costs	6,747	11,587	243,375	71,919	1,067,281	4,917,861	6,318,770	6,138,450
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	-	4,020	190,275	22,349	404,224	2,598,215	3,219,083	3,083,142
Add: Amortization taken	-	1,809	4,532	4,374	55,466	102,073	168,254	156,026
Less: Accumulated amortization on disposals	-	-	-	-	(114,022)	-	(114,022)	(20,085)
Closing Accumulated	-	5,829	194,807	26,723	345,668	2,700,288	3,273,315	3,219,083
Net Book Value	6,747	5,758	48,568	45,196	721,613	2,217,573	3,045,455	2,919,367

1. Total contributed/donated assets received in 2018 \$ -

2. List of assets recognized at nominal value in 2018 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in Schedule 6 \$ -

Municipality of
 Consolidated Schedule of Tangible Capital Assets by Function
 As at December 31, 2018

Arm River, No. 252

Schedule 7

	2018						2017	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset cost								
Opening Asset costs	113,653	-	5,911,626	62,209	-	-	50,962	6,028,331
Additions during the year	7,197	-	401,167	-	-	-	-	130,204
Disposals and write-downs during the year	-	-	(228,044)	-	-	-	-	(20,085)
Closing Asset Costs	120,850	-	6,084,749	62,209	-	-	50,962	6,138,450
Accumulated								
Opening Accumulated Amortization Costs	97,889	-	3,065,806	23,361	-	-	32,027	3,083,142
Add: Amortization taken	3,024	-	161,919	2,472	-	-	839	156,026
Less: Accumulated amortization on disposals	-	-	(114,022)	-	-	-	-	(20,085)
Closing Accumulated Amortization Costs	100,913	-	3,113,703	25,833	-	-	32,866	3,219,083
Net Book Value	19,937	-	2,971,046	36,376	-	-	18,096	2,919,367

Municipality of Arm River, No. 252
 Consolidated Schedule of Accumulated Surplus
 As at December 31, 2018

Schedule 8

	2017	Changes	2018
UNAPPROPRIATED SURPLUS	1,061,944	(51,682)	1,010,262
APPROPRIATED RESERVES			
Machinery and Equipment	325,000		325,000
Public Reserve	100		100
Capital Trust	-		-
Office	-	100,000	100,000
Roads	754,250		754,250
Future Uncollectible	25,000		25,000
Waste Management	15,000		15,000
Doctor Recruitment	15,000		15,000
Fire Truck	75,000	5,000	80,000
Recreation/Economic Development	24,000		24,000
Other (Specify)			-
Total Appropriated	1,233,350	105,000	1,338,350
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of (Name)	-		-
Organized Hamlet of (Name)	-		-
Organized Hamlet of (Name)	-		-
Organized Hamlet of (Name)	-		-
Organized Hamlet of (Name)	-		-
Organized Hamlet of (Name)	-		-
Total Organized Hamlets	-	-	-
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	2,919,367	126,088	3,045,455
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	2,919,367	126,088	3,045,455
Total Accumulated Surplus	5,214,661	179,406	5,394,067

Municipality of Arm River, No. 252
 Schedule of Mill Rates and Assessments
 As at December 31, 2018

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	91,702,520	1,877,420	-	-	11,638,800	-	105,218,740
Regional Park Assessment							
Total Assessment							105,218,740
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.0000		
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-	-	-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,031,654	21,121	-	-	130,936	-	1,183,711

MILL RATES: MILLS

Average Municipal*	11.25
Average School*	2.01
Potash Mill Rate	-
Uniform Municipal Mill Rate	11.25

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Municipality of Arm River, No. 252
 Schedule of Council Remuneration
 As at December 31, 2018

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve/Mayor	Wayne Obrigewitsch	14,670	1,883	16,553
Councillor-Division 1	Brian Vibert	7,020	407	7,427
Councillor-Division 2	Allan McNabb	7,770	762	8,532
Councillor-Division 3	Brent Storey	7,650	537	8,187
Councillor-Division 4	Blaine Smith	7,770	951	8,721
Councillor-Division 5	David Gauthier	7,410	1,683	9,093
Councillor-Division 6	Rob Stone	6,330	349	6,679
Councillor-Division 6	Chris Williams	1,350	67	1,417
				-
				-
Total		59,970	6,639	66,609

**R.M. of Arm River, No. 252 Municipal Debt Limit Calculation
2018**

Total Revenues		Statement 2	\$ 1,434,960
Less: Trailer License Fees		Schedule 1	-
Less: Penalties on Tax Arrears		Schedule 1	- 2,112
Less: Special Tax Levy		Schedule 1	-
Less: Unconditional Grants		Schedule 1	- 235,106
Less: Grants in Lieu of Taxes		Schedule 1	- 59
Less: TCA sales - gain (add losses)		Statement 2	29,729
Less: Land sales - gain (add losses)		Statement 2	-
Less: Total Conditional Grants		Statement 2	- 26,534
Less: Extraordinary and/or one-time revenues	Road Maintenance Agreements	Schedule 2	- 4,112
	Custom Work	Schedule 2	- 75
	TS Sale of Supplies	Schedule 2	- 14,650
	Gravel Extraction Fees	Schedule 2	- 199
	GG Sale of Supplies	Schedule 2	- 683
	Donations	Schedule 2	-
	GG Fees & Permits	Schedule 2	- 394
MUNICIPAL DEBT LIMIT			<u>\$ 1,180,765</u>