

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

Rural Municipality of Rockwood
Box 902
Stonewall, Manitoba
R0C 2Z0

STATEMENT OF RESPONSIBILITY

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

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Reid & Miller Chartered Professional Accountants Inc. as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The 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.



Chris Luellman
CAO

Independent Auditors' Report

To the Members and members of Council of the
Rural Municipality of Rockwood

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of Rockwood as at December 31, 2018, and the results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rural Municipality of Rockwood'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 Rural Municipality of Rockwood's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Rural Municipality of Rockwood to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

July 30, 2019
Winnipeg, Manitoba

Reid & Miller

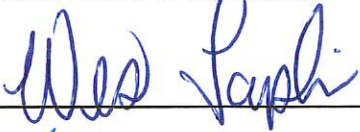
Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

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RURAL MUNICIPALITY OF ROCKWOOD**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at December 31, 2018**

	2018 Actual \$	2017 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	11,458,481	9,160,278
Accounts receivable (note 3)	3,332,039	4,645,501
Portfolio investments (note 4)	-	28,503
Deposits (note 6)	25,000	-
	<u>14,815,520</u>	<u>13,834,282</u>
LIABILITIES		
Bank indebtedness	1,956,193	1,857,543
Accounts payable and accrued liabilities (note 7)	4,550,476	4,249,855
Deferred revenue (note 8)	982	1,007
Landfill closure and post closure liabilities (note 9)	49,285	45,130
Long-term debt (note 10)	1,760,752	1,981,359
Obligations under capital lease (note 11)	106,669	129,535
	<u>8,424,357</u>	<u>8,264,429</u>
NET FINANCIAL ASSETS	<u>6,391,163</u>	<u>5,569,853</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	32,824,294	34,014,354
Inventories (note 5)	110,925	111,554
Prepaid expenses	54,475	47,873
	<u>32,989,694</u>	<u>34,173,781</u>
ACCUMULATED SURPLUS (note 22)	<u>39,380,857</u>	<u>39,743,634</u>

Approved on Behalf of the Council

Reeve

Councillor

The accompanying notes are an integral part of these financial statements

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
REVENUE			
Property taxes	4,175,383	4,248,584	3,964,864
Grants in lieu of taxation	333,114	333,114	325,715
User fees	689,150	704,844	692,932
Grants - Province of Manitoba	488,447	565,072	729,557
Grants - Other	649,688	686,544	698,815
Permits, licences and fees	1,338,587	1,446,342	1,246,617
Investment revenue	52,360	252,599	135,348
Other revenue	125,129	201,817	150,245
Water and sewer	1,455,023	1,520,873	1,549,205
Total revenue <i>(schedules 2, 4 and 5)</i>	<u>9,306,881</u>	<u>9,959,789</u>	<u>9,493,298</u>
EXPENSES			
General government services	1,031,516	1,101,414	999,586
Protective services	568,640	582,879	679,570
Transportation services	4,165,971	3,853,382	3,539,599
Environmental health services	600,300	651,443	600,070
Public health and welfare services	5,000	4,241	4,241
Regional planning and development	300,011	288,002	282,811
Resource conservation and industrial development	119,221	125,097	118,008
Recreation and cultural services	908,447	921,218	870,053
Water and sewer	1,876,640	2,794,890	1,702,947
Total expenses <i>(schedules 3, 4 and 5)</i>	<u>9,575,746</u>	<u>10,322,566</u>	<u>8,796,885</u>
ANNUAL SURPLUS (DEFICIT)	(268,865)	(362,777)	696,413
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>39,743,634</u>	<u>39,743,634</u>	<u>39,047,221</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>39,474,769</u></u>	<u><u>39,380,857</u></u>	<u><u>39,743,634</u></u>

The accompanying notes are an integral part of these financial statements

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS****For the Year Ended December 31, 2018**

	2018 Budget \$	2018 Actual \$	2017 Actual \$
ANNUAL SURPLUS (DEFICIT)	(268,865)	(362,777)	696,413
Acquisition of tangible capital assets	-	(868,335)	(2,291,266)
Proceeds on disposal of tangible capital assets	225,000	683,522	184,960
Amortization of tangible capital assets	1,244,724	1,390,139	1,325,732
Loss (gain) on sale of tangible capital assets	-	(15,266)	39,302
Decrease (increase) in inventories	-	629	(27,096)
Increase in prepaid expense	-	(6,602)	(2,591)
CHANGE IN SURPLUS (DEFICIT)	1,200,859	821,310	(74,546)
NET FINANCIAL ASSETS BEGINNING OF YEAR	5,569,853	5,569,853	5,644,399
NET FINANCIAL ASSETS END OF YEAR	6,770,712	6,391,163	5,569,853

The accompanying notes are an integral part of these financial statements

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

	2018 Actual \$	2017 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus (deficit)	(362,777)	696,413
Changes in non-cash items:		
Amortization	1,390,139	1,325,732
Loss (Gain) on disposal of tangible capital assets	(15,266)	39,302
	<u>1,012,096</u>	<u>2,061,447</u>
Net changes in non-cash working capital affecting operations (<i>note 25</i>)	<u>1,612,240</u>	<u>(706,565)</u>
	<u>2,624,336</u>	<u>1,354,882</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	683,522	184,960
Cash used to acquire tangible capital assets	(868,335)	(2,291,266)
	<u>(184,813)</u>	<u>(2,106,306)</u>
INVESTING		
Proceeds on sale of portfolio investments	28,503	26,803
Realization of deposits	(25,000)	-
	<u>3,503</u>	<u>26,803</u>
FINANCING		
Long-term debt issued	-	1,722,131
Reduction in long-term debt	(220,607)	-
Increase in obligations under capital lease	-	129,535
Decrease in obligations under capital lease	(22,866)	-
	<u>(243,473)</u>	<u>1,851,666</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	<u>2,199,553</u>	<u>1,127,045</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>7,302,735</u>	<u>6,175,690</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>9,502,288</u></u>	<u><u>7,302,735</u></u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	10,537,436	8,190,837
Temporary investments	701,036	754,540
Externally restricted cash	220,009	214,901
Bank indebtedness	(1,956,193)	(1,857,543)
	<u><u>9,502,288</u></u>	<u><u>7,302,735</u></u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

1. STATUS OF THE RURAL MUNICIPALITY OF ROCKWOOD

The incorporated Rural Municipality of Rockwood is a municipal government that was created on February 14, 1880 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Municipality owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) REPORTING ENTITY

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality.

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment 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:

	Consolidated	
	2018	2017
South Interlake Regional Library	58.00 %	58.00 %
Rockwood-Rosser Weed Control District	53.00 %	53.00 %
South Interlake Planning District Board	50.00 %	50.00 %
Rockwood Woodlands By-law		
Enforcement	50.00 %	50.00 %
Teulon-Rockwood Recreation Commission	50.00 %	50.00 %
Cartier Regional Water Co-op Inc	14.29 %	14.29 %
South Interlake Emergency Measures Board	20.00 %	20.00 %

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Stonewall & District Handi-Van Service	24.00 %	24.00 %
Teulon & District Handi-Van	45.00 %	45.00 %
Stonewall Rockwood Fire Department	48.50 %	48.50 %

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 Schedule 7 - Schedule of Trust Funds.

The Grosse Isle Utility is owned jointly with the Rural Municipality of Rosser; therefore, these financial statements only consolidate 50% of the Utility.

b) BASIS OF ACCOUNTING

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

c) CASH AND TEMPORARY INVESTMENTS

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

d) INVESTMENTS

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

Portfolio investments are accounted for at cost.

e) REAL ESTATE PROPERTIES HELD FOR SALE

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

f) LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land and land improvements	Indefinite
Buildings and leasehold improvements	10 to 40 years
Vehicles and equipment	
Vehicles	10 to 20 years
Machinery and equipment	10 to 20 years
Computer hardware and software	4 to 10 years

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Infrastructure Assets

Roads, Streets, and Bridges	
Land	Indefinite
Road surface	25 to 40 years
Road grade	40 Years
Traffic lights and equipment	10 years
Land	Indefinite
Land improvements	30 to 50 years
Underground networks	40 to 60 years
Machinery & equipment	10 to 20 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

i) LEASES

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) INVENTORIES

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

k) REVENUE RECOGNITION

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

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

l) MEASUREMENT UNCERTAINTY

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued amounts are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

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

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2018	2017
	\$	\$
Tax assets (<i>schedule 10</i>)	730,698	551,869
Government grants and receivables	453,526	426,602
Utility customers	166,150	170,430
Organizations and individuals	753,184	2,279,150
Other governments	1,265,694	1,254,400
	3,369,252	4,682,451
Allowance for doubtful accounts	(37,213)	(36,950)
	3,332,039	4,645,501

4. PORTFOLIO INVESTMENTS

	2018	2017
	\$	\$
Marketable securities		
Municipal debenture, bearing interest at 6.346% with principal and interest payments paid annually, due December 31, 2018.	-	28,503

5. INVENTORIES

	2018	2017
	\$	\$
Culverts	58,911	56,470
Chemicals (weed)	-	164
Grader blades	32,712	34,323
Street and road signage	18,222	13,730
Other	1,080	6,867
	110,925	111,554

6. DEPOSITS

	2018	2017
	\$	\$
Debentures levied in advance	25,000	-

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
	\$	\$
Accounts payable	1,466,978	560,043
Government payables	1,982,177	1,989,728
Accrued expenses	797,155	101,070
School levies	3	-
Other governments	195,829	933,421
Deposits	72,200	665,593
Other	36,134	-
	<u>4,550,476</u>	<u>4,249,855</u>

8. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
	\$	\$
Unexpended grants	<u>982</u>	<u>1,007</u>

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

9. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

Operating Landfill Sites:

The Municipality is currently operating a 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.

Estimated closure and post closure costs are calculated as follows:

Teulon Landfill	2018	2017
	\$	\$
Estimated closure and post closure costs	570,158	570,158
Discount rate applied	6.50 %	6.50 %
Discounted costs	76,992	72,808
Expected year landfill capacity to be reached	2050	2050
Expected end year for post closure care	N/A	N/A
Capacity (tonnes):		
Used to date	43,200	41,425
Remaining	56,800	58,575
Total	100,000	100,000
Percent utilized	43.20 %	41.43 %
Total	33,261	30,161
Komarno Landfill	2018	2017
	\$	\$
Estimated closure and post closure costs	307,395	307,395
Discount rate applied	6.50 %	6.50 %
Discounted costs	37,389	36,133
Expected year landfill capacity to be reached	2058	2058
Expected end year for post closure care	N/A	N/A
Capacity (tonnes):		
Used to date	17,143	16,571
Remaining	22,857	23,429
Total	40,000	40,000
Percent utilized	42.86 %	41.43 %
Total	16,024	14,969

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

10. LONG-TERM DEBT

	<u>2018</u>	<u>2017</u>
	\$	\$
Utility Funds:		
Municipal debenture payable in annual instalments of \$30,312 including interest at 6.3460%, due December 31, 2018.	-	28,503
Municipal debenture payable in annual instalments of \$32,438, including interest at 3.500%, due December 31, 2027**.	123,388	134,886
Municipal debenture payable in annual instalments of \$10,066, including interest at 4.6250%, due December 31, 2025**.	29,521	33,027
Municipal debenture payable in annual instalments of \$4,662, including interest at 5.000%, due December 31, 2020**.	4,334	6,348
Municipal debenture payable in annual instalments of \$9,825, including interest at 5.375%, due December 31, 2019**.	4,662	9,086
Municipal debenture payable in annual instalments of \$232,595, including interest at 3.50%, due December 31, 2026.	1,598,847	1,769,509
	<u>1,760,752</u>	<u>1,981,359</u>

**These debentures have been issued in the Grosse Isles Utility which is owned jointly with the Rural Municipality of Rosser. Therefore, the debentures are reflected in the consolidated statements based on the percentage ownership of the utility system.

Estimated principal repayments for the next four years are as follows:

2019	198,979
2020	201,191
2021	205,978
2022	213,233

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

11. OBLIGATIONS UNDER CAPITAL LEASE

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

	2018	2017
	\$	\$
2019	32,404	32,404
2020	32,404	32,404
2021	32,404	32,404
2022	27,004	32,404
2023	-	27,004
Total minimum lease payments	124,216	156,620
Less amount representing future interest at 4.79%	17,547	27,085
Balance of obligation	106,669	129,535

Interest expense includes \$811 (2016 - \$nil) with respect to this obligation.

Assets under capital lease included in vehicles, machinery and road construction equipment.

	2018	2017
	\$	\$
Cost of leased tangible capital asset	161,465	161,465
Accumulated amortization of leased tangible capital asset	10,764	-
	150,701	161,465

Amortization expense includes \$10,764 on leased tangible capital assets.

12. DEBT CHARGES - FRONTAGE

Purpose and By-law	2018 Levy	2017 Levy
	\$	\$
Balmoral Sewer and Water - 19/01	30,313	30,313
Grosse Isle	15,795	15,795
Gunton	35,085	35,085
	81,193	81,193

13. DEBT CHARGES - AT LARGE

Purpose and By-law	Assessment	2018 Mill Rate	2018 Levy	2017 Levy
			\$	\$
Gunton utility debenture	458,573,120	0.184	84,377	-

RURAL MUNICIPALITY OF ROCKWOOD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2018****14. RESERVES**

Purpose and By-law	Assessment	2018 Mill Rate	Levy	2017 Levy
			\$	\$
General Reserve	458,573,120	0.361	165,545	165,220
Machinery Replacement			-	193,126
Fire Equipment	458,573,120	0.200	91,715	91,690
Office Equipment	458,573,120	0.006	2,751	2,658
Public Works Equipment	458,573,120	0.421	193,059	-
Drainage	458,573,120	0.702	321,918	321,581
Parks and Playgrounds	458,573,120	0.010	4,586	4,429
Municipal Shop Reserve	458,573,120	0.100	45,857	46,067
			<u>825,431</u>	<u>824,771</u>

15. SPECIAL LEVIES

Purpose and By-law	Assessment	2018 Mill Rate	Levy	2017 Levy
			\$	\$
Waste Management			<u>204,385</u>	<u>193,440</u>

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

16. RETIREMENT BENEFITS

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$103,099 (2017 - \$100,366) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2017.

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

17. 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.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

18. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in *Schedule 9 - Reconciliation of the Financial Plan to the Budget*.

The budget numbers are unaudited and, accordingly, I express no assurance in respect to the budget.

19. SEGMENTED INFORMATION

The Rural Municipality of Rockwood provides a wide ranges of services to its residents.

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

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

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

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

20. 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:

	2018	2017
	\$	\$
Financial Position		
Financial Assets	3,940,469	4,237,720
Liabilities	15,683,465	16,087,400
	(11,742,996)	(11,849,680)
Non-financial Assets	59,422,284	59,797,264
Accumulated Surplus	47,679,288	47,947,584
Result of Operations		
Revenue	5,430,847	5,062,939
Expenses	5,699,142	6,039,523
Annual Deficit	(268,295)	(976,584)

21. CONTINGENT ASSETS



The Municipality is a joint plaintiff in certain legal actions in which a monetary award has been sought. The amount sought has not been disclosed as this could be expected to have an adverse effect on the outcome. The settlement will be recognized as revenue in the year in which the amount is determinable.

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

22. ACCUMULATED SURPLUS

	<u>2018</u>	<u>2017</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	2,199,874	2,688,230
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(10,293,348)	(11,150,631)
General Operating Tangible Capital Assets, net of related borrowings	8,634,141	8,636,626
Tangible Capital Assets, net of related borrowings	22,591,306	23,608,219
Reserve Funds	8,838,364	8,596,232
Accumulated surplus of municipality unconsolidated	<u>31,970,337</u>	<u>32,378,676</u>
Accumulated surpluses of consolidated government partnerships	<u>7,410,520</u>	<u>7,364,958</u>
Accumulated Surplus per Statement of Financial Position	<u><u>39,380,857</u></u>	<u><u>39,743,634</u></u>

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

23. 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 in exceeding \$50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2018:

- (a) Compensation paid to members of council amounted to \$111,403 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$50,000 individually. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Jim Campbell	15,688	2,841	18,529
William Pinchin	12,320	1,936	14,256
William Matheson	10,759	1,373	12,132
Mark Hildebaugh	14,409	2,543	16,952
Art Goudy	16,118	3,049	19,167
Terrence Hartle	15,743	3,776	19,519
Lyle Willis	14,205	2,888	17,093
Tom Huffman	2,846	487	3,333
Curtis MCClinton	2,846	509	3,355
Wes Taplin	3,792	470	4,262
Neal Wirgau	2,677	473	3,150
	111,403	20,345	131,748

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

Name	Position	Amount
Robert Boitson	Public Works	64,540
Brian Hornick	Public Works	62,425
Greg Hryciw	Public Works	82,927
Keith Hynes	Public Works	71,699
Chris Luellman	CAO	112,004
Garry McClure	Public Works	66,474
Wayne Michaluk	Public Works	63,486
Michael Powroznik	Public Works	62,360
Alan Schick	Public Works	87,053
Timothy Scott	Public Works	60,490
Ian Soroka	Public Works	60,903
Jeffrey Stasiuk	Public Works	52,418

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Scott Taylor	Public Works	63,139
Ian Tesarski	Public Works	87,231
Roberta VanCaeyzeele	Administration	59,391

24. PUBLIC UTILITY BOARD

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

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

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

Water Services:	Unamortized			Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Stony Mountain	639,815	-	28,354	611,461
Balmoral	558,221	-	15,949	542,272
Grosse Isle	379,031	-	9,095	369,936
Gunton	1,799,999	-	40,000	1,759,999
	3,377,066	-	93,398	3,283,668

Sewer Services:	Unamortized			Unamortized
Description of Utility	Opening Balance	Additions During Year	Amortization During Year	Ending Balance
Stony Mountain	447,926	-	20,361	427,565
Balmoral	1,500,024	-	15,949	1,484,075
Grosse Isle	322,981	-	7,736	315,245
Gunton	1,799,999	-	40,000	1,759,999
	4,070,930	-	84,046	3,986,884

RURAL MUNICIPALITY OF ROCKWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

25. CHANGES IN WORKING CAPITAL

	<u>2018</u>	<u>2017</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	1,313,462	(1,518,807)
Inventories	629	(27,096)
Prepaid expenses	(6,602)	(2,591)
Accounts payable and accrued liabilities	300,621	841,686
Deferred revenue	(25)	(3,604)
Landfill closure and post closure liabilities	4,155	3,847
	<u>1,612,240</u>	<u>(706,565)</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2018

	General Capital Assets						Infrastructure		2018	2017
	Land and Buildings and		Computer		Roads,		Streets, and	Water and	Assets under	Actual
	Land	Leasehold	Vehicles and	Hardware	Streets, and	Bridges				
	Improvements	Improvements	Equipment	and Software	Construction	Construction	Sewer	Construction		Actual
Cost										
Balance, beginning of year	1,374,164	3,118,589	5,159,264	202,243	14,178	18,448,291	30,284,937	2,549,862	61,151,528	59,420,191
Asset purchases	69,092	326,733	327,041	8,085	92,397	-	44,987	-	868,335	2,291,266
Disposals and write downs	-	-	164,828	-	-	-	-	664,334	829,162	559,929
Balance, end of year	1,443,256	3,445,322	5,321,477	210,328	106,575	18,448,291	30,329,924	1,885,528	61,190,701	61,151,528
Accumulated Amortization										
Balance, beginning of year	4,599	1,097,620	2,456,791	168,639	-	15,952,454	7,457,071	-	27,137,174	26,147,109
Amortization	13,439	84,402	339,579	24,295	-	360,196	568,228	-	1,390,139	1,325,732
Disposals and write downs	-	-	160,906	-	-	-	-	-	160,906	335,667
Balance, end of year	18,038	1,182,022	2,635,464	192,934	-	16,312,650	8,025,299	-	28,366,407	27,137,174
Net book value	1,425,218	2,263,300	2,686,013	17,394	106,575	2,135,641	22,304,625	1,885,528	32,824,294	34,014,354

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 11</i>)	4,015,383	4,015,383	3,877,363
Taxes added	160,000	233,201	87,501
	<u>4,175,383</u>	<u>4,248,584</u>	<u>3,964,864</u>
GRANTS IN LIEU OF TAXATION			
Federal government	234,489	234,489	232,923
Federal government enterprises	1,357	1,357	1,295
Provincial government	28,614	28,614	25,306
Provincial government enterprises	68,518	68,518	66,058
Other local governments	136	136	133
	<u>333,114</u>	<u>333,114</u>	<u>325,715</u>
USER FEES			
Sales of service	636,089	649,932	641,515
Sales of goods	1,600	1,515	1,380
Rentals	51,461	53,397	50,037
	<u>689,150</u>	<u>704,844</u>	<u>692,932</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	410,000	411,676	406,184
Conditional grants	78,447	153,396	323,373
	<u>488,447</u>	<u>565,072</u>	<u>729,557</u>
GRANTS - OTHER			
Federal government - gas tax funding	435,000	450,586	435,330
Federal government - other	-	3,098	586
Other local governments	214,688	215,410	260,028
Other grant	-	17,450	2,871
	<u>649,688</u>	<u>686,544</u>	<u>698,815</u>
PERMITS, LICENCES AND FEES			
Permits	200,787	276,526	141,167
Licences	1,800	1,800	1,800
Aggregate mining and transportation fees	1,090,000	1,153,714	1,083,606
Fines	-	260	-
Leases	6,000	7,042	6,044
Subdivision fees	40,000	7,000	14,000
	<u>1,338,587</u>	<u>1,446,342</u>	<u>1,246,617</u>
INVESTMENT REVENUE			
Interest	51,860	252,599	135,348
Other interest	500	-	-
	<u>52,360</u>	<u>252,599</u>	<u>135,348</u>
OTHER REVENUE			
Gain (loss) on sale of tangible capital assets	-	15,266	(39,302)
Miscellaneous	65,129	119,214	125,344
Penalties and interest	60,000	67,337	64,203
	<u>125,129</u>	<u>201,817</u>	<u>150,245</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 8</i>)	1,076,158	1,028,921	1,078,757

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2018

Schedule 2

	2018 Budget \$	2018 Actual \$	2017 Actual \$
Consolidated water co-operatives	378,865	491,952	470,448
	1,455,023	1,520,873	1,549,205
TOTAL REVENUE	9,306,881	9,959,789	9,493,298

RURAL MUNICIPALITY OF ROCKWOOD
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	153,000	142,042	145,515
General administrative	791,816	872,718	786,859
Other	86,700	86,654	67,212
	<u>1,031,516</u>	<u>1,101,414</u>	<u>999,586</u>
PROTECTIVE SERVICES			
Fire	478,020	491,900	576,993
Emergency measures	24,000	23,393	46,800
By-law enforcement	66,620	67,586	55,777
	<u>568,640</u>	<u>582,879</u>	<u>679,570</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	618,600	613,397	594,719
Road and street maintenance	3,335,700	3,027,510	2,751,612
Sidewalk and boulevard maintenance	15,000	8,694	7,777
Street lighting	40,000	36,403	32,083
Public transit	156,671	167,378	153,408
	<u>4,165,971</u>	<u>3,853,382</u>	<u>3,539,599</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	593,300	644,457	592,518
Lagoons and wells	7,000	6,986	7,552
	<u>600,300</u>	<u>651,443</u>	<u>600,070</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	5,000	4,241	4,241
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	300,011	288,002	282,811
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	119,221	124,896	118,008
Drainage of land	-	201	-
	<u>119,221</u>	<u>125,097</u>	<u>118,008</u>
RECREATION AND CULTURAL SERVICES			
Administration	7,900	7,830	3,251
Community centers and halls	466,500	476,403	459,956
Skating and curling rinks	25,000	25,000	25,000
Parks and playgrounds	63,000	12,761	12,521
Libraries	344,047	399,030	369,088
Other cultural facilities	2,000	194	237
	<u>908,447</u>	<u>921,218</u>	<u>870,053</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
WATER AND SEWER			
Municipal utilities (<i>schedule 8</i>)	1,445,773	2,232,151	1,121,536
Consolidated water co-operatives	430,867	562,739	581,411
	<u>1,876,640</u>	<u>2,794,890</u>	<u>1,702,947</u>
TOTAL EXPENSES	<u>9,575,746</u>	<u>10,322,566</u>	<u>8,796,885</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	4,248,584	3,964,864	-	-	-	-	-	-	-	-
Grants in lieu of taxation	333,114	325,715	-	-	-	-	-	-	-	-
User fees	92,669	85,537	28,668	32,135	151,157	150,714	272,753	260,097	-	-
Grants - Province of Manitoba	468,176	599,684	-	-	13,500	47,040	-	-	-	-
Grants - Other	450,586	435,330	-	48,952	36,584	34,751	-	-	-	-
Permits, licences and fees	1,179,916	1,115,500	-	-	-	-	-	-	-	-
Investment revenue	227,509	116,825	-	231	-	-	-	-	-	-
Other revenue	157,318	124,217	892	2,062	2,528	193	-	-	-	-
Water and sewer	(210,522)	(82,607)	-	-	-	-	-	-	-	-
Total revenue	6,947,350	6,685,065	29,560	83,380	203,769	232,698	272,753	260,097	-	-
EXPENSES										
Personnel services	567,893	490,848	130,410	174,080	919,834	859,961	114,584	111,934	-	-
Contract services	125,835	106,870	163,999	197,859	7,498	7,508	223,823	210,886	4,241	4,241
Utilities	-	-	464	4,097	1,703	1,598	-	-	-	-
Maintenance materials & supplies	278,716	270,800	53,880	108,809	2,270,225	2,033,415	313,036	277,250	-	-
Grants & contributions	-	-	157,397	130,422	31,655	30,659	-	-	-	-
Amortization	86,654	67,212	76,729	64,303	612,929	605,567	-	-	-	-
Interest on long term debt	-	-	-	-	9,538	876	-	-	-	-
Other operating expense	42,316	63,856	-	-	-	15	-	-	-	-
Total expenses	1,101,414	999,586	582,879	679,570	3,853,382	3,539,599	651,443	600,070	4,241	4,241
SURPLUS (DEFICIT)	5,845,936	5,685,479	(553,319)	(596,190)	3,649,613	3,306,901	(378,690)	(339,973)	(4,241)	(4,241)

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

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2018	2017	2018	2017	2018	2017	2018	2017	
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property taxes	-	-	-	-	-	-	-	-	3,964,864
Grants in lieu of taxation	-	-	-	-	-	-	-	-	325,715
User fees	800	-	78,392	80,786	80,405	83,663	-	-	704,844
Grants - Province of Manitoba	-	-	-	-	83,396	82,833	-	-	565,072
Grants - Other	23,730	23,061	11,780	11,780	163,864	144,941	-	-	698,815
Permits, licences and fees	266,426	131,117	-	-	-	-	-	-	1,246,617
Investment revenue	15,867	11,628	1,306	957	3,722	2,828	4,195	2,879	135,348
Other revenue	4,129	6,768	5,310	584	31,640	16,421	-	-	150,245
Water and sewer	-	-	-	8,351	-	-	1,239,222	1,161,188	1,078,757
Total revenue	310,952	172,574	96,788	102,458	363,027	330,686	1,243,417	1,164,067	9,493,298
EXPENSES									
Personnel services	198,149	194,119	41,098	41,828	281,176	276,618	361,342	367,532	2,516,920
Contract services	10,576	27,173	917	708	156,194	143,074	1,161,688	224,193	922,512
Utilities	2,836	3,049	858	830	9,691	9,512	239,162	226,189	245,275
Maintenance materials & supplies	44,501	32,603	61,434	55,048	128,942	136,873	301,431	320,866	3,235,664
Grants & contributions	30,212	24,439	11,803	11,802	310,331	275,160	52,362	7,700	480,182
Amortization	1,728	1,428	8,987	7,792	34,884	28,816	568,228	550,614	1,325,732
Interest on long term debt	-	-	-	-	-	-	110,672	5,853	6,729
Other operating expense	-	-	-	-	-	-	-	-	63,871
Total expenses	288,002	282,811	125,097	118,008	921,218	870,053	2,794,885	1,702,947	8,796,885
SURPLUS (DEFICIT)	22,950	(110,237)	(28,309)	(15,550)	(558,191)	(539,367)	(1,551,468)	(538,880)	696,413

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

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2018

	Core Government		Government Partnerships		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
REVENUE						
Property taxes	4,248,584	3,964,864	-	-	4,248,584	3,964,864
Grants in lieu of taxation	333,114	325,715	-	-	333,114	325,715
User fees	435,560	436,954	269,284	255,978	704,844	692,932
Grants - Province of Manitoba	468,176	599,684	96,896	129,873	565,072	729,557
Grants - Other	450,586	435,330	235,958	263,485	686,544	698,815
Permits, licences and fees	1,179,916	1,115,500	266,426	131,117	1,446,342	1,246,617
Investment revenue	231,704	119,704	20,895	15,644	252,599	135,348
Other revenue	157,318	124,217	44,499	26,028	201,817	150,245
Water and sewer	1,028,921	1,078,757	-	-	1,028,921	1,078,757
Total revenue	8,533,879	8,200,725	1,425,910	1,292,573	9,959,789	9,493,298
EXPENSES						
Personnel services	1,877,052	1,753,275	737,434	763,645	2,614,486	2,516,920
Contract services	1,789,293	862,412	65,478	60,100	1,854,771	922,512
Utilities	160,712	146,271	94,002	99,004	254,714	245,275
Maintenance materials & supplies	2,900,943	2,654,044	551,222	581,620	3,452,165	3,235,664
Grants & contributions	831,785	689,021	(238,025)	(208,839)	593,760	480,182
Amortization	1,222,202	1,154,940	167,937	170,792	1,390,139	1,325,732
Interest on long term debt	117,916	12,306	2,294	(5,577)	120,210	6,729
Other operating expense	42,316	63,856	-	15	42,316	63,871
Total expenses	8,942,219	7,336,125	1,380,347	1,460,760	0,322,566	8,796,885
SURPLUS (DEFICIT)	(408,340)	864,600	45,563	(168,187)	(362,777)	696,413

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	General Reserve	Machinery Replacement Reserve	Fire Equipment Reserve	Community Enhancement Reserve	Admin Building Reserve	Teulon-Rockwood Centennial Hall Reserve	Dedication Fee Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	420,968	73,930	286,864	767,063	92,520	14,256	217,839
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	134,811	179,553	173,283	272,837	(7,375)	-	51,000
	<u>555,779</u>	<u>253,483</u>	<u>460,147</u>	<u>1,039,900</u>	<u>85,145</u>	<u>14,256</u>	<u>268,839</u>
LIABILITIES							
Due to other funds	-	-	-	-	-	14,256	-
REVENUE							
Investment revenue	11,582	1,716	6,660	17,809	2,148	331	5,058
Water and sewer	-	-	-	-	-	-	-
	<u>11,582</u>	<u>1,716</u>	<u>6,660</u>	<u>17,809</u>	<u>2,148</u>	<u>331</u>	<u>5,058</u>
EXPENSES							
Transportation services	-	-	-	-	-	-	-
TRANSFERS							
Debt repayments	-	-	-	-	-	-	-
Transfers from (to) operating fund	100,237	49,418	150,416	(19,048)	3,000	(12,756)	12,000
Transfers from (to) utility fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
	<u>100,237</u>	<u>49,418</u>	<u>150,416</u>	<u>(19,048)</u>	<u>3,000</u>	<u>(12,756)</u>	<u>12,000</u>
CHANGE IN FUND BALANCES	111,819	51,134	157,076	(1,239)	5,148	(12,425)	17,058
FUND SURPLUS, BEGINNING OF YEAR	443,960	202,349	303,071	1,041,139	79,997	12,425	251,781
FUND SURPLUS, END OF YEAR	<u>555,779</u>	<u>253,483</u>	<u>460,147</u>	<u>1,039,900</u>	<u>85,145</u>	<u>-</u>	<u>268,839</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	Road Construction Reserve	Equipment Repair Reserve	Teulon- Rockwood Green Acres Park	Teulon Rockwood Waste Disposal Reserve	Drainage Reserve	Parks and Playgrounds	Gas Tax Reserve
FINANCIAL ASSETS							
Cash and temporary investments	446,221	-	65,490	84,621	-	52,238	220,009
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	35,208	-	141,568	1,485,531
	<u>446,221</u>	<u>-</u>	<u>65,490</u>	<u>119,829</u>	<u>-</u>	<u>193,806</u>	<u>1,705,540</u>
LIABILITIES							
Due to other funds	156,053	-	41,000	-	-	-	-
REVENUE							
Investment revenue	10,360	-	1,520	1,965	-	1,213	5,108
Water and sewer	-	-	-	-	-	-	-
	<u>10,360</u>	<u>-</u>	<u>1,520</u>	<u>1,965</u>	<u>-</u>	<u>1,213</u>	<u>5,108</u>
EXPENSES							
Transportation services	-	-	-	-	-	-	-
TRANSFERS							
Debt repayments	-	-	-	-	-	-	-
Transfers from (to) operating fund	(118,945)	-	-	5,000	-	11,968	450,586
Transfers from (to) utility fund	-	-	-	-	-	-	(800,000)
Acquisition of tangible capital assets	-	-	-	-	-	-	-
	<u>(118,945)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>11,968</u>	<u>(349,414)</u>
CHANGE IN FUND BALANCES	(108,585)	-	1,520	6,965	-	13,181	(344,306)
FUND SURPLUS, BEGINNING OF YEAR	398,753	-	22,970	112,864	-	180,625	2,049,846
FUND SURPLUS, END OF YEAR	<u>290,168</u>	<u>-</u>	<u>24,490</u>	<u>119,829</u>	<u>-</u>	<u>193,806</u>	<u>1,705,540</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	Sewer & Water Expansion Reserve	Aggregate Reserve	Stony Mountain Replacement	Balmoral Replacement	Transportatio n reserve	Grosse Isle Utility Reserve	Gunton Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and temporary investments	185,980	1,147,462	180,675	38,149	-	11,848	-
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	106,836	2,315,365	(20,152)	21,575	(150,000)	3,500	-
	292,816	3,462,827	160,523	59,724	(150,000)	15,348	-
LIABILITIES							
Due to other funds	-	-	-	-	-	-	-
REVENUE							
Investment revenue	4,318	26,640	4,195	886	-	-	-
Water and sewer	-	-	-	-	-	221	-
	4,318	26,640	4,195	886	-	221	-
EXPENSES							
Transportation services	-	-	-	-	-	-	-
TRANSFERS							
Debt repayments	-	-	-	-	-	-	-
Transfers from (to) operating fund	-	291,826	-	-	50,000	-	-
Transfers from (to) utility fund	-	-	(36,800)	-	-	3,500	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-
	-	291,826	(36,800)	-	50,000	3,500	-
CHANGE IN FUND BALANCES	4,318	318,466	(32,605)	886	50,000	3,721	-
FUND SURPLUS, BEGINNING OF YEAR	288,498	3,144,361	193,128	58,838	(200,000)	11,627	-
FUND SURPLUS, END OF YEAR	292,816	3,462,827	160,523	59,724	(150,000)	15,348	-

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 6****SCHEDULE OF CHANGE IN RESERVE FUND BALANCES****For the Year Ended December 31, 2018**

	2018 Actual \$	2017 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	4,306,133	4,207,036
Portfolio investments	-	28,503
Due from other funds	4,743,540	4,440,301
	<u>9,049,673</u>	<u>8,675,840</u>
LIABILITIES		
Due to other funds	211,309	79,608
REVENUE		
Investment revenue	101,509	71,936
Water and sewer	221	176
	<u>101,730</u>	<u>72,112</u>
EXPENSES		
Transportation services	-	62,817
TRANSFERS		
Debt repayments	-	2,701
Transfers from (to) operating fund	973,702	(1,307,507)
Transfers from (to) utility fund	(833,300)	14,800
Acquisition of tangible capital assets	-	1,245,045
	<u>140,402</u>	<u>74,561</u>
CHANGE IN FUND BALANCES		
	242,132	83,856
FUND SURPLUS, BEGINNING OF YEAR		
	<u>8,596,232</u>	<u>8,512,376</u>
FUND SURPLUS, END OF YEAR		
	<u>8,838,364</u>	<u>8,596,232</u>

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 7

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2018

	Stony Mountain	Balmoral	Grosse Isle	Gunton	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS						
Accounts receivable (<i>note 3</i>)	167,647	14,994	60,388	15,886	258,915	2,136,482
Deposits (<i>note 6</i>)	-	-	25,000	-	25,000	-
Due from other funds	(141,130)	202,989	-	911,700	973,559	(399,487)
	<u>26,517</u>	<u>217,983</u>	<u>85,388</u>	<u>927,586</u>	<u>1,257,474</u>	<u>1,736,995</u>
LIABILITIES						
Bank indebtedness	-	-	1,956,159	-	1,956,159	1,854,468
Accounts payable and accrued liabilities (<i>note 7</i>)	31,826	-	849,267	-	881,093	891,730
Long-term debt (<i>note 10</i>)	-	-	161,905	1,598,847	1,760,752	1,981,359
Due to other funds	217,890	965,484	(830,422)	184	353,136	1,666,645
	<u>249,716</u>	<u>965,484</u>	<u>2,136,909</u>	<u>1,599,031</u>	<u>4,951,140</u>	<u>6,394,202</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (<i>schedule 1</i>)	3,356,805	3,840,155	3,243,218	5,547,059	15,987,237	17,111,198
Inventories	-	-	1,080	-	1,080	589
Prepaid expenses	1,738	607	83	880	3,308	3,008
	<u>3,358,543</u>	<u>3,840,762</u>	<u>3,244,381</u>	<u>5,547,939</u>	<u>15,991,625</u>	<u>17,114,795</u>
FUND SURPLUS	<u>3,135,344</u>	<u>3,093,261</u>	<u>1,192,860</u>	<u>4,876,494</u>	<u>12,297,959</u>	<u>12,457,588</u>

RURAL MUNICIPALITY OF ROCKWOOD
Schedule 8
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2018

	STONY MOUNTAIN UTILITY		
	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	332,600	397,913	200,699
Bulk water fees	3,584	405	300
	<u>336,184</u>	<u>398,318</u>	<u>200,999</u>
SEWER			
Sewer fees	<u>283,295</u>	<u>206,138</u>	<u>89,894</u>
GOVERNMENT TRANSFERS			
Capital	<u>-</u>	<u>-</u>	<u>165,930</u>
OTHER REVENUE			
Hydrant rentals	18,200	12,000	12,000
Connection charges	300	(75)	162,190
Installation service	16,000	14,050	16,000
Penalties	2,500	7,640	2,993
Other income	111,000	40,204	111,596
	<u>148,000</u>	<u>73,819</u>	<u>304,779</u>
TOTAL REVENUE	<u>767,479</u>	<u>678,275</u>	<u>761,602</u>
EXPENSES			
GENERAL			
Administration	<u>83,300</u>	<u>50,144</u>	<u>46,572</u>
WATER			
Purification and treatment	15,000	13,851	10,321
Transmission and distribution	122,760	136,215	102,628
Transportation services	118,000	79,312	73,856
Connection costs	10,000	52,362	2,500
	<u>265,760</u>	<u>281,740</u>	<u>189,305</u>
WATER AMORTIZATION AND INTEREST			
Amortization	<u>108,000</u>	<u>107,290</u>	<u>82,296</u>
SEWER			
Collection system costs	205,859	62,448	129,314
Treatment and disposal costs	29,000	805,142	598
Lift station costs	48,000	18,156	8,535
	<u>282,859</u>	<u>885,746</u>	<u>138,447</u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 8****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2018**

	2018 Budget \$	2018 Actual \$	2017 Actual \$
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>57,500</u>	<u>57,606</u>	<u>57,606</u>
TOTAL EXPENSES	<u>797,419</u>	<u>1,382,526</u>	<u>514,226</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(29,940)	(704,251)	247,376
TRANSFERS			
Transfers from (to) utility fund	<u>-</u>	<u>836,800</u>	<u>(12,800)</u>
CHANGE IN UTILITY FUND BALANCE	(29,940)	132,549	234,576
FUND SURPLUS, BEGINNING OF YEAR	<u>3,002,795</u>	<u>3,002,795</u>	<u>2,768,219</u>
FUND SURPLUS, END OF YEAR	<u><u>2,972,855</u></u>	<u><u>3,135,344</u></u>	<u><u>3,002,795</u></u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 8****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2018**

	BALMORAL UTILITY		
	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	39,180	44,261	43,092
Bulk water fees	500	643	-
	<u>39,680</u>	<u>44,904</u>	<u>43,092</u>
SEWER			
Sewer fees	<u>46,870</u>	<u>59,687</u>	<u>42,349</u>
PROPERTY TAXES	<u>-</u>	<u>30,312</u>	<u>30,312</u>
OTHER REVENUE			
Hydrant rentals	2,850	2,800	2,800
Installation service	4,000	-	-
Penalties	700	676	689
Other income	9,000	12,371	7,914
	<u>16,550</u>	<u>15,847</u>	<u>11,403</u>
TOTAL REVENUE	<u>103,100</u>	<u>150,750</u>	<u>127,156</u>
EXPENSES			
GENERAL			
Administration	<u>9,000</u>	<u>6,446</u>	<u>5,906</u>
WATER			
Purification and treatment	4,500	6,563	5,928
Transmission and distribution	-	34,059	18,485
Transportation services	31,100	33,922	37,437
	<u>35,600</u>	<u>74,544</u>	<u>61,850</u>
WATER AMORTIZATION AND INTEREST			
Amortization	53,500	53,343	53,343
Interest on long-term debt	2,000	1,808	3,510
	<u>55,500</u>	<u>55,151</u>	<u>56,853</u>
SEWER			
Collection system costs	21,500	23,314	19,714
Treatment and disposal costs	7,000	815	1,305
Lift station costs	-	4,275	3,278
	<u>28,500</u>	<u>28,404</u>	<u>24,297</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>38,600</u>	<u>38,558</u>	<u>38,558</u>
TOTAL EXPENSES	<u>167,200</u>	<u>203,103</u>	<u>187,464</u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 8****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2018**

EXCESS OF EXPENSES OVER REVENUE	<u>(64,100)</u>	<u>(52,353)</u>	<u>(60,308)</u>
TRANSFERS			
Transfers from (to) utility fund	<u>-</u>	<u>-</u>	<u>(3,500)</u>
CHANGE IN UTILITY FUND BALANCE	<u>(64,100)</u>	<u>(52,353)</u>	<u>(63,808)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>3,145,614</u>	<u>3,145,614</u>	<u>3,209,422</u>
FUND SURPLUS, END OF YEAR	<u><u>3,081,514</u></u>	<u><u>3,093,261</u></u>	<u><u>3,145,614</u></u>

RURAL MUNICIPALITY OF ROCKWOOD
Schedule 8
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2018

	GROSSE ISLE UTILITY		
	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>51,125</u>	<u>54,507</u>	<u>55,978</u>
SEWER			
Sewer fees	<u>16,000</u>	<u>15,588</u>	<u>15,970</u>
PROPERTY TAXES	<u>-</u>	<u>7,898</u>	<u>7,898</u>
GOVERNMENT TRANSFERS			
Other transfer	<u>53,495</u>	<u>53,495</u>	<u>53,495</u>
OTHER REVENUE			
Hydrant rentals	1,725	1,725	1,725
Connection charges	-	-	6,388
Administration fees	8,250	9,124	8,351
Other income	<u>34,591</u>	<u>17,748</u>	<u>9,058</u>
	<u>44,566</u>	<u>28,597</u>	<u>25,522</u>
TOTAL REVENUE	<u>165,186</u>	<u>160,085</u>	<u>158,863</u>
EXPENSES			
GENERAL			
Administration	18,475	66,564	24,219
Billing and collection	<u>3,100</u>	<u>2,704</u>	<u>2,603</u>
	<u>21,575</u>	<u>69,268</u>	<u>26,822</u>
WATER			
Purification and treatment	400	734	332
Transmission and distribution	21,925	21,337	17,314
Water purchases	<u>35,000</u>	<u>35,063</u>	<u>33,569</u>
	<u>57,325</u>	<u>57,134</u>	<u>51,215</u>
WATER AMORTIZATION AND INTEREST			
Amortization	47,600	47,558	47,585
Interest on long-term debt	<u>7,054</u>	<u>7,055</u>	<u>7,920</u>
	<u>54,654</u>	<u>54,613</u>	<u>55,505</u>
SEWER			
Treatment and disposal costs	3,375	109,807	49,067
Lift station costs	<u>2,325</u>	<u>1,219</u>	<u>1,383</u>
	<u>5,700</u>	<u>111,026</u>	<u>50,450</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>29,000</u>	<u>29,017</u>	<u>29,069</u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 8****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2018**

TOTAL EXPENSES	<u>168,254</u>	<u>321,058</u>	<u>213,061</u>
EXCESS OF EXPENSES OVER REVENUE	(3,068)	(160,973)	(54,198)
TRANSFERS			
Transfers from (to) operating fund	-	-	(824)
Transfers from (to) utility fund	<u>-</u>	<u>(3,500)</u>	<u>-</u>
	<u>-</u>	<u>(3,500)</u>	<u>824</u>
CHANGE IN UTILITY FUND BALANCE	(3,068)	(164,473)	(53,374)
FUND SURPLUS, BEGINNING OF YEAR	<u>1,357,333</u>	<u>1,357,333</u>	<u>1,410,707</u>
FUND SURPLUS, END OF YEAR	<u><u>1,354,265</u></u>	<u><u>1,192,860</u></u>	<u><u>1,357,333</u></u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 8

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2018

	GUNTON UTILITY		
	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>34,900</u>	<u>37,804</u>	<u>35,954</u>
SEWER			
Sewer fees	<u>23,600</u>	<u>26,035</u>	<u>24,362</u>
PROPERTY TAXES	<u>128,360</u>	<u>127,615</u>	<u>36,500</u>
OTHER REVENUE			
Hydrant rentals	4,000	4,000	4,000
Connection charges	8,000	150	5,200
Penalties	1,000	1,283	1,463
Other income	15,000	53,225	6,088
	<u>28,000</u>	<u>58,658</u>	<u>16,751</u>
TOTAL REVENUE	<u>214,860</u>	<u>250,112</u>	<u>113,567</u>
EXPENSES			
GENERAL			
Administration	<u>7,000</u>	<u>6,785</u>	<u>4,888</u>
WATER			
Purification and treatment	1,000	32	-
Transmission and distribution	25,000	40,023	29,488
Transportation services	16,000	10,807	8,507
Connection costs	4,000	-	5,200
	<u>46,000</u>	<u>50,862</u>	<u>43,195</u>
WATER AMORTIZATION AND INTEREST			
Amortization	63,100	63,036	63,035
Interest on long-term debt	100,000	99,515	-
	<u>163,100</u>	<u>162,551</u>	<u>63,035</u>
SEWER			
Collection system costs	17,000	20,245	21,777
Treatment and disposal costs	-	11,485	-
Lift station costs	16,500	10,317	10,672
	<u>33,500</u>	<u>42,047</u>	<u>32,449</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>63,300</u>	<u>63,219</u>	<u>63,218</u>
TOTAL EXPENSES	<u>312,900</u>	<u>325,464</u>	<u>206,785</u>

RURAL MUNICIPALITY OF ROCKWOOD**Schedule 8****SCHEDULE OF UTILITY OPERATIONS****For the Year Ended December 31, 2018**

EXCESS OF EXPENSES OVER REVENUE	(98,040)	(75,352)	(93,218)
TRANSFERS			
Transfers from (to) utility fund	-	-	1,500
CHANGE IN UTILITY FUND BALANCE	(98,040)	(75,352)	(91,718)
FUND SURPLUS, BEGINNING OF YEAR	4,951,846	4,951,846	5,043,564
FUND SURPLUS, END OF YEAR	4,853,806	4,876,494	4,951,846

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 9

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2018

	Financial Plan General	Financial Plan Utilities	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Government Partnerships	PSAB Budget
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Property taxes	4,175,383	-	-	-	-	-	-	4,175,383
Grants in lieu of taxation	333,114	-	-	-	-	-	-	333,114
User fees	449,861	-	-	-	-	-	239,289	689,150
Grants - Province of Manitoba	410,000	-	-	-	-	-	78,447	488,447
Grants - Other	435,000	-	-	-	-	-	214,688	649,688
Permits, licences and fees	1,148,800	-	-	-	-	-	189,787	1,338,587
Investment revenue	40,500	-	-	-	-	-	11,860	52,360
Other revenue	119,571	-	-	-	-	-	5,558	125,129
Transfers	530,675	-	-	-	(530,675)	-	-	-
Transfers	362,562	129,020	-	-	(491,582)	-	-	-
Water and sewer	(174,467)	1,250,625	-	-	-	-	378,865	1,455,023
	7,830,999	1,379,645	-	-	(1,022,257)	-	1,118,494	9,306,881
EXPENSES								
General government services	944,600	-	86,700	-	216	-	-	1,031,516
Protective services	473,620	-	73,400	-	-	-	21,620	568,640
Transportation services	3,448,700	-	595,000	9,600	-	-	112,671	4,165,971
Environmental health services	600,300	-	-	-	-	-	-	600,300
Public health and welfare services	5,000	-	-	-	-	-	-	5,000
Regional planning and development	63,000	-	-	-	-	-	237,011	300,011
Resource conservation and industrial development	26,000	-	-	-	-	-	93,221	119,221
Recreation and cultural services	615,000	-	7,900	-	-	-	285,547	908,447
Fiscal services	216	-	-	-	(216)	-	-	-
Transfers	1,580,562	392,940	-	-	(1,973,502)	-	-	-
Water and sewer	-	959,773	460,600	109,054	(83,654)	-	430,867	1,876,640
	7,756,998	1,352,713	1,223,600	118,654	(2,057,156)	-	1,180,937	9,575,746
SURPLUS (DEFICIT)	74,001	26,932	(1,223,600)	(118,654)	1,034,899	-	(62,443)	(268,865)

Reid & Miller Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 10

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2018

	2018 Actual \$	2017 Actual \$
BALANCE, BEGINNING OF YEAR	<u>551,869</u>	<u>658,238</u>
Add:		
Tax Levy (<i>schedule 11</i>)	10,431,066	10,166,528
Taxes added	233,201	87,501
Penalties and interest	<u>67,337</u>	<u>64,203</u>
Sub-total	<u>11,283,473</u>	<u>10,976,470</u>
Deduct:		
Cash collections - current	8,607,334	8,335,434
Cash collections - arrears	402,337	524,888
Cancellations	5,233	39,142
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,537,871</u>	<u>1,525,137</u>
Sub-total	<u>10,552,775</u>	<u>10,424,601</u>
BALANCE, END OF YEAR	<u><u>730,698</u></u>	<u><u>551,869</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2018

	Assessment	2018 Mill Rate	Levy	2017 Levy
Debt Charges:				
Frontage (note 12)			81,193	81,193
L.I.D.			-	-
At large (note 13)			84,377	-
			<u>165,570</u>	<u>81,193</u>
Reserves:				
Reserves (note 14)			<u>825,431</u>	<u>824,771</u>
Other municipal levies:				
General municipal	458,573,120	6.148	2,819,767	2,777,729
Special levy (note 15)			<u>204,385</u>	<u>193,440</u>
			<u>3,024,152</u>	<u>2,971,169</u>
Business tax (rate 0.00%)			230	230
Total municipal taxes (schedule 2)			<u>4,015,383</u>	<u>3,877,363</u>
Education Support Levy	26,103,120	9.770	255,027	264,056
Special levy:				
Interlake School Division	452,502,410	13.588	6,148,603	6,013,551
Evergreen School Division	290,290	10.986	3,184	2,900
Lakeshore School Division	597,440	14.845	8,869	8,658
			<u>6,160,656</u>	<u>6,025,109</u>
Total education taxes			<u>6,415,683</u>	<u>6,289,165</u>
Total tax levy (schedule 10)			<u>10,431,066</u>	<u>10,166,528</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	153,000	142,042	145,515
General administrative	791,816	872,718	786,859
Other	86,700	86,654	67,212
	<u>1,031,516</u>	<u>1,101,414</u>	<u>999,586</u>
PROTECTIVE SERVICES			
Fire	478,020	491,900	527,555
Emergency measures	24,000	23,393	19,032
By-law enforcement	45,000	46,622	36,080
	<u>547,020</u>	<u>561,915</u>	<u>582,667</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	618,600	613,397	594,719
Road and street maintenance	3,335,700	3,027,510	2,688,795
Sidewalk and boulevard maintenance	15,000	8,694	7,777
Street lighting	40,000	36,403	32,083
Public transit	44,000	44,822	43,322
	<u>4,053,300</u>	<u>3,730,826</u>	<u>3,366,696</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	593,300	644,457	592,518
Lagoons and wells	7,000	6,986	7,552
	<u>600,300</u>	<u>651,443</u>	<u>600,070</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	5,000	4,241	4,241
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	63,000	55,360	60,878
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	26,000	25,112	25,112
Drainage of land	-	201	-
	<u>26,000</u>	<u>25,313</u>	<u>25,112</u>
RECREATION AND CULTURAL SERVICES			
Administration	7,900	7,830	3,251
Community centers and halls	370,000	378,406	316,148
Skating and curling rinks	25,000	25,000	25,000
Parks and playgrounds	63,000	12,761	12,521
Libraries	155,000	155,365	155,365
Other cultural facilities	2,000	194	237
	<u>622,900</u>	<u>579,556</u>	<u>512,522</u>
TOTAL EXPENSES	<u>6,949,036</u>	<u>6,710,068</u>	<u>6,151,772</u>

RURAL MUNICIPALITY OF ROCKWOOD

Schedule 13

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2018

	General	Stony Mountain	Balmoral	Grosse Isle	Gunton	2018	2017
	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED ANNUAL SURPLUS (DEFICIT)							
<i>(statement 2)</i>							
Elimination of appropriations from reserves	(203,148)	132,549	(52,353)	(164,473)	(75,352)	(362,777)	696,413
Elimination of appropriations to reserves	1,030,663	-	-	-	-	1,030,663	1,272,746
Consolidation of reserve operations	(1,204,366)	-	-	-	-	(1,204,366)	(1,307,507)
Elimination of consolidated entity operations	96,428	4,195	886	221	-	101,730	9,295
Elimination of nominal surplus transfers	(45,563)	-	-	-	-	(45,563)	168,187
Amortization of tangible capital assets	530,675	-	-	-	-	530,675	-
Principal portion of long term debt	762,575	165,264	91,717	76,575	126,071	1,330,803	1,154,941
Proceeds on disposal of assets	(22,866)	-	(28,503)	(21,441)	(170,662)	(243,472)	(47,378)
Loss (gain) on disposal of assets	7,000	-	-	-	-	7,000	184,960
Acquisitions of capital assets from operating funds	(7,000)	-	-	-	-	(7,000)	(40,486)
	(644,943)	-	-	-	-	(644,943)	(1,690,910)
ESTIMATED EXCESS OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***							
	299,455	302,008	11,747	(109,118)	(119,943)	492,750	400,261



REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC