Supplementary Audit Report
Subsection 190(2) of The Municipal Act

To the Reeve and Councillors
Rural Municipality of Armstrong
Inwood, Manitoba

Pursuant to our appointment, and in accordance with the provisions of Subsection 190(2) of The Municipal Act, we wish to report as follows for the year ended December 31, 2022:

(a) We have reviewed the accounting procedures and systems of control employed by the municipality and report that, in our opinion, such procedures and systems are adequate to preserve and protect the assets of the municipality.

(b) The funds of the municipality have, to the best of our knowledge and belief, been disbursed only under authority granted by an Act of the Legislature or under authority of a resolution or by-law of the municipality made under the authority of an Act of the Legislature.

(c) No other irregularity or discrepancy in the administration of the affairs of the municipality by the council came to our notice in the course of our examination.

(d) In our opinion, there are no other matters which should be brought to the attention of council or the minister.

(e) We wish to acknowledge the co-operation accorded to us during our audit.

Chambers Fraser
Municipal Auditors

Per ______________
K. Hodgins, CPA /CA

May 7, 2025

Rural Municipality of Armstrong

Consolidated Financial Statements
Year ended December 31, 2022

ChambersFraser
CHARTERED PROFESSIONAL ACCOUNTANTS

STATEMENT OF RESPONSIBILITY

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

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

Chambers Fraser as the Municipality's appointed external auditors, have audited the Financial Statements. The Independent Auditor's report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.

C Mayer

Inwood, Manitoba
Date May 7, 2025

Colleen Mayer
Chief Administrative Officer

ChambersFraser
CHARTERED PROFESSIONAL ACCOUNTANTS
E.E. Halligan CPA CA | K.B. Hodgins CPA CA | J.A. Senn CPA CA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

We have audited the accompaning consolidated financial statements of the Rural Municipality of Armstrong, which comprise the statement of financial position as at December 31, 2022 and the statements of operations, changes in net financial assets and cash flows for the year ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of Gramadale as at December 31, 2021, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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FOUNDED IN 1951 BY J.A. CHAMBERS, C.A.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

May 7th, 2025
Winnipeg, Canada

Chambers Fraser

Chartered Professional Accountants

Rural Municipality of Armstrong
Consolidated Financial Statements
Year ended December 31, 2022

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	**$ 4,348,123**	$ 5,758,819
Amounts receivable (Note 4)	**2,300,130**	410,765
	$ 6,648,253	$ 6,169,584
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	**$ 578,070**	$ 244,702
Deferred revenue (Note 7)	**698,301**	645,744
Landfill closure and post closure liabilities (Note 8)	**41,217**	52,040
	1,317,588	942,487
NET FINANCIAL ASSETS (NET DEBT)	**$ 5,330,665**	$ 5,227,098
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**2,542,001**	2,625,792
Inventories (Note 5)	**43,097**	56,116
Prepaid expenses	**33,579**	33,769
	2,618,677	2,715,677
ACCUMULATED SURPLUS (Note 12)	**$ 7,949,343**	$ 7,942,775

Approved on behalf of Council:

Garry Wasylowski - Reeve

Paul Humeny - Deputy Reeve

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2022

	2022 Budget (Note 11)	2022 Actual	2021 Actual
REVENUE			
Property taxes	$ 1,665,059	$ 1,730,889	$ 1,497,099
Grants in lieu of taxation	107,235	107,235	98,162
User fees	275,033	277,801	256,198
Permits, licences and fines	3,000	3,898	4,668
Investment income	17,261	91,497	39,764
Other revenue	58,000	284,923	196,454
Grants - Province of Manitoba	425,155	2,757,621	505,154
Grants - other	101,038	62,275	47,415
Total revenue (Schedules 2, 4 and 5)	2,651,781	5,316,139	2,644,914
EXPENSES			
General government services	542,950	560,707	467,468
Protective services	292,197	280,349	376,373
Transportation services	2,038,508	4,046,390	1,279,348
Environmental health services	232,923	211,898	165,123
Public health and welfare services	10,800	10,720	10,720
Regional planning and development	55,788	58,742	29,896
Resource conservation and industrial development	152,078	139,264	129,515
Recreation and cultural services	1,501	1,501	1,501
Total expenses (Schedules 3, 4 and 5)	3,326,745	5,309,572	2,459,945
ANNUAL SURPLUS (DEFICIT)	$ (674,964)	6,568	184,969
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 12)		7,942,775	7,757,806
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR		$ 7,949,343	$ 7,942,775

The accompanying notes are an integral part of this financial statement

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2022

	2022 Budget (Note 11)	2022 Actual	2021 Actual
ANNUAL SURPLUS (DEFICIT)	$ (674,964)	$ 6,568	$ 184,969
Acquisition of tangible capital assets	(213,500)	(71,056)	(255,054)
Amortization of tangible capital assets	154,847	154,847	147,855
Loss (Gain) on sale of tangible capital assets	-	(220,103)	(119,312)
Proceeds on sale of tangible capital assets	-	220,103	128,235
Decrease (increase) in inventories	-	13,018	(484)
Decrease (increase) in prepaid expense	-	191	(3,364)
	(58,653)	97,000	(102,124)
CHANGE IN NET FINANCIAL ASSETS	(733,617)	103,567	82,845
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		5,227,098	5,144,253
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		$ 5,330,665	$ 5,227,098

The accompanying notes are an integral part of this financial statement

Rural Municipality of Armstrong
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

	2022	2021
OPERATING TRANSACTIONS		
Annual surplus (deficit)	**$ 6,568**	$ 184,969
Changes in non-cash items:		
Amounts receivable	**(1,889,364)**	168,072
Inventories	**13,018**	(484)
Prepaids	**190**	(3,364)
Accounts payable and accrued liabilities	**333,368**	(65,641)
Deferred revenue	**52,557**	157,034
Landfill closure and post closure liabilities	**(10,823)**	(22,960)
Loss (Gain) on sale of tangible capital asset	**(220,103)**	(119,312)
Amortization	**154,847**	147,855
Cash provided by (applied to) operating transactions	**(1,559,743)**	446,169
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**220,103**	128,235
Cash used to acquire tangible capital assets	**(71,056)**	(255,054)
Cash provided by (applied to) capital transactions	**149,047**	(126,819)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	**(1,410,696)**	319,350
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	**5,758,819**	5,439,469
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	**$ 4,348,123**	$ 5,758,819

The accompanying notes are an integral part of this financial statement

1. Status of the Rural Municipality of Armstrong

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

2. Significant Accounting Policies

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

a) Reporting Entity

The Municipality has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Interlake Weed Control District (15%) (2021 – 15%)
Fisher Armstrong Planning Board (50%) (2021 – 50%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Note 14 - Schedule of Trust Funds.

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) Landfill Closure and Post Closure Liabilities

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

f) Non-Financial Assets

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

g) Tangible Capital Assets

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

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

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Buildings and leasehold improvements	
Buildings - Wood Frame	25 years
Buildings - Brick	40 years
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Land	Indefinite
Road surface	20 years
Road grade	40 years
Drains	40 years

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

i) Leases

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

j) Inventories

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

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

l) Measurement Uncertainty

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

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2022	2021
Cash	**$ 4,348,123**	$ 5,758,819
	$ 4,348,123	$ 5,758,819

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

Designated Reserve Funds	**$ 2,927,025**	$ 2,937,531

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2022	2021
Taxes on roll (Schedule 10)	**$ 419,268**	$ 272,884
Government grants	**1,713,440**	-
Organizations and individuals	**92,856**	126,768
Other governments	**77,566**	14,113
	$ 2,303,130	$ 413,765
Less allowances for doubtful amounts	**(3,000)**	(3,000)
	$ 2,300,130	$ 410,765

5. Inventories

Inventories for use:

	2022	2021
Culverts	**$ 43,097**	$ 56,116
	$ 43,097	$ 56,116

6. Accounts Payable and Accrued Liabilities

	2022	2021
Accounts payable	$ 396,739	$ 42,000
Accrued expenses	10,466	22,605
School levies	170,865	180,097
Other governments	-	-
	$ 578,070	$ 244,702

7. Deferred Revenue:

	2022	2021
Federal Gas Tax Funding	$ 698,301	$ 645,744

8. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 3 landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2022	2021
Estimated closure and post closure costs over the next 13 years	$ 50,000	$ 50,000
Discount rate	5.00%	5.00%
Discounted costs	$ 27,842	$ 26,516
Expected year capacity will be reached	2033	2033
Capacity (years):		
Used to date	2	1
Remaining	11	12
Total	13	13
Percent utilized	15.38%	7.69%
Liability based on percentage	$ 4,283	$ 2,040

b) Closed Landfill Site(s)

	2022	2021
Estimated closure and post closure costs over the next 15 years	$ 36,934	$ 50,000
Total landfill closure and post closure liabilities	$ 41,217	$ 52,040

9. Retirement Benefits

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

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 by the municipality on behalf of its employees are expected to be **$11,563** (2021 - $10,396) 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, 2021, 20XX indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of $249.0 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, 2021.

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

10. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

11. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

12. Accumulated Surplus

	2022	2021
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	**$ 3,127,134**	$ 2,979,231
General capital fund - Capital surplus	**2,535,322**	2,618,454
Reserve funds	**2,927,023**	2,937,530
	8,589,479	8,535,215
Deferred revenue - Reserves	**(698,301)**	(645,744)
Accumulated surplus of municipality unconsolidated	**7,891,178**	7,889,471
Accumulated surpluses of consolidated entities	**58,164**	53,304
Accumulated surplus per Consolidated Statement of Financial Position	**$ 7,949,342**	$ 7,942,775

13. Public Sector Compensation Disclosure

It is a requirement of The Municipal Act that the annual financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the municipality. For the year ended December 31, 2022:

a) Compensation paid to members of council amounted to $81,962 in aggregate.

b) There were no members of council receiving compensation in excess of $75,000 individually.

Council Members:

	Compensation	Expenses	Total
Reeve - Susan Smerchanski	$ 13,366	$ 2,590	$ 15,956
Councillor - Ted Sumka	14,105	4,854	18,959
Councillor - Adam Krochenski	9,099	1,358	10,457
Councillor - Paul Humeny	11,854	3,886	15,740
Councillor - Ralph Hazelton	10,805	2,390	13,195
Councillor - Allen Evanchyshin	12,776	2,899	15,675
Councillor - Brent Dziadek	2,100	595	2,695
Councillor - Pat Stein	2,972	1,248	4,220
Councillor - Kate Basford	3,069	1,533	4,602
Councillor - Allen Pfrimmer	1,816	221	2,037
	-	-	-
	$ 81,962	$ 21,574	$ 103,536

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding $75,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2022:

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

Name	Position	Amount
Corlie Larsen	Chief Administrative Officer	$ 80,595

14. Trust Funds

The Rural Municipality of Armstrong administers the following trusts:

	Balance, beg. of the year	Net Receipts (Disbursements)	Balance, end of the year
Fraserwood Sidewalks	$ 1,544	$ 30	$ 1,574
Chatfield Cemetery	5,197	(301)	4,896
Fraserwood Sports Club	400	8	408
Fraserwood Heritage park	1,864	36	1,900
Narcisse Snake Pits	256	5	261
Community Clubs	102	2	104
Age Friendly	1,254	(1,246)	8
	$ 10,617	$ (1,466)	$ 9,151

15. Segmented Information

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

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

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

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

16. Government Partnerships

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

	2022	2021
Financial Position		
Financial assets	**$ 47,842**	$ 42,412
Financial liabilities	**426**	4,261
Net financial assets (liabilities)	**47,416**	38,151
Non financial assets	**10,748**	15,153
Accumulated surplus	**$ 58,164**	$ 53,304
Results of operations		
Revenues	**$ 57,068**	$ 41,674
Expenses	**52,208**	44,938
Consolidated annual surplus	**$ 4,860**	$ (3,264)

Rural Municipality of Armstrong

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2022

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2022	2021
Cost										
Opening costs	479,084	376,232	1,608,074	56,248	-	18,228,385	996,338	-	21,744,361	21,520,759
Additions during the year	-	-	8,996	62,060	-	-	-	-	71,056	255,054
Transfer during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	-	-	-	-	-	-	-	-	-	(31,453)
Closing costs	**479,084**	**376,232**	**1,617,070**	**118,308**	**-**	**18,228,385**	**996,338**	**-**	**21,815,417**	**21,744,361**
Accumulated Amortization										
Opening accum'd amortization	21,108	276,726	792,043	51,500	-	17,609,251	367,940	-	19,118,569	18,993,244
Amortization	19,892	6,507	80,664	7,393	-	16,080	24,310	-	154,847	147,855
Disposals and write downs	-	-	-	-	-	-	-	-	-	(22,530)
Closing accum'd amortization	**41,001**	**283,233**	**872,707**	**58,893**	**-**	**17,625,332**	**392,250**	**-**	**19,273,415**	**19,118,569**
Net Book Value of Tangible Capital Assets	**438,083**	**92,999**	**744,363**	**59,415**	**-**	**603,053**	**604,088**	**-**	**2,542,001**	**2,625,792**

CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2022

	2022 Actual	2021 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	**$ 1,640,057**	$ 1,468,247
Taxes added	**90,832**	28,853
	1,730,889	1,497,099
Grants in lieu of taxation:		
Provincial government	**92,741**	84,938
Provincial government enterprises	**14,494**	13,224
	107,235	98,162
User fees		
Sales of service	**60,348**	47,854
Rentals	**217,453**	208,343
	277,801	256,198
Permits, licences and fines		
Permits	**1,135**	1,481
Licences	**2,763**	3,187
	3,898	4,668
Investment income:		
Cash and temporary investments	**91,497**	39,764
	91,497	39,764
Other revenue:		
Gain on sale of tangible capital assets	**220,103**	119,312
Miscellaneous (specify):		
Penalties and interest	**35,652**	36,913
Other revenue	**29,168**	40,228
	284,923	196,454
Grants - Province of Manitoba		
General support grant	**369,993**	364,437
Conditional grants	**2,387,628**	135,845
	2,757,621	505,154
Grants - other		
Federal government - gas tax funding	**62,060**	47,200
Other local governments	**215**	215
	62,275	47,415
Total revenue	**5,316,139**	2,644,914

Rural Municipality of Armstrong

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2022

	2022 Actual	2021 Actual
General government services:		
Legislative	$ 92,100	$ 73,812
General administrative	272,625	257,715
Other	195,982	135,941
	560,707	467,468
Protective services:		
Fire	194,040	294,248
Emergency measures	16,539	17,185
Other protection	69,770	64,939
	280,349	376,373
Transportation services:		
Road transport		
Road and street maintenance	3,966,923	1,202,342
Street lighting	14,862	14,876
Other	64,605	62,130
	4,046,390	1,279,348
Environmental health services:		
Waste collection and disposal	168,709	120,225
Other	43,189	44,898
	211,898	165,123
Public health and welfare services:		
Social assistance	10,720	10,720
	10,720	10,720
Regional planning and development		
Planning and zoning	-	-
Other	58,742	29,896
	58,742	29,896
Resource conservation and industrial development		
Rural area weed control	127,271	117,633
Veterinary services	6,000	6,000
Water resources and conservation	5,993	5,883
	139,264	129,515
Recreation and cultural services:		
Other cultural facilities	1,501	1,501
	1,501	1,501
Total expenses	5,309,572	2,459,945

Rural Municipality of Armstrong

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
REVENUE										
Property taxes	**$1,730,889**	$1,497,099	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants in lieu of taxation	**107,235**	98,162	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**219,892**	211,171	**284**	200	**1,033**	3,432	**-**	-	**-**	-
Prov of MB - Unconditional Grants	**369,993**	369,309	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Conditional Grants	**-**	-	**-**	77,418	**2,351,221**	24,714	**27,257**	24,890	**-**	-
Grants - other	**62,060**	47,200	**-**	-	**-**	-	**-**	-	**-**	-
Permits, licences and fines	**3,898**	4,668	**-**	-	**-**	-	**-**	-	**-**	-
Investment income	**58,379**	23,344	**7,155**	2,322	**10,922**	5,219	**14,780**	8,816	**-**	-
Other revenue - schedule 2	**284,923**	196,454	**-**	-	**-**	-	**-**	-	**-**	-
Water and sewer										
Total revenue	**$ 2,837,269**	$ 2,447,406	**$ 7,439**	$ 79,939	**$ 2,363,176**	$ 33,364	**$ 42,037**	$ 33,706	**$ -**	$ -
EXPENSES										
Personnel services	**$ 248,263**	$ 220,940	**$ 38,704**	$ 66,440	**$ 106,620**	$ 85,890	**$ 42,301**	$ 42,895	**$ -**	$ -
Contract services	**148,961**	102,463	**53,605**	61,735	**3,832,870**	1,053,277	**154,457**	116,933	**-**	-
Utilities	**13,256**	12,772	**19,560**	17,911	**1,298**	2,139	**3,852**	3,061	**-**	-
Maintenance materials and supplies	**21,345**	19,606	**94,488**	158,525	**46,394**	78,833	**981**	5,772	**-**	-
Grants and contributions	**111,905**	106,940	**8,045**	6,482	**-**	-	**-**	-	**10,720**	10,720
Amortization	**8,110**	1,904	**65,947**	64,939	**59,208**	59,208	**19,423**	19,423	**-**	-
Interest on long term debt	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other	**8,868**	**3,185**	**-**	-	**-**	-	**(9,116)**	(22,960)	**-**	-
Total expenses	**$ 560,707**	$ 467,808	**$ 280,349**	$ 376,032	**$ 4,046,390**	$ 1,279,348	**$ 211,898**	$ 165,123	**$ 10,720**	$ 10,720
Surplus (Deficit)	**$ 2,276,562**	$ 1,979,598	**$ (272,910)**	$ (296,093)	**$ (1,683,214)**	$ (1,245,984)	**$ (169,861)**	$ (131,417)	**$ (10,720)**	$ (10,720)

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

Rural Municipality of Armstrong

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2022

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
REVENUE										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,730,889	$ 1,497,099
Grants in lieu of taxation	-	-	-	-	-	-			107,235	98,162
User fees	-	-	39,358	27,069	-	-			260,567	241,872
Prov of MB - Unconditional Grants	-	-	-	-	-	-			369,993	369,309
Prov of MB - Conditional Grants	7,347	8,824	-	-	1,803	-			2,387,628	135,845
Grants - other	-	-	215	215	-	-			62,275	47,415
Permits, licences and fines	17,234	14,326	-	-	-	-			21,132	18,994
Investment income	261	64	-	-	-	-			91,497	39,764
Water and sewer							-	-	-	-
Other revenue	-	-	-	-	-	-			284,923	196,454
Total revenue	$ 24,842	$ 23,214	$ 39,573	$ 27,284	$ 1,803	$ -	$ -	$ -	$ 5,316,139	$ 2,644,914
EXPENSES										
Personnel services	$ -	$ -	$ 28,587	$ 26,323	$ -	$ -	$ -	$ -	$ 464,476	$ 442,488
Contract services	58,742	29,896	88,446	85,545	-	-	-	-	4,337,082	1,449,848
Utilities	-	-	-	-	-	-	-	-	37,967	35,884
Maintenance materials and supplies	-	-	9,467	4,859	-	-	-	-	172,674	267,595
Grants and contributions	-	-	11,993	11,882	-	-	-	-	142,662	136,023
Amortization	-	-	658	880	1,501	1,501	-	-	154,847	147,855
Interest on long term debt	-	-	113	27	-	-	-	-	113	27
Other	-	-	-	-	-	-	-	-	(248)	(19,775)
Total expenses	$ 58,742	$ 29,896	$ 139,264	$ 129,515	$ 1,501	$ 1,501	$ -	$ -	$ 5,309,572	$ 2,459,945
Surplus (Deficit)	$ (33,900)	$ (6,682)	$ (99,691)	$ (102,231)	$ 301	$ (1,501)	$ -	$ -	$ 6,568	$ 184,969

Rural Municipality of Armstrong

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2022

	Core Government		Government Partnerships		Total	
	2022	2021	**2022**	2021	**2022**	2021
REVENUE						
Property taxes	**$ 1,730,889**	$ 1,497,099	**$ -**	$ -	**$ 1,730,889**	$ 1,497,099
Grants in lieu of taxation	**105,120**	97,789	**2,115**	373	**107,235**	98,162
User fees	**223,324**	215,176	**37,243**	26,696	**260,567**	241,872
Permits, licences and fines	**3,898**	4,668	**17,234**	14,326	**21,132**	18,994
Investment income	**91,236**	39,700	**261**	64	**91,497**	39,764
Water and sewer	**-**	-			**-**	-
Other revenue	**284,923**	196,454	**-**	-	**284,923**	196,454
Prov of MB - Unconditional Grants	**369,993**	369,309	**-**	-	**369,993**	369,309
Prov of MB - Conditional Grants	**2,387,628**	135,845			**2,387,628**	135,845
Grants - other	**62,060**	47,200	**215**	215	**62,275**	47,415
Total revenue	**$ 5,259,071**	$ 2,603,240	**$ 57,068**	$ 41,674	**$ 5,316,139**	$ 2,644,914
EXPENSES						
Personnel services	**$ 435,889**	$ 416,165	**$ 28,587**	$ 26,323	**$ 464,476**	$ 442,488
Contract services	**4,318,349**	1,431,648	**18,733**	18,200	**4,337,082**	1,449,848
Utilities	**37,967**	35,884	**-**	-	**37,967**	35,884
Maintenance materials and supplies	**163,207**	262,736	**9,467**	4,859	**172,674**	267,595
Grants and contributions	**142,662**	136,023	**-**	-	**142,662**	136,023
Amortization	**154,189**	146,975	**658**	880	**154,847**	147,855
Interest on long term debt	**-**	-	**113**	27	**113**	27
Other	**(248)**	(19,775)	**-**	-	**(248)**	(19,775)
Total expenses	**$ 5,252,014**	$ 2,409,656	**$ 57,558**	$ 50,289	**$ 5,309,572**	$ 2,459,945
Surplus (Deficit)	**$ 7,058**	$ 193,584	**$ (490)**	$ (8,615)	**$ 6,568**	$ 184,969

Rural Municipality of Armstrong **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2022

	2022					
	General	Equipment Replacement	Fire Equipment	Snow Removal	Waste Management	Gas Tax
REVENUE						
Investment income	$ 10,819	$ 8,447	$ 5,134	$ 2,475	$ 10,644	$ 13,793
Other income	-	-	-	-	-	-
Total revenue	10,819	8,447	5,134	2,475	10,644	13,793
TRANSFERS						
Debt repayments						
Transfers from general operating	-	-	25,000	-	-	100,823
Transfers to general operating	-	-	(3,617)	(122,000)	(21,000)	-
Transfers from surplus	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	(62,060)
CHANGE IN RESERVE FUND BALANCES	10,819	8,447	26,517	(119,525)	(10,356)	52,556
FUND SURPLUS, BEGINNING OF YEAR	500,175	390,490	247,945	122,566	492,087	645,745
FUND SURPLUS, END OF YEAR	$ 510,994	$ 398,937	$ 274,462	$ 3,041	$ 481,731	$ 698,301

Rural Municipality of Armstrong
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2022

SCHEDULE 6

	2022						2021
	Capital & Flood	Chic Canal Equipment	Elections	Land Sale	Emergency	Total	Total
REVENUE							
Investment income	$ 4,127	$ 9	$ 137	$ 2,438	$ 2,022	$ 60,045	$ 28,966
Other income	-	-	-	220,103	-	220,103	-
Total revenue	4,127	9	137	222,541	2,022	280,148	28,966
TRANSFERS							
Debt repayments							
Transfers from general operating	-	-	2,000	-	-	127,823	540,262
Transfers to general operating	(200,800)	-	(9,000)	-	-	(356,417)	-
Transfers from surplus	-	-	-	-	-	-	120,602
Acquisition of tangible capital assets	-	-	-	-	-	(62,060)	(243,978)
CHANGE IN RESERVE FUND BALANCES	(196,673)	9	(6,863)	222,541	2,022	(10,506)	445,852
FUND SURPLUS, BEGINNING OF YEAR	310,185	464	7,040	120,724	100,110	2,937,531	2,491,679
FUND SURPLUS, END OF YEAR	$ 113,512	$ 473	$ 177	$ 343,265	$ 102,132	$ 2,927,025	$ 2,937,531

Rural Municipality of Armstrong **SCHEDULE 7**

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2022

	2022	2021
	Total	Total
FINANCIAL ASSETS		
Cash and temporary investments	$ -	$ -
Amounts receivable	-	-
Portfolio investments	-	-
Due from other funds	-	-
	$ -	$ -
LIABILITIES		
Accounts payable and accrued liabilities	$ -	$ -
Deferred revenue	-	-
Long-term debt	-	-
Due to other funds	-	-
	-	-
NET FINANCIAL ASSETS (NET DEBT)	$ -	$ -
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	$ -	$ -
Inventories	-	-
Prepaid expenses	-	-
	-	-
FUND SURPLUS (DEFICIT)	$ -	$ -

SCHEDULE 8

	Budget	2022	2021
REVENUE			
Water			
Water fees	$ -	$ -	$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	-	-	-
Property taxes	-	-	-
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service			
Penalties	-	-	-
Contributed tangible capital assets			
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets			
Other income	-	-	-
sub-total- other	-	-	-
Total revenue	-	-	-

NAME OF MUNICIPALITY
SCHEDULE OF UTILITY OPERATIONS (cont'd) - Name of Utility
Year Ended December 31, 2022

SCHEDULE 8

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

Rural Municipality of Armstrong

SCHEDULE 9

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 1,665,059	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,665,059
Grants in lieu of taxation	107,235	-	-	-	-	-	-	107,235
User fees	218,441	-	-	-	-	-	56,592	275,033
Permits, licences and fines	3,000	-	-	-	-	-	-	3,000
Investment income	17,000	-	-	-	-	-	261	17,261
Other revenue	58,000	-	-	-	-	-	-	58,000
Water and sewer		-	-	-	-	-	-	-
Transfers from accumulated surplus	300,000	-	-	-	(300,000)	-	-	-
Transfers from reserves	708,300	-	-	-	(708,300)	-	-	-
Transfers from General		-	-	-	-	-	-	-
Grants - Province of Manitoba	425,155	-	-	-	-	-	-	425,155
Grants - other	100,823	-	-	-	-	-	215	101,038
Total revenue	$ 3,603,013	$ -	$ -	$ -	$ (1,008,300)	$ -	$ 57,068	$ 2,651,781
EXPENSES								
General government services	$ 534,600	$ -	$ 8,110	$ -	$ 240	$ -	$ -	$ 542,950
Protective services	226,250	-	65,947	-	-	-	-	292,197
Transportation services	1,979,300	-	59,208	-	-	-	-	2,038,508
Environmental health services	213,500	-	19,423	-	-	-	-	232,923
Public health and welfare services	10,800	-	-	-	-	-	-	10,800
Regional planning and development	38,000	-	-	-	-	-	17,788	55,788
Resource cons and industrial dev	117,000	-	658	-	-	-	34,420	152,078
Recreation and cultural services	-	-	1,501		-	-	-	1,501
Water and sewer services	-	-	-	-	-	-	-	-
Fiscal services:							-	
Transfer to capital	355,500	-		-	(355,500)	-	-	-
Transfer to reserves	127,823	-	-	-	(127,823)	-	-	-
Transfer to accumulated surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	240	-	-	-	(240)	-	-	-
Total expenses	$ 3,603,013	$ -	$ 154,847	$ -	$ (483,323)	$ -	$ 52,208	$ 3,326,745
Surplus (Deficit)	$ -	$ -	$ (154,847)	$ -	$ (524,977)	$ -	$ 4,860	$ (674,964)

Rural Municipality of Armstrong
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2022

SCHEDULE 10

	2022	2021
Balance, beginning of year	$ 272,884	$ 344,348
Add:		
Tax levy (Schedule 12)	2,676,083	2,501,975
Taxes added	90,832	28,853
Penalties or interest	35,652	36,913
Sub-total	2,802,567	2,567,741
Deduct:		
Cash collections	2,447,023	2,398,605
Write-offs	8,868	-
E.P.T.C. - cash advance	200,292	240,600
Sub-total	2,656,183	2,639,205
Balance, end of year	$ 419,268	$ 272,884

Rural Municipality of Armstrong **SCHEDULE 11**
ANALYSIS OF TAX LEVY
Year Ended December 31, 2022

	2022			2021
	Assessment	**Mill Rate**	**Levy**	Levy
General municipal	83,804,640	19.266	1,614,580	1,390,378
Reserves:				
Equipment Replacement	83,804,640	0.000	-	25,326
Fire Equipment	83,804,640	0.281	23,549	37,989
Waste Management	83,804,640	0.000	-	12,663
Elections	83,804,640	0.023	1,928	1,891
Total municipal taxes (Schedule 2)			**1,640,057**	1,468,247
Education support levy	2,103,410	8.714	**18,329**	18,754
Special levy:				
Interlake - SD#21	9,775,590	11.945	116,769	120,457
Evergreen - SD#22	47,803,990	10.856	518,960	513,916
Lakeshore - SD#23	26,225,060	14.565	381,968	380,601
sub-total- Special levies			**1,017,697**	1,014,974
Total education taxes			**1,036,026**	1,033,728
			$ 2,676,083	$ 2,501,975

Rural Municipality of Armstrong

SCHEDULE 12

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

Year Ended December 31, 2022

	2022 Actual	2021 Actual
General government services:		
Legislative	$ 92,100	$ 73,812
General administrative	272,625	257,715
Other	195,982	135,941
	560,707	467,468
Protective services:		
Fire	194,040	294,248
Emergency measures	16,539	17,185
Other protection	69,770	64,939
	280,349	376,373
Transportation services:		
Road transport		
Road and street maintenance	3,966,923	1,202,342
Street lighting	14,862	14,876
Other	64,605	62,130
	4,046,390	1,279,348
Environmental health services:		
Waste collection and disposal	168,709	120,225
Other	43,189	44,898
	211,898	165,123
Public health and welfare services:		
Social assistance	10,720	10,720
	10,720	10,720
Regional planning and development		
Planning and zoning	-	-
Other	40,954	12,576
	40,954	12,576
Resource conservation and industrial development		
Rural area weed control	92,851	90,015
Veterinary services	6,000	6,000
Water resources and conservation	5,993	5,883
	104,844	101,897
Recreation and cultural services:		
Other cultural facilities	1,501	1,501
	1,501	1,501
Total expenses	5,257,364	2,415,007

Rural Municipality of Armstrong
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2022

SCHEDULE 13

	2022			2021
	General	**Utility**	**Total**	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ 147,903	$ -	**$ 147,903**	$ 60,462
Adjustments for reporting under public sector accounting standards				
Capital :				
Increase expense - net book value of assets disposed of	-	-	**-**	(8,923)
Increase expense - amortization of tangible capital assets	(154,189)	-	**(154,189)**	(146,975)
Eliminate expense - acquisitions of tangible capital assets	71,056	-	**71,056**	254,850
Reserve:				
Increase revenue - reserve funds interest	60,046	-	**60,046**	28,967
Eliminate expense - transfers to reserves	347,926	-	**347,926**	660,864
Eliminate revenue - transfers from reserves to operating funds	(418,477)	-	**(418,477)**	(243,978)
Deferred Revenue:				
Decrease revenue - increase in deferred revenue - Gas Tax	(52,557)	-	**(52,557)**	(157,034)
Other:				
Decrease revenue - Reverse out appropriation from general surplus	-	-	**-**	(260,000)
	1,708	-	**1,708**	188,233
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	4,860	-	**4,860**	(3,264)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 6,568	$ -	**$ 6,568**	$ 184,969

Chambers Fraser
CHARTERED PROFESSIONAL ACCOUNTANTS

E E Halligan, CPA CA* | K B Hodgins, CPA CA* | Jas Saini, CPA CA*
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Engagement Letter

January 4, 2023

PERSONAL AND CONFIDENTIAL

Ms. Kate Basford, Reeve
Rural Municipality of Armstrong
Box 69
Inwood, MB   R0C 1P0

Dear Madam:

Re: Rural Municipality of Armstrong

The Objective and Scope of the Audit

You have requested that we audit the financial statements of the Rural Municipality of Armstrong, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audits(s) are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement (whether due to fraud or error) and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Responsibilities of the Auditor

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

a. Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

b. 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, We are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards.

b. For the design and implementation of 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.

c. To provide us with timely:

   i. Access to all information of which management is aware that is relevant to the preparation of the financial statements (such as records, documentation and other matters);

   ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of noncompliance with legislative or regulatory requirements;

   iii. Additional information that we may request from management for the purpose of the audit; and

   iv. Unrestricted access to persons within the Rural Municipality of Armstrong from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

a. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management and, where appropriate, those charged with governance written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.

b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the form contained in Appendix A to this letter.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of the Rural Municipality of Armstrong unless:

a. We have been specifically authorized with prior consent;

b. We have been ordered or expressly required by law or by the provincial Code of Professional Conduct/Code of Ethics; or

c. The information requested is (or enters into) public domain.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and

b. We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit report are solely for the use of Rural Municipality of Armstrong and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than the Rural Municipality of Armstrong.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond the Rural Municipality of Armstrong) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Reproduction of Auditor's Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request that management provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may periodically be reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm's standards. File reviewers are required to maintain confidentiality of client information.

Accounting Advice

Except as outlined in this letter, the Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Other Services

In addition to the audit services referred to above, we will, as allowed by the provincial Code of Professional Conduct/Code of Ethics, prepare your federal and provincial income tax returns as agreed upon. Unless expressly agreed in a separate engagement letter, we will have no involvement with or responsibility for the preparation or filing of GST/HST/PST returns or any other (including foreign) tax returns, source deductions, information returns, slips, elections, designations, certificates or reports. Management will, on a timely basis, provide the information necessary to complete these federal and provincial income tax returns and will review and file them with the appropriate authorities on a timely basis.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Manitoba. The Province of Manitoba will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

The Rural Municipality of Armstrong hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

a. The breach by the Rural Municipality of Armstrong, or its directors, officers, agents, or employees, of any of the covenants or obligations of the Rural Municipality of Armstrong herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.

b. A misrepresentation by a member of your management or board of directors.

Limitation of Liability

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to our professional fees. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date the Rural Municipality of Armstrong should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Rural Municipality of Armstrong of its obligations.

Fees at Regular Billing Rates

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST/HST, and are due when rendered. Fees for any additional services will be established separately.

If significant additional time is likely to be incurred, we will discuss the reasons with you and agree on a revised fee estimate before we incur the additional costs.

Fees will be rendered as work progresses and are payable on presentation.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST/HST) incurred.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 30 calendar days before the effective date of termination. If early termination takes place, the Rural Municipality of Armstrong shall be responsible for all time and expenses incurred up to the termination date.

This includes all costs in terminating any agreement with any specialist or other third party retained by us in connection with this Engagement.

If we are unable to complete the audit or are unable to form, or have not formed, an opinion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Yours truly,

Chambers Fraser

Chambers Fraser Chartered Professional Accountants

RESPONSE

Acknowledged and agreed on behalf of **Rural Municipality of Armstrong**

Reeve

Councillor