

Consolidated Financial Statements of

**RURAL MUNICIPALITY OF KINKORA**

Period ended March 31, 2019



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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF COUNCIL OF RURAL MUNICIPALITY OF KINKORA**

#### **Qualified Opinion**

We have audited the accompanying financial statements of Rural Municipality of Kinkora (the Municipality), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of operations, the consolidated statement of changes in net financial debt, and the consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2019, and its results of operations, its change in net debt, and its cash flows for the period then ended in accordance with Canadian public sector accounting standards.

#### **Basis for Qualified Opinion**

The Municipality derives revenue from community bingo activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these bingo revenues was limited to the amounts recorded in the records of the Municipality. Therefore, we were not able to determine whether any adjustments might be necessary to bingo revenues, annual surplus, and cash flows from operations for the period ended March 31, 2019, financial assets and accumulated surplus as at March 31, 2019.

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 Consolidated Financial Statements section of our report. We are independent of the Municipality 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 qualified audit 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 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 the Municipality'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 Municipality'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 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 auditor's report. However, future events or conditions may cause the Municipality 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Municipality's audit. We remain solely responsible for our audit opinion.

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.

*BDO Canada LLP*

Chartered Professional Accountants

Summerside, Prince Edward Island  
November 13, 2019

# RURAL MUNICIPALITY OF KINKORA

## Consolidated Statement of Financial Position

March 31, 2019, with comparative figures for December 31, 2017 (Note 11)

	2019	2017
<b>Financial Assets</b>		
Cash	\$ 112,541	\$ 57,675
Deposit account	100,000	150,581
Accounts receivable (note 2)	122,919	1,111,599
	<u>335,460</u>	<u>1,319,855</u>
<b>Liabilities</b>		
Bank indebtedness (note 3)	75,000	130,000
Demand loan - new subdivision (note 4)	76,784	76,784
Accounts payable and accrued liabilities (note 5)	28,995	1,348,146
Deferred revenue	94,993	75,000
Long-term debt (note 6)	956,921	747,703
	<u>1,232,693</u>	<u>2,377,633</u>
Net financial debt	(897,233)	(1,057,778)
<b>Non-financial Assets</b>		
Inventory	416,457	416,202
Tangible capital assets (Schedule 5)	4,384,845	4,570,274
	<u>4,801,302</u>	<u>4,986,476</u>
Accumulated surplus (note 8)	\$ 3,904,069	\$ 3,928,698

The accompanying notes are an integral part of these consolidated financial statements.

On Behalf of the Council:

\_\_\_\_\_ Councilor

\_\_\_\_\_ Councilor

# RURAL MUNICIPALITY OF KINKORA

## Consolidated Statement of Operations

Period ended March 31, 2019, with comparative figures for December 31, 2017 (Note 11)

	Budget (note 10)	2019	2017
<b>Revenue:</b>			
Municipal property tax	\$ 125,844	\$ 128,937	\$ 96,445
Kinkora Sewage Collection and Treatment Corporation (Schedule 1)	119,958	103,343	73,997
Fire department (Schedule 2) Complex (Schedule 3)	214,893	214,444	172,373
Government transfers for operations (note 9)	55,000	35,208	56,035
Licenses, permits and dog registrations	62,133	57,727	59,695
Kinkora and Area Business Commission Inc.	500	1,930	350
Donations and other	-	(8,729)	2,699
Black fly program	24,300	12,628	3,633
	3,000	1,670	1,994
	605,628	547,158	467,221
<b>Expenses:</b>			
Kinkora Sewage Collection and Treatment Corporation (Schedule 1)	51,704	107,311	67,826
Fire department (Schedule 2) Complex (Schedule 3)	118,910	203,966	155,534
Administrative (Schedule 4) Recreation (Schedule 4)	155,459	201,861	164,954
	122,136	163,060	131,748
	1,000	486	546
	449,209	676,684	520,608
	156,419	(129,526)	(53,387)
<b>Other:</b>			
Government transfers for capital (note 9)	-	104,897	1,266,757
Annual surplus	156,419	(24,629)	1,213,370
Accumulated surplus, beginning of period	3,928,698	3,928,698	2,715,328
Accumulated surplus, end of period	\$ 4,085,117	\$ 3,904,069	\$ 3,928,698

The accompanying notes are an integral part of these consolidated financial statements.

# RURAL MUNICIPALITY OF KINKORA

## Consolidated Statement of Change in Net Financial Debt

Period ended March 31, 2019, with comparative figures for December 31, 2017 (Note 11)

	2019	2017
Annual surplus	\$ (24,629)	\$ 1,213,370
Acquisition of tangible capital assets	(28,297)	(1,601,388)
Amortization of tangible capital assets	213,726	175,018
	185,429	(1,426,370)
Change in inventory	(255)	8,133
Acquisition of prepaid expenses	-	583
	(255)	8,716
Decrease (increase) in net financial assets	160,545	(204,284)
Net financial debt, beginning of period	(1,057,778)	(853,494)
Net financial debt, end of period	\$ (897,233)	\$ (1,057,778)

The accompanying notes are an integral part of these consolidated financial statements.

# RURAL MUNICIPALITY OF KINKORA

## Consolidated Statement of Cash Flows

Period ended March 31, 2019, with comparative figures for December 31, 2017 (Note 11)

	2019	2017
Operating activities:		
Cash received from property owners and grants	\$ 526,024	\$ 512,204
Cash paid to suppliers and employees	(443,050)	(307,509)
Interest paid	(58,617)	(30,620)
	24,357	174,075
Cash flows from capital activities:		
Purchase of tangible capital assets	(28,297)	(1,601,388)
Government transfers for capital	104,897	1,266,757
Change in capital receivable and payables	(250,890)	248,650
	(174,290)	(85,981)
Cash flows from financing activities:		
Proceeds from (repayment of) bridge financing	(85,000)	85,000
Proceeds from long-term debt	325,000	-
Repayment of long-term debt	(115,782)	(160,174)
	124,218	(75,174)
Increase in cash position	(25,715)	12,920
Cash and cash equivalents, beginning of period	163,256	150,336
Cash and cash equivalents, end of period	\$ 137,541	\$ 163,256
Represented by:		
Cash	\$ 112,541	\$ 57,675
Deposit account	100,000	150,581
Bank indebtedness - general fund	(75,000)	(45,000)
	\$ 137,541	\$ 163,256

The accompanying notes are an integral part of these consolidated financial statements.



# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

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Year ended March 31, 2019

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### 1. Significant accounting policies:

(a) Management's responsibility for the financial statements:

The consolidated financial statements of the Rural Municipality of Kinkora ("the Municipality") are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards. The Rural Municipality of Kinkora is a municipality in the Province of Prince Edward Island and operates under the provisions of the Municipal Governments Act of Prince Edward Island. The Municipality provides municipal services such as sewer, fire protection, planning, parks, recreation and other general government services.

(b) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Municipal Council for the administration of their financial affairs and resources. Consolidated with the Municipality are the following:

Rural Municipality of Kinkora  
Kinkora Sewage Collections and Treatment Corporation  
Kinkora and Area Business Commission Inc.

Interdepartmental and organizational transactions and balances are eliminated

(c) Non-financial assets

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

(d) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

# RURAL MUNICIPALITY OF KINKORA

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 1. Significant accounting policies (continued):

Asset	Rate
Municipality:	
Buildings	40 years
Sidewalks	25 years
Fire trucks	15 years
Recreation equipment	15 years
Fire equipment	10 years
Furniture and equipment	5 years
Storm water system	25 years
Sewer Utility:	
Sewer system	83 1/3 years
Lagoon fence	83 1/3 years

### (e) Revenue recognition:

Property tax billings are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates set by the Municipality. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

Utility revenues are recognized when the significant risks and rewards of the service are transferred to the customer, which generally coincides with the time of billing, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

Revenues such as fire dues, complex, and rentals are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

(f) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(g) Financial instruments:

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

(h) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**2. Accounts receivable:**

	March 31, 2019	December 31 2017
Accounts receivable - general	\$ 73,291	\$ 3,694
Accounts receivable - general capital	2,240	463,253
Accounts receivable - sewer	47,388	20,300
Accounts receivable - sewer capital	-	624,352
	<u>\$ 122,919</u>	<u>\$ 1,111,599</u>

# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

### 3. Bank indebtedness:

The Municipality has established a bank operating line of credit for daily expenses of up to \$ 170,000 (2017- \$ 170,000), bearing interest at bank prime plus 0.5%. At year end \$ 75,000 (2017 - \$ 45,000) has been drawn upon this National Bank operating line of credit.

### 4. Demand loan - new subdivision:

The Municipality has a demand loan bearing interest at prime plus 0.5%. The interest is being paid by the Kinkora and Area Business Commission (KABC) and principal payments are being made on the loan as lots are sold by KABC.

### 5. Accounts payable and accrued liabilities:

	March 31, 2019	December 31, 2017
Accounts payable and accrued liabilities - general	\$ 25,998	\$ 10,358
Accounts payable and accrued liabilities - general capital	-	567,237
Accounts payable and accrued liabilities - sewer	2,997	1,533
Accounts payable and accrued liabilities - sewer capital	-	769,018
	\$ 28,995	\$ 1,348,146

# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

### 6. Long-term debt:

	March 31, 2019	December 31, 2017
National Bank of Canada, interest at 3.0%, payable in monthly installments of \$ 2,986 including interest, maturing in 2020, amortized to 2026	\$ 206,193	\$ 242,545
National Bank of Canada, interest at 3.75%, payable in monthly installments of \$ 1,208 including interest, maturing in 2027, amortized to 2033	155,740	166,225
National Bank of Canada, interest at 2.75%, payable in monthly installments of \$ 499 including interest, maturing in 2021, amortized to 2037	83,679	88,209
National Bank of Canada, interest at 3.15%, payable in monthly installments of \$ 763 including interest, maturing in 2021, amortized to 2025	50,188	59,461
National Bank of Canada, repaid during the year	-	6,368
National Bank of Canada, interest at 4.00%, payable in monthly installments of \$ 1,969 including interest, maturing in 2023, amortized to 2039	317,551	-
National Bank of Canada, interest at 3.81%, payable in semi-annual installments of \$ 10,201 including interest, maturing and amortized to 2024	83,643	100,228
National Bank of Canada, interest at 3.50%, payable in semi-annual installments of \$ 2,774 including interest, maturing in 2022, amortized to 2028	42,509	46,464
National Bank of Canada, interest at 2.85%, payable in monthly installments of \$ 1,453 including interest, maturing in and amortized to 2020	17,418	38,203
	<u>\$ 956,921</u>	<u>\$ 747,703</u>

# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

### 6. Long-term debt (continued):

The aggregate required regular principal repayments of long-term debt for each of the five years subsequent to March 31, 2019 are as follows: 2020 - \$ 100,135; 2021 - \$ 85,630; 2022 - \$ 88,637; 2023 - \$ 91,746; and 2024 - \$ 84,760.

### 7. Equity in tangible capital assets:

	March 31, 2019	December 31, 2017
Tangible capital assets (Schedule 5)	\$ 5,955,821	\$ 5,964,926
Accumulated amortization (Schedule 5)	(1,570,976)	(1,394,652)
Long term debt (note 6)	(956,921)	(747,703)
Bridge financing	-	(85,000)
	<u>\$ 3,427,924</u>	<u>\$ 3,737,571</u>

### 8. Accumulated surplus:

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	March 31, 2019	December 31, 2017
Unrestricted surplus (deficit)	\$ 58,147	\$ (123,066)
Gas Tax funding - unspent portion	101,945	4,528
Fire department - reserve	50,942	35,825
Kinkora and Area Business Commission Inc.	265,111	273,840
Equity in tangible capital assets	3,427,924	3,737,571
	<u>\$ 3,904,069</u>	<u>\$ 3,928,698</u>

# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

### 9. Government transfers:

	March 31, 2019	December 31, 2017
Government transfers for operations:		
Provincial equalization grant	\$ 57,934	\$ 48,444
Other operating grants	-	11,044
Municipal Capital Expenditure Grant	(207)	207
	<u>57,727</u>	<u>59,695</u>
Government transfer for capital general:		
Gas Tax funding	100,000	100,000
Municipal Capital Expenditure Grant	2,240	131,088
Atlantic Canada Opportunities Agency	-	79,152
Clean Water Wastewater Fund	2,657	332,165
Government transfer for capital sewer:		
Clean Water Wastewater Fund	-	624,352
	<u>104,897</u>	<u>1,266,757</u>
	<u>\$ 162,624</u>	<u>\$ 1,326,452</u>

### 10. Budget:

A reconciliation of the 2019 fiscal budget prepared by Council to the budget figures disclosed in the financial statements is as follows:

Rural Municipality of Kinkora budgeted annual surplus	\$ (131,000)
Add: debt principal repayment in administrative budget	123,182
Add: debt principal repayment in fire department budget	34,515
Add: debt principal repayment in sewer utilities budget	68,254
Add: reserve allocations in fire department budget	61,468
	<u>\$ 156,419</u>

### 11. Comparative figures:

The period ending March 31, 2019 relates to a 15-month period where as the comparative figures are based on a 12-month period ending December 31, 2017.

# RURAL MUNICIPALITY OF KINKORA

## Notes to Consolidated Financial Statements

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Year ended March 31, 2019

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### 12. Segmented information:

The Municipality is a diversified municipal government that provides a wide range of services to its residents. Distinguishable functional segments have been separately disclosed in the financial statements in the form of segmented information. The nature of segments and the activities they encompass are as follows:

#### Administration

General government revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to a specific segment.

#### Kinkora Sewage Collection and Treatment Corporation

Sewer utility, operating under a separate legal entity, responsible for processing and cleaning sewage in accordance with provincial standards.

#### Fire department

Revenues and expenses related to the operations of the Kinkora Fire Department.

#### Complex

Revenue and expenses related to the operations of the municipal complex.

#### Kinkora and Area Business Commission Inc.

Business commission, operating under a separate legal entity, responsible for the planning and economic development of the Municipality.

The accounting policies of the segments are the same as those described in Note 1 Significant Accounting Policies. The revenues and expenses that are directly attributable to a particular segment are allocated directly to that segment.



# RURAL MUNICIPALITY OF KINKORA

## Schedule of Kinkora Sewage Collections and Treatment Corporation

Period ended March 31, 2019

Schedule 1

	Budget	March 31, 2019	December 31, 2017
<b>Revenue:</b>			
Sewer rate assessments	\$ 119,958	\$ 101,298	\$ 72,320
Interest	-	2,045	1,677
	119,958	103,343	73,997
<b>Expenses:</b>			
<b>Operating:</b>			
Electricity	2,746	4,011	2,197
Repairs and maintenance	16,675	14,314	8,318
<b>General:</b>			
Administrative expenses	9,156	8,804	7,325
Bank charges	1,411	1,170	1,035
Dues	-	89	1,103
Insurance	3,144	2,177	2,215
Office	2,268	1,920	1,531
Professional fees	6,824	5,419	3,876
Property taxes	-	681	548
<b>Other:</b>			
Amortization of tangible capital assets	-	40,380	32,246
Interest on long-term debt	9,480	28,346	7,432
	51,704	107,311	67,826
Government transfers for capital (note 9)	-	-	624,352
Excess of revenue over expenses (expenses over revenue)	\$ 68,254	\$ (3,968)	\$ 630,523

The accompanying notes are an integral part of these consolidated financial statements.

# RURAL MUNICIPALITY OF KINKORA

## Schedule of Fire Department Operations

Period ended March 31, 2019

Schedule 2

	Budget (note 10)	March 31, 2019	December 31, 2017
<b>Revenue:</b>			
Fire Dues - Kinkora	\$ 23,750	\$ 23,069	\$ 18,455
Fire dues - Kinkora and area fire district	171,143	171,090	132,350
Fire dues - other communities	20,000	20,069	15,870
Donations and other revenue	-	216	5,698
	<u>214,893</u>	<u>214,444</u>	<u>172,373</u>
<b>Expenses:</b>			
Advertising and special events	1,250	3,055	1,560
Amortization of tangible capital assets	-	63,559	50,216
Dues	1,250	3,879	1,096
Fuel	3,000	3,762	2,827
Honorariums	23,450	28,822	21,803
Insurance	7,835	12,474	6,991
Interest on long-term debt	10,525	10,525	9,678
Pager and radio rentals	3,100	3,216	4
Repairs, maintenance and supplies	36,200	33,851	23,722
Share of complex	13,000	16,957	12,143
Telephone and message centre	3,800	3,515	5,933
Training and travel	10,000	11,900	13,697
Wages and administrative expense	5,500	8,451	5,864
	<u>118,910</u>	<u>203,966</u>	<u>155,534</u>
Excess of revenues over expenses before other	95,983	10,478	16,839
Government transfers for operations	-	(207)	207
Government transfers for capital	-	1,329	196
<b>Excess of revenues over expenses</b>	<b>\$ 95,983</b>	<b>\$ 11,600</b>	<b>\$ 17,242</b>

The accompanying notes are an integral part of these consolidated financial statements.

# RURAL MUNICIPALITY OF KINKORA

Schedule of Complex

Period ended March 31, 2019

Schedule 3

	Budget (note 10)	March 31, 2019	December 31, 2017
<b>Revenue</b>			
Kanata Club	\$ 30,000	22,532	45,311
Special events	25,000	12,676	10,724
	55,000	35,208	56,035
<b>Expenses:</b>			
Amortization of tangible capital assets	-	58,264	51,337
Administrative salary	18,600	15,406	12,819
Contracted services	47,950	31,041	34,749
Electricity	35,602	39,071	25,497
Insurance	7,000	6,604	7,259
Interest on long-term debt	16,830	16,830	9,782
Manager salary	20,515	16,475	16,411
Professional fees	-	597	-
Property taxes	-	4,147	7,108
Repairs and maintenance	22,162	18,930	12,002
Sewer	1,460	1,915	1,380
Telephone and fax	3,840	3,288	1,648
Travel	-	10,085	-
	173,959	222,653	179,992
Less: allocated to user departments	(18,500)	(20,792)	(15,038)
	155,459	201,861	164,954
<b>Excess of expenses over revenue</b>	<b>\$ (100,459)</b>	<b>\$ (166,653)</b>	<b>\$ (108,919)</b>

The accompanying notes are an integral part of these consolidated financial statements.

# RURAL MUNICIPALITY OF KINKORA

## Schedule of Expenses

Period ended March 31, 2019

Schedule 4

	Budget (note 8)	March 31, 2019	December 31, 2017
<b>Administrative</b>			
Advertising and special events	\$ 9,900	\$ 7,934	\$ 5,223
Amortization of tangible capital assets	-	51,267	41,014
Black fly program	7,000	5,982	7,700
Dues and election expenses	3,700	2,584	1,072
Fire protection	23,750	23,069	18,455
Honorariums	4,462	3,150	4,461
Interest and bank charges	3,656	1,952	2,693
Library	300	1,710	300
Office and postage	8,000	6,521	3,548
Official plan	500	-	-
Professional fees	12,000	18,941	8,978
Property taxes	7,200	48	-
Scholarships and donations	1,000	906	1,088
Share of complex	5,500	3,835	2,895
Sidewalk maintenance	1,300	770	-
Street lighting	10,535	9,259	8,428
Travel and sundry	4,733	9,103	6,506
Wages and benefits	18,600	16,029	19,387
	<b>\$ 122,136</b>	<b>\$ 163,060</b>	<b>\$ 131,748</b>
<b>Recreation</b>			
Amortization of tangible capital assets	\$ -	\$ 256	\$ 205
Repairs and maintenance	500	-	-
Supplies and equipment	500	230	341
	<b>\$ 1,000</b>	<b>\$ 486</b>	<b>\$ 546</b>

The accompanying notes are an integral part of these consolidated financial statements.

# RURAL MUNICIPALITY OF KINKORA

## Schedule of Tangible Capital Assets

Period ended March 31, 2019

Schedule 5

	Cost		Additions	Disposals and Write-downs	Cost End of Period	Accumulated Amortization		Disposals and Write-downs	Accumulated Amortization End of Period	Book Value		
	Beginning of Period	End of Period				Beginning of Period	End of Period			Period Ended March 31, 2019	Period Ended December 31, 2017	
Community:												
Land	\$ 54,706	\$ 54,706	-	-	\$ 54,706	\$ -	-	\$ -	-	\$ 54,706	\$ 54,706	
Buildings	1,162,703	1,162,703	-	-	1,162,703	441,327	34,418	475,745	475,745	686,958	721,376	
Sidewalks	582,461	582,461	-	-	582,461	135,333	29,123	164,456	164,456	418,005	447,128	
Fire trucks	667,965	667,965	-	-	667,965	259,978	47,140	307,118	307,118	360,847	407,987	
Recreation equipment	3,072	6,722	3,650	-	6,722	1,436	256	1,692	1,692	5,030	1,636	
Fire equipment	199,584	183,784	14,624	(30,424)	183,784	146,468	16,419	132,463	132,463	51,321	53,116	
Furniture and equipment	138,216	136,426	5,188	(6,978)	136,426	85,225	23,846	102,093	102,093	34,333	52,991	
Storm water system	442,887	442,887	-	-	442,887	17,715	22,144	39,859	39,859	403,028	425,172	
Sewer utility:												
Land	26,200	26,200	-	-	26,200	-	-	-	-	26,200	26,200	
Sewer system	2,670,716	2,675,551	4,835	-	2,675,551	300,671	40,134	340,805	340,805	2,334,746	2,370,045	
Lagoon fence	16,416	16,416	-	-	16,416	6,499	246	6,745	6,745	9,671	9,917	
	\$ 5,964,926	\$ 5,955,821	\$ 28,297	\$ (37,402)	\$ 5,955,821	\$ 1,394,652	\$ 213,726	\$ 1,570,976	\$ 1,570,976	\$ 4,384,845	\$ 4,570,274	

The accompanying notes are an integral part of these consolidated financial statements.